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State of Minnesota

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HOUSE OF REPRESENTATIVES

Unofficial Engrossment

House Engrossment of a Senate File

NINETY-THIRD SESSION

S. F. No. 4097

- 04/08/2024 Companion to House File No. 4077. (Authors:Stephenson)
Read First Time and Sent for Comparison
- 04/09/2024 Substituted for H. F. No. 4077
Read for the Second Time
- 04/15/2024 Calendar for the Day, Amended
Read Third Time as Amended
- 04/18/2024 Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
Senate refused to concur and a Conference Committee was appointed

- 1.1 A bill for an act
- 1.2 relating to commerce; adding, modifying, or eliminating provisions governing
- 1.3 consumer protection, monetary and financial institutions policy, insurance, and
- 1.4 telecommunications; modifying and authorizing certain on-sale liquor licenses;
- 1.5 making technical changes; requiring reports; establishing penalties; amending
- 1.6 Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2;
- 1.7 47.54, subdivisions 2, 6; 47.59, subdivision 3; 48.24, subdivision 2; 58.02,
- 1.8 subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05,
- 1.9 subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10,
- 1.10 subdivision 3; 58.115; 58.13, subdivision 1; 60A.201, by adding a subdivision;
- 1.11 65A.29, subdivisions 7, 8; 70A.05; 72A.20, subdivision 13; 80A.61; 80A.66;
- 1.12 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.095, subdivision 3; 82B.19,
- 1.13 subdivision 1; 115C.08, subdivision 2; 237.121; 237.19; 272.12; 325E.66,
- 1.14 subdivision 1; 325F.03; 325F.04; 325F.05; 325F.56, subdivision 2; 325F.62,
- 1.15 subdivision 3; 340A.404, subdivisions 1, 2, 6; 429.021, subdivision 1; 471.6161,
- 1.16 subdivision 8; 471.617, subdivision 2; 507.235, subdivisions 1a, 5; 513.73,
- 1.17 subdivision 3; 519.05; 550.37, subdivisions 2, 4, 6, 12a, 14, 20, 22, 23, by adding
- 1.18 subdivisions; 550.39; 559.21, subdivisions 2a, 4, by adding subdivisions; 559.211,
- 1.19 subdivision 1; 559.213; 563.01, subdivisions 3, 4, 8, 9, 10; 563.02, subdivision 2;
- 1.20 571.72, subdivisions 6, 8, 9, 10; 571.911; 571.914, subdivision 1; 571.92; 571.921;
- 1.21 571.922; 571.924, subdivision 1; 571.925; 571.927; 604.18, subdivision 1;
- 1.22 Minnesota Statutes 2023 Supplement, sections 47.59, subdivision 2; 53B.28,
- 1.23 subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 61A.031; 62Q.522,
- 1.24 subdivision 1; 62Q.523, subdivision 1; 80A.50; 239.791, subdivision 8; 325E.21,
- 1.25 subdivisions 1b, 11; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision
- 1.26 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; proposing
- 1.27 coding for new law in Minnesota Statutes, chapters 53B; 58; 60A; 62Q; 65A; 237;
- 1.28 325F; 332; 513; 550; proposing coding for new law as Minnesota Statutes, chapters
- 1.29 46A; 325O; 332C; 559A; repealing Minnesota Statutes 2022, sections 45.014;
- 1.30 58.08, subdivision 3; 82B.25; 239.791, subdivision 3; 332.3351; 559.201; 559.202;
- 1.31 Minnesota Statutes 2023 Supplement, sections 53B.58; 62Q.522, subdivisions 3,
- 1.32 4; 332.71, subdivision 8.

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

2.2

ARTICLE 1

2.3

CONSUMER PROTECTION

2.4 Section 1. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended
2.5 to read:

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

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

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

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

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

2.12 Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended
2.13 to read:

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

2.23 Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

2.24 **53B.29 EXEMPTIONS.**

2.25 This chapter does not apply to:

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

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

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

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

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

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

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

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

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

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

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

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

3.26 (7) a federally insured depository financial institution; bank holding company; office of
3.27 an international banking corporation; foreign bank that establishes a federal branch pursuant
3.28 to the International Bank Act, United States Code, title 12, section 3102, as amended or
3.29 recodified from time to time; corporation organized pursuant to the Bank Service Corporation
3.30 Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from
3.31 time to time; or corporation organized under the Edge Act, United States Code, title 12,
3.32 sections 611 to 633, as amended or recodified from time to time;

4.1 (8) electronic funds transfer of governmental benefits for a federal, state, county, or
4.2 governmental agency by a contractor on behalf of the United States or a department, agency,
4.3 or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or
4.4 instrumentality thereof;

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

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

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

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

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

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

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

4.26 (14) a payroll processing services provider; or

4.27 ~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the
4.28 exemption is in the public interest, and (ii) the regulation of the person is not necessary for
4.29 the purposes of this chapter.

5.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

5.2 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
5.3 **CORPORATE OFFERING REGISTRATION.**

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

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

5.9 (A) before the initial offer of a federal covered security in this state, all records that are
5.10 part of a federal registration statement filed with the Securities and Exchange Commission
5.11 under the Securities Act of 1933 and a consent to service of process complying with section
5.12 80A.88 signed by the issuer;

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

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

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

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

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

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

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

6.10 (2) **Availability.** Registration under this section is available only to the issuer of securities
6.11 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
6.12 The issuer must be organized under the laws of one of the states or possessions of the United
6.13 States. The securities offered must be exempt from registration under the Securities Act of
6.14 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

6.19 (B) an investment company;

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

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

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

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

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

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

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

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

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

7.27 **(4) Filing and effectiveness of registration statement.** A small corporate offering
7.28 registration statement must be filed with the administrator. If no stop order is in effect and
7.29 no proceeding is pending under section 80A.54, such registration statement shall become
7.30 effective automatically at the close of business on the 20th day after filing of the registration
7.31 statement or the last amendment of the registration statement or at such earlier time as the
7.32 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
7.33 other than by an affiliate of the issuer, all outstanding securities of the same class identified
7.34 in the small corporate offering registration statement as a security registered under this

8.1 chapter are considered to be registered while the small corporate offering registration
8.2 statement is effective. A small corporate offering registration statement is effective for one
8.3 year after its effective date or for any longer period designated in an order under this chapter.
8.4 A small corporate offering registration statement may be withdrawn only with the approval
8.5 of the administrator.

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

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

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

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

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

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

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

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

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

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

9.4 (d) Regulation A - Tier 2 filing requirements.

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

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

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

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

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

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

9.22 Sec. 5. Minnesota Statutes 2022, section 80A.61, is amended to read:

9.23 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**
9.24 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**
9.25 **REPRESENTATIVE.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11.23 Sec. 6. Minnesota Statutes 2022, section 80A.66, is amended to read:

11.24 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

11.25 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
11.26 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
11.27 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
11.28 minimum financial requirements for broker-dealers registered or required to be registered
11.29 under this chapter and investment advisers registered or required to be registered under this
11.30 chapter.

12.1 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
12.2 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
12.3 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
12.4 chapter and an investment adviser registered or required to be registered under this chapter
12.5 shall file such financial reports as are required by a rule adopted or order issued under this
12.6 chapter. If the information contained in a record filed under this subsection is or becomes
12.7 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
12.8 amendment.

12.9 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
12.10 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
12.11 U.S.C. Section 80b-22):

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

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

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

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

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

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

12.31 (3) **Required information.** The records and reports required to be maintained by an
12.32 investment adviser, which are subject to inspection by a representative of the administrator

13.1 at any time, shall include for each private fund advised by the investment adviser, a
13.2 description of:

13.3 (A) the amount of assets under management;

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

13.6 (C) counterparty credit risk exposure;

13.7 (D) trading and investment positions;

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

13.9 (F) types of assets held;

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

13.12 (H) trading practices; and

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

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

13.20 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be
13.21 registered under this chapter and of an investment adviser registered or required to be
13.22 registered under this chapter, including the records of a private fund described in paragraph
13.23 (d) and the records of investment advisers to private funds, are subject to such reasonable
13.24 periodic, special, or other audits or inspections by a representative of the administrator,
13.25 within or without this state, as the administrator considers necessary or appropriate in the
13.26 public interest and for the protection of investors. An audit or inspection may be made at
13.27 any time and without prior notice. The administrator may copy, and remove for audit or
13.28 inspection copies of, all records the administrator reasonably considers necessary or
13.29 appropriate to conduct the audit or inspection. The administrator may assess a reasonable
13.30 charge for conducting an audit or inspection under this subsection.

13.31 (f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
13.32 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the

14.1 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
14.2 under this chapter may require a broker-dealer or investment adviser that has custody of or
14.3 discretionary authority over funds or securities of a customer or client to obtain insurance
14.4 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
14.5 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
14.6 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
14.7 of security may not be required of a broker-dealer registered under this chapter whose net
14.8 capital exceeds, or of an investment adviser registered under this chapter whose minimum
14.9 financial requirements exceed, the amounts required by rule or order under this chapter.
14.10 The insurance, bond, or other satisfactory form of security must permit an action by a person
14.11 to enforce any liability on the insurance, bond, or other satisfactory form of security if
14.12 instituted within the time limitations in section 80A.76(j)(2).

14.13 (g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
14.14 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
14.15 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
14.16 customer except under the supervision of a broker-dealer and an investment adviser
14.17 representative may not have custody of funds or securities of a client except under the
14.18 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
14.19 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
14.20 regarding custody of funds or securities of a customer and on an investment adviser regarding
14.21 custody of securities or funds of a client.

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

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

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

14.32 Sec. 7. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

14.33 Subd. 3. **Escrow or impoundment of fees and other funds by commissioner.** If the
14.34 commissioner finds that the applicant has failed to demonstrate that adequate financial

15.1 arrangements have been made to fulfill obligations to provide real estate, improvements,
15.2 equipment, inventory, training or other items included in the offering, the commissioner
15.3 may by rule or order require the escrow ~~or~~, impoundment, or deferral of franchise fees and
15.4 other funds paid by the franchisee or subfranchisor until no later than the time of opening
15.5 of the franchise business.

15.6 Sec. 8. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

15.7 Subd. 26. **Standards of professional practice.** "Standards of professional practice"
15.8 means the version of the uniform standards of professional appraisal practice of the
15.9 ~~Appraiser~~ Appraisal Standards Board of the Appraisal Foundation in effect as of January
15.10 ~~1, 1991, or other version of these standards the commissioner may by order designate~~ on
15.11 the date the appraiser signs the appraisal report.

15.12 Sec. 9. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

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

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

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

15.22 Sec. 10. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

15.23 Subdivision 1. **License renewals.** ~~(a)~~ The commissioner must determine that a licensed
15.24 real estate appraiser has met the continuing education requirements of this chapter before
15.25 the commissioner renews a license. This determination must be based on, for a resident
15.26 appraiser, course completion records uploaded electronically in a manner prescribed by the
15.27 commissioner and, for a nonresident appraiser, course completion records presented by
15.28 electronic transmission or uploaded electronically in a manner prescribed by the
15.29 commissioner.

15.30 ~~The basic continuing education requirement for renewal of a license is the completion~~
15.31 ~~by the applicant either as a student or as an instructor, during the immediately preceding~~
15.32 ~~term of licensing, of at least 30 classroom hours of instruction in courses or seminars that~~

16.1 ~~have received the approval of the commissioner. Classroom hour credit must not be accepted~~
16.2 ~~for courses of less than two hours. As part of the continuing education requirements of this~~
16.3 ~~section, the commissioner must require that all real estate appraisers successfully complete~~
16.4 ~~the seven-hour national USPAP update course every two years. If the applicant's immediately~~
16.5 ~~preceding term of licensing consisted of six or more months, but fewer than 24 months, the~~
16.6 ~~applicant must provide evidence of completion of 15 hours of instruction during the license~~
16.7 ~~period. The credit hours required under this section may be credited to a person for distance~~
16.8 ~~education courses that meet Appraiser Qualifications Board criteria. An approved prelicense~~
16.9 ~~education course may be taken for continuing education credit.~~

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

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

16.13 Sec. 11. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

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

16.19 Sec. 12. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended
16.20 to read:

16.21 Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time
16.22 gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping
16.23 manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading
16.24 or shipping manifest must include the identity and the volume percentage or gallons of
16.25 oxygenate included in the gasoline, ~~and it must state: "This fuel contains an oxygenate. Do~~
16.26 ~~not blend this fuel with ethanol or with any other oxygenate."~~ For nonoxygenated gasoline,
16.27 the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in
16.28 Minnesota." This subdivision does not apply to sales or transfers of gasoline between
16.29 refineries, between terminals, or between a refinery and a terminal.

16.30 (b) A delivery ticket required under section 239.092 for biofuel blended with gasoline
16.31 must state the volume percentage of biofuel blended into gasoline delivered through a meter
16.32 into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14
16.33 and 16.

17.1 (c) On or before the 23rd day of each month, a person responsible for the product must
17.2 report to the department, in the form prescribed by the commissioner, the gross number of
17.3 gallons of intermediate blends sold at retail by the person during the preceding calendar
17.4 month. The report must identify the number of gallons by blend type. For purposes of this
17.5 subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel
17.6 content, exclusive of denaturants and other permitted components, is greater than ten percent
17.7 and no more than 50 percent by volume. This paragraph only applies to a person who is
17.8 responsible for selling intermediate blends at retail at more than ten locations. A person
17.9 responsible for the product at fewer than ten locations is not precluded from reporting the
17.10 gross number of intermediate blends if a report is available.

17.11 (d) All reports provided pursuant to paragraph (c) are nonpublic data, as defined in
17.12 section 13.02, subdivision 9.

17.13 Sec. 13. Minnesota Statutes 2022, section 272.12, is amended to read:

17.14 **272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.**

17.15 When:

17.16 (a) a deed or other instrument conveying land,

17.17 (b) a plat of any townsite or addition thereto,

17.18 (c) a survey required pursuant to section 508.47,

17.19 (d) a condominium plat subject to chapter 515 or 515A or a declaration that contains
17.20 such a plat, or

17.21 (e) a common interest community plat subject to chapter 515B or a declaration that
17.22 contains such a plat,

17.23 is presented to the county auditor for transfer, the auditor shall ascertain from the records
17.24 if there be taxes delinquent upon the land described therein, or if it has been sold for taxes.

17.25 An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale
17.26 describes real estate, and certificates of redemption from mortgage or lien foreclosure sales,
17.27 when the certificate of redemption encompasses real estate and is issued to a junior creditor,
17.28 are considered instruments conveying land for the purposes of this section and section
17.29 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment
17.30 of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of
17.31 the auditor's office, and note upon the instrument, over official signature, the words, "no
17.32 delinquent taxes and transfer entered," or, if the land described has been sold or assigned

18.1 to an actual purchaser for taxes, the words "paid by sale of land described within;" and,
18.2 unless such statement is made upon such instrument, the county recorder or the registrar of
18.3 titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates
18.4 of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from
18.5 mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents
18.6 evidencing the termination of a contract for deed as described in section 559.213, deeds of
18.7 distribution made by a personal representative in probate proceedings, transfer on death
18.8 deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies
18.9 of town or statutory city plats, in case the original plat filed in the office of the county
18.10 recorder has been lost or destroyed, and the instruments releasing, removing and discharging
18.11 reversionary and forfeiture provisions affecting title to land and instruments releasing,
18.12 removing or discharging easement rights in land or building or other restrictions, may be
18.13 recorded without such certificate; and, provided that instruments conveying land and, as
18.14 appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded
18.15 without such certificate as to the land covered by such easement; and provided further, that
18.16 any instrument granting an easement made in favor of any public utility or pipe line for
18.17 conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along,
18.18 across or under a tract of land may be recorded without such certificate as to the land covered
18.19 by such easement. Documents governing homeowners associations of condominiums,
18.20 townhouses, common interest ownership communities, and other planned unit developments
18.21 may be recorded without the auditor's certificate to the extent provided in section
18.22 515B.1-116(e).

18.23 A deed of distribution made by a personal representative in a probate proceeding, a
18.24 decree, or a judgment that conveys land shall be presented to the county auditor, who shall
18.25 transfer the land upon the books of the auditor's office and note upon the instrument, over
18.26 official signature, the words, "transfer entered", and the instrument may then be recorded.
18.27 A decree or judgment that affects title to land but does not convey land may be recorded
18.28 without presentation to the auditor.

18.29 A violation of this section by the county recorder or the registrar of titles shall be a gross
18.30 misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be
18.31 liable to the grantee of any instrument so recorded for the amount of any damages sustained.

18.32 When, as a condition to permitting the recording of deed or other instrument affecting
18.33 the title to real estate previously forfeited to the state under the provisions of sections 281.16
18.34 to 281.25, county officials, after such real estate has been purchased or repurchased, have
18.35 required the payment of taxes erroneously assumed to have accrued against such real estate

19.1 after forfeiture and before the date of purchase or repurchase, the sum required to be so paid
19.2 shall be refunded to the persons entitled thereto out of moneys in the funds in which the
19.3 sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section
19.4 279.02.

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

19.6 Sec. 14. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended
19.7 to read:

19.8 Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer,
19.9 including an agent, employee, or representative of the dealer, shall create a ~~permanent~~ record
19.10 written in English, using an electronic record program at the time of each purchase or
19.11 acquisition of scrap metal or a motor vehicle. The record must include:

19.12 (1) a complete and accurate account or description, including the weight if customarily
19.13 purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

19.14 (2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased
19.15 or acquired and a unique transaction identifier;

19.16 (3) a photocopy or electronic scan of the seller's proof of identification including the
19.17 identification number;

19.18 (4) the amount paid and the number of the check or electronic transfer used to purchase
19.19 or acquire the scrap metal or motor vehicle;

19.20 (5) the license plate number and description of the vehicle used by the person when
19.21 delivering the scrap metal or motor vehicle, including the vehicle make and model, and any
19.22 identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

19.23 (6) a statement signed by the seller, under penalty of perjury as provided in section
19.24 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
19.25 or encumbrances and the seller has the right to sell it;

19.26 (7) a copy of the receipt, which must include at least the following information: the name
19.27 and address of the dealer, the date and time the scrap metal or motor vehicle was received
19.28 by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount
19.29 paid for the scrap metal or motor vehicle; and

19.30 ~~(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification~~
19.31 ~~number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers,~~
19.32 ~~or other unique markings, whether resulting from the pilot project created under subdivision~~

20.1 ~~2b or some other source. The alternative number must be under a numbering system that~~
20.2 ~~can be immediately linked to the vehicle identification number by law enforcement; and~~
20.3 ~~(9) (8) the identity or identifier of the employee completing the transaction.~~

20.4 (b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall
20.5 at all reasonable times be open to the inspection of any properly identified law enforcement
20.6 officer.

20.7 (c) Except for the purchase or acquisition of detached catalytic converters or motor
20.8 vehicles, no record is required for property purchased or acquired from merchants,
20.9 manufacturers, salvage pools, insurance companies, rental car companies, financial
20.10 institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having
20.11 an established place of business, or of any goods purchased or acquired at open sale from
20.12 any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained
20.13 and kept by the person, which must be shown upon demand to any properly identified law
20.14 enforcement officer.

20.15 (d) The dealer must provide a copy of the receipt required under paragraph (a), clause
20.16 (7), to the seller in every transaction.

20.17 (e) The commissioner of public safety and law enforcement agencies in the jurisdiction
20.18 where a dealer is located may conduct inspections and audits as necessary to ensure
20.19 compliance, refer violations to the city or county attorney for criminal prosecution, and
20.20 notify the registrar of motor vehicles.

20.21 (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent,
20.22 employee, or representative may not disclose personal information concerning a customer
20.23 without the customer's consent unless the disclosure is required by law or made in response
20.24 to a request from a law enforcement agency. A scrap metal dealer must implement reasonable
20.25 safeguards to protect the security of the personal information and prevent unauthorized
20.26 access to or disclosure of the information. For purposes of this paragraph, "personal
20.27 information" is any individually identifiable information gathered in connection with a
20.28 record under paragraph (a).

20.29 Sec. 15. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 11, is amended
20.30 to read:

20.31 Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful
20.32 for a person to possess a used catalytic converter that is not attached to a motor vehicle
20.33 except when:

21.1 (1) the converter is marked with the date the converter was removed from the vehicle
21.2 and the identification number of the vehicle from which the converter was removed or ~~an~~
21.3 ~~alternative number to the vehicle identification number,~~ as an alternative to the vehicle
21.4 identification number, any numbers, bar codes, stickers, or other unique markings, whether
21.5 resulting from the pilot project created under subdivision 2b or some other source; or

21.6 (2) the converter has been EPA certified for reuse as a replacement part.

21.7 (b) If an alternative number to the vehicle identification number is used, it must be under
21.8 a numbering system that can be immediately linked to the vehicle identification number by
21.9 law enforcement. The marking of the vehicle identification or alternative number may be
21.10 made in any permanent manner, including but not limited to an engraving or use of permanent
21.11 ink. The marking must clearly and legibly indicate the date removed and the vehicle
21.12 identification number or the alternative number and the method by which law enforcement
21.13 can link the converter to the vehicle identification number.

21.14 Sec. 16. Minnesota Statutes 2022, section 325F.03, is amended to read:

21.15 **325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.**

21.16 No person, firm or corporation shall establish, maintain or operate any circus, side show,
21.17 carnival, tent show, theater, skating rink, dance hall, or a similar exhibition, production,
21.18 engagement or offering or other place of assemblage in or under which ~~ten~~ 15 or more
21.19 persons may gather for any lawful purpose in any tent, awning or other fabric enclosure
21.20 unless such tent, awning or other fabric enclosure, and all auxiliary tents, curtains, drops,
21.21 awnings and all decorative materials, are made from a nonflammable material or are treated
21.22 and maintained in a flame resistant condition. This section ~~shall~~ does not apply to tents
21.23 designed or manufactured for camping, backpacking, mountaineering, or children's play;
21.24 tents used to conduct committal services on the grounds of a cemetery; nor to tents, awnings
21.25 or other fabric enclosures erected and used within a sound stage, or other similar structural
21.26 enclosure which is equipped with an overhead automatic sprinkler system.

21.27 Sec. 17. Minnesota Statutes 2022, section 325F.04, is amended to read:

21.28 **325F.04 FLAME RESISTANT TENTS AND SLEEPING BAGS.**

21.29 No person, firm, or corporation may sell or offer for sale or manufacture for sale in this
21.30 state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent
21.31 are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or~~
21.32 ~~manufacture for sale in this state any sleeping bag unless it meets the standards of the~~

22.1 ~~commissioner of public safety for flame resistancy. Tents and sleeping bags~~ subject to
22.2 section 325F.03 shall be conspicuously labeled as being durably flame resistant.

22.3 Sec. 18. Minnesota Statutes 2022, section 325F.05, is amended to read:

22.4 **325F.05 RULES.**

22.5 The commissioner of public safety shall act so as to have effective rules concerning
22.6 standards for ~~nonflammable, flame resistant and durably flame resistant~~ and durably flame resistant materials and for
22.7 labeling requirements ~~by January 1, 1976~~ under sections 325F.03 and 325F.04. In order to
22.8 comply with sections 325F.03 and 325F.04 all materials and labels must comply with the
22.9 rules adopted by the commissioner. The commissioner has general rulemaking power to
22.10 otherwise implement sections 325F.03 to 325F.07.

22.11 Sec. 19. **[325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1-**
22.12 **DIFLUOROETHANE (DFE).**

22.13 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
22.14 the meanings given.

22.15 (b) "Aerosol duster" means a product used to clean electronics and other items by means
22.16 of an aerosol sprayed from a pressurized container.

22.17 (c) "Behind the counter" means placement by a retailer of a product to ensure that
22.18 customers do not have direct access to the product before a sale is made, requiring the seller
22.19 to deliver the product directly to the buyer.

22.20 (d) "DFE" or "1,1-difluoroethane" means a chemical with a Chemicals Abstract Service
22.21 Registry Number of 75-37-6.

22.22 Subd. 2. **Requirements for retail sale.** A retailer must only sell an aerosol duster that
22.23 contains DFE:

22.24 (1) from behind the counter;

22.25 (2) to a purchaser who presents valid evidence that the purchaser is at least 21 years of
22.26 age; and

22.27 (3) in a quantity that complies with the purchasing limit established in subdivision 3.

22.28 Subd. 3. **Purchasing limit.** A retailer is prohibited from selling more than three cans of
22.29 an aerosol duster containing DFE to a customer in a single transaction.

23.1 Subd. 4. **Exemption.** Subdivisions 2 and 3 do not apply to a business purchasing aerosol
23.2 dusters online.

23.3 Subd. 5. **Labeling.** (a) An aerosol duster containing DFE must not be sold in this state
23.4 unless the aerosol duster conforms to the labeling requirements established in this subdivision.

23.5 (b) The label on each can of aerosol duster containing DFE must contain the following,
23.6 placed within a red rectangle encompassing at least one-half of the area of the rear side of
23.7 the can:

23.8 (1) at the top left corner of the rectangle, the words "Inhalant Abuse Public Safety
23.9 Announcement" in red ink on a white background that covers one quarter of the rear side
23.10 of the can;

23.11 (2) below the words in clause (1), the words "DANGER: DEATH! Breathing this product
23.12 to get high can kill you" in white ink on a red background;

23.13 (3) at the top right corner of the rectangle, a skull and crossbones symbol in black ink
23.14 on a yellow background contained within a triangle, and the word "DANGER" in black ink
23.15 on a yellow background just below the triangle;

23.16 (4) below the symbol in clause (3), in black ink on a white background, the words:
23.17 "Abuse or Misuse" underlined, under which are the words "Danger: Can stop your heart
23.18 Caution: Can cut off air to your brain Warning: Can result in death";

23.19 (5) below the words in clause (4), a drawing of a person lying on the ground, in white
23.20 ink, within a red circle, on a white background, contained within a red triangle;

23.21 (6) below the triangle in clause (5), in white ink on a red background, the word
23.22 "WARNING," and, below that, "Risk of death when abused or misused";

23.23 (7) across the bottom of the rectangle, in black type on a white background, the words
23.24 "This product contains a bittering agent to help discourage inhalant abuse. The misuse and
23.25 abuse of this product by deliberately concentrating and inhaling the chemical contents
23.26 presents a serious health hazard and can result in fatality. Please use this product responsibly
23.27 as the product was intended."; and

23.28 (8) below the words in clause (7), two smaller versions of the skull and crossbones
23.29 symbols described in clause (3) on a white background, placed equidistant from the edges
23.30 of the red rectangle, and in between which, in red ink, is the website address
23.31 "www.inhalant.org."

24.1 (c) The safety symbols and color standards of the label described in this section must
24.2 conform with the ANSI Z535 safety signage standards guidelines established by the American
24.3 National Standards Institute.

24.4 Subd. 6. **Violations.** (a) A person who violates subdivision 2 or 3 is guilty of a
24.5 misdemeanor.

24.6 (b) It is an affirmative defense to a charge under subdivision 2, clause (2), if the defendant
24.7 proves by a preponderance of the evidence that the defendant reasonably and in good faith
24.8 relied on proof of age as described in section 340A.503, subdivision 6.

24.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
24.10 applies to purchases of aerosol dusters made on or after that date.

24.11 Sec. 20. Minnesota Statutes 2022, section 325F.56, subdivision 2, is amended to read:

24.12 Subd. 2. **Repairs.** "Repairs" means work performed for a total price of more than \$100
24.13 ~~and less than \$7,500~~, including the price of parts and materials, to restore a malfunctioning,
24.14 defective, or worn motor vehicle, appliance, or dwelling place used primarily for personal,
24.15 family, or household purposes and not primarily for business or agricultural purposes.
24.16 "Repairs" do not include service calls or estimates.

24.17 Sec. 21. Minnesota Statutes 2022, section 325F.62, subdivision 3, is amended to read:

24.18 Subd. 3. **Required notice to be displayed.** Each shop shall conspicuously display a
24.19 sign that states the following: "Upon a customer's request, this shop is required to provide
24.20 a written estimate for repairs costing more than \$100 ~~to \$7,500~~ if the shop agrees to perform
24.21 the repairs. The shop's final price cannot exceed its written estimate by more than ten percent
24.22 without the prior authorization of the customer. You must request that the estimate be in
24.23 writing. An oral estimate is not subject to the above repair cost limitations." If the shop
24.24 charges a fee for the storage or care of repaired motor vehicles or appliances, the shop shall
24.25 conspicuously display a sign that states the amount assessed for storage or care, when the
24.26 charge begins to accrue, and the interval of time between assessments."

24.27 Sec. 22. **[3250.01] CITATION.**

24.28 This chapter may be cited as the "Prohibiting Social Media Manipulation Act."

24.29 Sec. 23. **[3250.02] DEFINITIONS.**

24.30 (a) For purposes of this chapter, the following terms have the meanings given.

25.1 (b) "Accessible user interface" means a way for a user to input data, make a choice, or
25.2 take an action on a social media platform in two clicks or fewer.

25.3 (c) "Account holder" means a natural person or legal person who holds an account or
25.4 profile with a social media platform.

25.5 (d) "Account interactions" means any action that an account holder can make within a
25.6 social media platform that has an impact on another user. Account interactions include but
25.7 are not limited to:

25.8 (1) sending messages or invitations to users;

25.9 (2) reporting users;

25.10 (3) commenting on, resharing, liking, voting, or otherwise reacting to users' user-generated
25.11 content; and

25.12 (4) posting user-generated content or disseminating user-generated content to users.

25.13 Actions that have no impact on other users, including viewing user-generated content or
25.14 public content, are not account interactions.

25.15 (e) "Algorithmic ranking system" means a computational process, including one derived
25.16 from algorithmic decision making, machine learning, statistical analysis, or other data
25.17 processing or artificial intelligence techniques, used to determine the selection, order, relative
25.18 prioritization, or relative prominence of content from a set of information that is provided
25.19 to a user on a social media platform, including search results ranking, content
25.20 recommendations, content display, or any other automated content selection method.

25.21 (f) "Click" means an act of selecting an option on an electronic interface by pressing a
25.22 button, touching a screen, making a gesture, issuing a voice command, or other means.

25.23 (g) "Content" means any media, including but not limited to written posts, images, visual
25.24 or audio recordings, notifications, and games, that a user views, reads, watches, listens to,
25.25 or otherwise interacts or engages with on a social media platform. Content includes other
25.26 account holders' accounts or profiles when recommended to a user by the social media
25.27 platform.

25.28 (h) "Default" means a preselected option adopted by a social media platform for the
25.29 social media platform's service, product, or feature.

25.30 (i) "Device operating system provider" means a business that manages or develops
25.31 operating system software for mobile or desktop devices, including but not limited to personal
25.32 computers, smartphones, and tablets, which manage device resources and are loaded by a

26.1 boot program. Device operating system provider does not include a business that manages
26.2 or develops operating system software for a video game console, as defined by section
26.3 325E.72.

26.4 (j) "Engage" or "engagement" means a user's utilization of the social media platform.

26.5 (k) "Existing extended network" means a user's existing network plus the set of account
26.6 holders on a social media platform who are all directly connected to the account holders
26.7 within that user's existing network.

26.8 (l) "Existing network" means the set of account holders on a social media platform with
26.9 whom a user has consented to have a direct connection.

26.10 (m) "Expressed preferences" means a freely given, considered, specific, and unambiguous
26.11 indication of a user's preferences regarding the user's engagement with a social media
26.12 platform. Expressed preferences cannot be based on the user's time spent engaging with
26.13 content on the social media platform, nor on the usage of features that do not indicate explicit
26.14 preference, including comments made, posts reshared, or similar actions that may be taken
26.15 on content the user perceives to be of low quality. Expressed preferences may not be obtained
26.16 through a user interface designed or manipulated with the substantial effect of subverting
26.17 or impairing a user's decision making.

26.18 (n) "Optimize" means promoted, prioritized, or maximized by a social media platform's
26.19 algorithmic ranking system.

26.20 (o) "Social media platform" means an electronic medium, including a browser-based or
26.21 application-based interactive computer service, Internet website, telephone network, or data
26.22 network, that allows an account holder to create, share, and view user-generated content
26.23 for the predominant purpose of social interaction, sharing content, or personal networking.
26.24 Social media platform does not include:

26.25 (1) an Internet search provider;

26.26 (2) an Internet service provider;

26.27 (3) an email or short message service;

26.28 (4) a streaming service, online video game, or other Internet website where the content
26.29 is not user generated but where interactive functions enable chat, comments, reviews, or
26.30 other interactive functionality that is incidental to, directly related to, or dependent upon
26.31 provision of the content;

27.1 (5) a communication service, including text, audio, or video communication technology,
27.2 provided by a business to the business's employees and clients for use in the course of
27.3 business activities and not for public distribution, except that social media platform does
27.4 include a communication service provided by a social media platform;

27.5 (6) an advertising network with the sole function of delivering commercial content;

27.6 (7) a telecommunications carrier, as defined in United States Code, title 47, section 153;

27.7 (8) a broadband service, as defined by section 116J.39, subdivision 1;

27.8 (9) single-purpose community groups for education;

27.9 (10) teleconferencing or video-conferencing services that allow reception and transmission
27.10 of audio and video signals for real-time communication, except that social media platform
27.11 does include teleconferencing or video-conferencing services provided by a social media
27.12 platform;

27.13 (11) cloud computing services, which may include cloud storage and shared document
27.14 collaboration; or

27.15 (12) providing or obtaining technical support for a platform, product, or service.

27.16 (p) "Time sensitive" means content that is welcomed under a user's expressed preferences
27.17 and that would have significantly reduced value to the user with the passing of time.

27.18 (q) "User" means a natural person who is located in Minnesota and who holds an account
27.19 or profile with a social media platform.

27.20 (r) "User-generated content" means any content created by an account holder that is
27.21 uploaded, posted, shared, or disseminated on the social media platform.

27.22 (s) "Varied set of account holders" means a set of account holders who have different
27.23 behaviors and histories.

27.24 **Sec. 24. [3250.03] SCOPE; EXCLUSIONS.**

27.25 (a) A social media platform is subject to this chapter if the social media platform:

27.26 (1) does business in Minnesota or provides products or services that are targeted to
27.27 residents of Minnesota; and

27.28 (2) has more than 10,000 monthly active account holders located in Minnesota.

27.29 (b) For purposes of this chapter, a social media platform may determine whether an
27.30 account holder is located in Minnesota based on:

- 28.1 (1) the account holder's own supplied address or location;
28.2 (2) global positioning system-level latitude, longitude, or altitude coordinates;
28.3 (3) cellular phone system coordinates;
28.4 (4) Internet protocol device address; or
28.5 (5) other mechanisms that can be used to identify an account holder's location.

28.6 (c) This chapter applies exclusively to social media platform operations that directly
28.7 impact account holders reasonably presumed to be located within the state of Minnesota
28.8 based on the factors in paragraph (b).

28.9 **Sec. 25. [3250.04] REQUIREMENTS FOR SOCIAL MEDIA PLATFORMS.**

28.10 Subdivision 1. **Content optimization.** (a) A social media platform must provide an
28.11 accessible user interface that allows a user to clearly indicate whether a particular piece of
28.12 content:

- 28.13 (1) is of high or low quality; and
28.14 (2) complies with the user's expressed preferences.

28.15 (b) A social media platform's algorithmic ranking system must optimize content for a
28.16 user that:

- 28.17 (1) a varied set of account holders indicates is of high quality; and
28.18 (2) complies with a user's expressed preferences.

28.19 (c) A social media platform's algorithmic ranking system must not optimize content that
28.20 is not related to a user's expressed preferences in order to maximize the user's engagement
28.21 with the platform.

28.22 Subd. 2. **Account interaction limits.** (a) A social media platform must develop criteria
28.23 to designate an account holder who has recently created an account with or joined the social
28.24 platform as a new account holder. An account created within 30 days must be considered
28.25 a new account holder. For a new account holder, a social media platform must set daily
28.26 numerical limits on account interactions equivalent to the 50th percentile of all platform
28.27 account holders.

28.28 (b) For all account holders, a social media platform must set daily numerical limits on
28.29 account interactions equivalent to the two standard deviations above the median for all
28.30 platform account holders. A limit required under this paragraph may allow an account holder
28.31 to have account interactions in excess of the limit, but at a minimum must reduce the impact

29.1 of the engagement on other users. A limit may be exceeded for account interactions with
29.2 another user if the other user clearly initiates and welcomes the engagement.

29.3 Subd. 3. **Default privacy settings.** (a) A social media platform must provide default
29.4 settings for a user that do not:

29.5 (1) allow the user's account or the user's user-generated content to be discovered by
29.6 anyone outside the user's existing extended network;

29.7 (2) allow messaging, requests, reactions, comments, or other contact from an account
29.8 holder that is not already within the user's existing extended network, unless the user initiates
29.9 and welcomes the contact;

29.10 (3) reveal the user's location outside the user's existing network, unless the user
29.11 specifically shares the user's location outside the user's existing network;

29.12 (4) disseminate any information about the user, including the user's profile and any of
29.13 the user's user-generated content, to anyone outside of the user's existing network without
29.14 a specific request from the user to disseminate the information; or

29.15 (5) allow or facilitate a user's user-generated content, or any user's facial or biometric
29.16 data, to be incorporated into generative artificial intelligence models without the user's
29.17 explicit consent.

29.18 (b) The default settings required in paragraph (a) may be changed only to comply with
29.19 the user's expressed preferences. A social media platform must not utilize a system, user
29.20 interface, or prompt that encourages a user to change the user's privacy settings toward
29.21 allowing the user's information or user-generated content to be shared or disseminated more
29.22 broadly.

29.23 Subd. 4. **Option for heightened protection.** (a) A social media platform must provide
29.24 an accessible user interface to allow a user to opt in to any or all of the heightened protection
29.25 requirements under paragraph (d). A social media platform may make the heightened
29.26 protections the default settings for all users or all account holders.

29.27 (b) A device operating system provider must provide an option for a user to automatically
29.28 opt in to any or all of the heightened protection requirements under paragraph (d) across all
29.29 social media platforms managed by the operating system on the user's device. If a user
29.30 selects the option under this paragraph, the device operating system provider must inform
29.31 all social media platforms managed by the provider's operating system of the user's preference
29.32 and a notified social media platform must adjust the user's account settings accordingly. A

30.1 device operating system provider may provide a user the ability to opt out of any or all
30.2 heightened protections.

30.3 (c) A device operating system provider must, by default, consider any device with
30.4 parental controls enabled to have opted in to all the heightened protection requirements
30.5 under paragraph (d).

30.6 (d) For a user receiving heightened protections, a social media platform must not:

30.7 (1) use platform features that increase, sustain, or extend a user's engagement with the
30.8 platform beyond the user's expressed preferences regarding time or duration. Features subject
30.9 to this clause include but are not limited to:

30.10 (i) optimization for time spent or content consumed;

30.11 (ii) content feeds without finite endings;

30.12 (iii) autoplaying videos or other content; and

30.13 (iv) notifications that are not time sensitive; or

30.14 (2) provide any visible count showing how much engagement content that the user
30.15 viewed, consumed, or generated has received.

30.16 Subd. 5. **Transparency requirements.** (a) A social media platform must publicly post
30.17 the following information on the social media platform's website:

30.18 (1) an explanation of how the social media platform designates new account holders and
30.19 an explanation detailing the operation and effect of usage limits applicable to new account
30.20 holders under subdivision 2, paragraph (a);

30.21 (2) an explanation detailing the operation and effect of the usage limits required under
30.22 subdivision 2, paragraph (b);

30.23 (3) an explanation detailing how the platform:

30.24 (i) assesses users' perceptions of the quality of content;

30.25 (ii) assesses users' expressed preferences regarding content; and

30.26 (iii) utilizes the assessments under items (i) and (ii) in the social media platform's
30.27 algorithmic ranking system, including how the assessments are weighted in relation to other
30.28 signals in the algorithmic ranking system;

30.29 (4) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th,
30.30 99th, and 99.9th percentile of all platform account holders for each distinct type of account
30.31 interaction or engagement, including but not limited to:

- 31.1 (i) sending invitations or messages to other platform account holders;
- 31.2 (ii) commenting on, resharing, liking, voting for, or otherwise reacting to content;
- 31.3 (iii) posting new user-generated content;
- 31.4 (iv) disseminating user-generated content to other platform account holders; and
- 31.5 (v) time spent on the platform;
- 31.6 (5) an explanation of how the platform determines whether a notification is time sensitive;
- 31.7 (6) an explanation of how the platform determines what constitutes a "varied set of
- 31.8 account holders," including what behaviors are used as signals and how any measurement
- 31.9 of difference is created and used; and
- 31.10 (7) a description of all product experiments that have been conducted on 1,000 or more
- 31.11 users, including the results of the product experiments on users' engagement with content
- 31.12 that:
- 31.13 (i) users indicate to be high or low quality;
- 31.14 (ii) users indicate complies or does not comply with the users' expressed preferences;
- 31.15 and
- 31.16 (iii) violates platform policies.
- 31.17 (b) Additional steps taken by a social media platform to prevent abusive use beyond
- 31.18 what must be publicly disclosed under paragraph (a) are encouraged and may, but are not
- 31.19 required to, be publicly disclosed.
- 31.20 (c) When automatically delivering, suggesting, or selecting content to a user, a social
- 31.21 media platform must provide an accessible user interface to allow the user to access a basic,
- 31.22 nontechnical explanation detailing why a particular piece of content was promoted by the
- 31.23 platform's algorithmic ranking system.
- 31.24 **Sec. 26. [3250.05] ENFORCEMENT.**
- 31.25 The attorney general may bring a civil enforcement action and recover the relief provided
- 31.26 in section 8.31 against a social media platform that violates this chapter. Nothing in this
- 31.27 chapter establishes a private right of action, including under section 8.31, subdivision 3a,
- 31.28 for a violation of this chapter or any other law.

32.1 Sec. 27. [3250.06] SEVERABILITY.

32.2 If any provision of this chapter or the chapter's application to any person or circumstance
32.3 is held invalid for any reason in a court of competent jurisdiction, the remainder of the
32.4 chapter or the application of the provision to other persons or circumstances is not affected.

32.5 Sec. 28. Minnesota Statutes 2022, section 507.235, subdivision 1a, is amended to read:

32.6 Subd. 1a. **Requirements of vendor.** (a) A vendor entering into a contract for deed
32.7 involving residential real property must, contemporaneously with the execution of the
32.8 contract for deed:

32.9 ~~(1)~~ deliver to the vendee a copy of the contract for deed containing original signatures
32.10 in recordable form; ~~and,~~

32.11 ~~(2)~~ (b) Within four months of executing the contract for deed, the vendor must:

32.12 (1) pay, or reimburse the vendee for payment of, any delinquent taxes necessary for
32.13 recordation of the contract for deed, unless the contract for deed provides for the vendee to
32.14 pay the delinquent taxes; and

32.15 (2) record the contract for deed in the office of the county recorder or registrar of titles
32.16 in the county in which the land is located.

32.17 (c) The following statement included in a contract for deed for other than residential
32.18 real property constitutes prima facie evidence that this subdivision does not apply: "The
32.19 property is not residential real property."

32.20 (d) If the contract for deed is not in recordable form, within four months of the execution
32.21 of the contract for deed the vendor must make a good faith effort to correct the defects that
32.22 rendered the contract unrecordable. A good faith effort includes but is not limited to
32.23 determining the reason or reasons the contract was not in recordable form, and revising and,
32.24 if necessary, having all parties reexecute the contract to render it in recordable form. The
32.25 vendee must, in good faith, cooperate with the vendor to the extent that cooperation is
32.26 necessary to correct the defects.

32.27 ~~(b)~~ (e) For purposes of this subdivision:

32.28 (1) "contract for deed" means an executory contract for the conveyance of residential
32.29 real property under which the seller provides financing for the purchase of the residential
32.30 real property and under which the purchaser does or has a right to go into possession.

32.31 Contract for deed does not include:

32.32 (i) a purchase agreement;

33.1 (ii) an earnest money contract;

33.2 (iii) an exercised option or a lease, including a lease with an option to purchase; or

33.3 (iv) a mortgage, as defined in section 287.01; and

33.4 (2) "residential real property" means real property ~~occupied, or intended to be occupied,~~
33.5 ~~by one to four families, if the purchaser intends to occupy the real property.~~ consisting of
33.6 one to four family dwelling units, one of which is intended to be occupied as the principal
33.7 place of residence by:

33.8 (i) the purchaser;

33.9 (ii) if the purchaser is an entity, the natural person who is the majority or controlling
33.10 owner of the entity; or

33.11 (iii) if the purchaser is a trust, the settlor of the trust.

33.12 Residential real property does not include ~~property subject to a family farm security loan~~
33.13 ~~or~~ a transaction subject to sections 583.20 to 583.32.

33.14 (f) The performance of the obligations by the vendor required under this subdivision
33.15 satisfies any of the obligations of the original vendee, as required under subdivision 1.

33.16 (g) The requirements of this subdivision may not be waived or altered by any provision
33.17 in a contract for deed. A provision in a contract for deed to the contrary is void and
33.18 unenforceable.

33.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts
33.20 for deed executed by all parties on or after that date.

33.21 Sec. 29. Minnesota Statutes 2022, section 507.235, subdivision 5, is amended to read:

33.22 Subd. 5. **Civil enforcement.** (a) A city in which the land is located or, if the land is not
33.23 located within a city, the county in which the land is located, may enforce the provisions
33.24 of this section. The city or county may bring an action to compel the recording of a contract
33.25 for deed or any assignments of a contract for deed, an action to impose the civil penalty, or
33.26 an action to compel disclosure of information.

33.27 (b) Prior to bringing an action under this subdivision to compel recording or to impose
33.28 the penalty, ~~or an action under subdivision 4,~~ the city or county must provide written notice
33.29 to the person, subject to subdivision 1, of the person's duty to record the contract for deed
33.30 or the assignment. If the person so notified fails to record the contract for deed or assignment
33.31 documents within 14 days of receipt of the notice, an action may be brought.

34.1 (c) It is an affirmative defense in an enforcement action under this section that the contract
34.2 for deed or assignment document is not recordable, or that section 272.121 prohibits the
34.3 recording of the contract for deed or assignment, and that the defendant has provided to the
34.4 city or county attorney true and correct copies of the documents within 14 days after receipt
34.5 of the notice.

34.6 (d) In an action brought under this subdivision, the city or county attorney may recover
34.7 costs and disbursements, including reasonable attorney fees.

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

34.9 Sec. 30. Minnesota Statutes 2022, section 513.73, subdivision 3, is amended to read:

34.10 Subd. 3. **Private transfer fee.** "Private transfer fee" means a fee or charge required by
34.11 a private transfer fee obligation and payable upon the transfer of an interest in real property,
34.12 or payable for the right to make or accept the transfer, regardless of whether the fee or
34.13 charge is a fixed amount or is determined as a percentage of the value of the property, the
34.14 purchase price, or other consideration given for the transfer. The following are not private
34.15 transfer fees for purposes of this section:

34.16 (1) consideration payable by the grantee to the grantor for the interest in real property
34.17 being transferred, including any subsequent additional consideration for the property payable
34.18 by the grantee based upon any subsequent appreciation, development, or sale of the property,
34.19 provided that the additional consideration is payable on a onetime basis only, and the
34.20 obligation to make the payment does not bind successors in title to the property. For the
34.21 purposes of this clause, an interest in real property may include a separate mineral estate
34.22 and its appurtenant surface access rights;

34.23 (2) commission payable to a licensed real estate broker for the transfer of real property
34.24 pursuant to an agreement between the broker and the grantor or the grantee, including any
34.25 subsequent additional commission for that transfer payable by the grantor or the grantee
34.26 based upon any subsequent appreciation, development, or sale of the property;

34.27 (3) interest, charges, fees, or other amounts payable by a borrower to a lender pursuant
34.28 to a loan secured by a mortgage against real property, including but not limited to a fee
34.29 payable to the lender for consenting to an assumption of the loan or a transfer of the real
34.30 property subject to the mortgage, fees, or charges payable to the lender for estoppel letters
34.31 or certificates, and shared appreciation interest or profit participation or other consideration
34.32 and payable to the lender in connection with the loan;

35.1 (4) rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor
35.2 under a lease, including but not limited to a fee payable to the lessor for consenting to an
35.3 assignment, subletting, encumbrance, or transfer of the lease;

35.4 (5) consideration payable to the holder of an option to purchase an interest in real property
35.5 or the holder of a right of first refusal or first offer to purchase an interest in real property
35.6 for waiving, releasing, or not exercising the option or right upon the transfer of the property
35.7 to another person;

35.8 ~~(6) consideration payable by a contract for deed vendee to the vendor pursuant to the~~
35.9 ~~terms of a recorded contract for deed, including any subsequent additional consideration~~
35.10 ~~for the property payable by the vendee based upon any subsequent appreciation, development,~~
35.11 ~~or sale of the property;~~

35.12 ~~(7)~~ (6) a tax, fee, charge, assessment, fine, or other amount payable to or imposed by a
35.13 governmental authority;

35.14 ~~(8)~~ (7) a fee, charge, assessment, fine, or other amount payable to a homeowner's
35.15 condominium, cooperative, mobile home, or property owner's association pursuant to a
35.16 declaration or covenant or law applicable to the association, including but not limited to
35.17 fees or charges payable for estoppel letters or certificates issued by the association or its
35.18 authorized agent;

35.19 ~~(9)~~ (8) a fee, a charge, an assessment, dues, a contribution, or other amount pertaining
35.20 to the purchase or transfer of a club membership relating to real property owned by the
35.21 member, including but not limited to any amount determined by reference to the value,
35.22 purchase price, or other consideration given for the transfer of the real property; and

35.23 ~~(10)~~ (9) a mortgage from the purchaser of real property granted to the seller or to a
35.24 licensed real estate broker.

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

35.26 Sec. 31. Minnesota Statutes 2022, section 559.21, subdivision 2a, is amended to read:

35.27 Subd. 2a. **For post 7/31/1985 contract.** If a default occurs in the conditions of a contract
35.28 for the conveyance of real estate or an interest in real estate executed on or after August 1,
35.29 1985, that gives the seller a right to terminate it, the seller may terminate the contract by
35.30 serving upon the purchaser or the purchaser's personal representatives or assigns, within or
35.31 outside of the state, a notice specifying the conditions in which default has been made. The
35.32 notice must state that the contract will terminate 60 days, or a shorter period allowed or a

36.1 longer period required in subdivision 4, after the service of the notice, unless prior to the
36.2 termination date the purchaser:

36.3 (1) complies with the conditions in default;

36.4 (2) makes all payments due and owing to the seller under the contract through the date
36.5 that payment is made;

36.6 (3) pays the costs of service of the notice, including the reasonable costs of service by
36.7 sheriff, public officer, or private process server; except payment of costs of service is not
36.8 required unless the seller notifies the purchaser of the actual costs of service by certified
36.9 mail to the purchaser's last known address at least ten days prior to the date of termination;

36.10 (4) except for earnest money contracts, purchase agreements, and exercised options,
36.11 pays two percent of any amount in default at the time of service, not including the final
36.12 balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by
36.13 the purchaser; and

36.14 (5) if the contract for deed is executed on or after August 1, 2024, pays an amount to
36.15 apply on attorney fees actually expended or incurred of \$1,000; if the contract is executed
36.16 on or after August 1, 1999, and before August 1, 2024, pays an amount to apply on attorneys'
36.17 attorney fees actually expended or incurred, of \$250 if the amount in default is less than
36.18 \$1,000, and of \$500 if the amount in default is \$1,000 or more; or if the contract is executed
36.19 before August 1, 1999, pays an amount to apply on attorneys' attorney fees actually expended
36.20 or incurred, of \$125 if the amount in default is less than \$750, and of \$250 if the amount in
36.21 default is \$750 or more; except that no amount for attorneys' fees is required to be paid
36.22 unless some part of the conditions of default has existed for at least 30 days prior to the date
36.23 of service of the notice.

36.24 **EFFECTIVE DATE.** This section is effective August 1, 2024.

36.25 Sec. 32. Minnesota Statutes 2022, section 559.21, subdivision 4, is amended to read:

36.26 Subd. 4. **Law prevails over contract; procedure; conditions.** (a) The notice required
36.27 by this section must be given notwithstanding any provisions in the contract to the contrary,
36.28 except that (1) earnest money contracts, purchase agreements, and exercised options that
36.29 are subject to this section may, unless by their terms they provide for a longer termination
36.30 period, be terminated on 30 days' notice, or may be canceled under section 559.217 and (2)
36.31 contracts for deed executed by an investor seller shall be terminated on 90 days' notice. The
36.32 notice must be served within the state in the same manner as a summons in the district court,
36.33 and outside of the state, in the same manner, and without securing any sheriff's return of

37.1 not found, making any preliminary affidavit, mailing a copy of the notice or doing any other
37.2 preliminary act or thing whatsoever. Service of the notice outside of the state may be proved
37.3 by the affidavit of the person making the same, made before an authorized officer having
37.4 a seal, and within the state by such an affidavit or by the return of the sheriff of any county
37.5 therein.

37.6 (b) If a person to be served is a resident individual who has departed from the state, or
37.7 cannot be found in the state; or is a nonresident individual or a foreign corporation,
37.8 partnership, or association, service may be made by publication as provided in this paragraph.
37.9 Three weeks' published notice has the same effect as personal service of the notice. The
37.10 published notice must comply with subdivision 3 and state (1) that the person to be served
37.11 is allowed 90 days after the first date of publication of the notice to comply with the
37.12 conditions of the contract, and (2) that the contract will terminate 90 days after the first date
37.13 of publication of the notice, unless before the termination date the purchaser complies with
37.14 the notice. If the real estate described in the contract is actually occupied, then, in addition
37.15 to publication, a person in possession must be personally served, in like manner as the
37.16 service of a summons in a civil action in state district court, within 30 days after the first
37.17 date of publication of the notice. If an address of a person to be served is known, then within
37.18 30 days after the first date of publication of the notice a copy of the notice must be mailed
37.19 to the person's last known address by first class mail, postage prepaid.

37.20 (c) The contract is reinstated if, within the time mentioned, the person served:

37.21 (1) complies with the conditions in default;

37.22 (2) if subdivision 1d or 2a applies, makes all payments due and owing to the seller under
37.23 the contract through the date that payment is made;

37.24 (3) pays the costs of service as provided in subdivision 1b, 1c, 1d, or 2a;

37.25 (4) if subdivision 2a applies, pays two percent of the amount in default, not including
37.26 the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are
37.27 assumed by the purchaser; and

37.28 (5) pays attorneys' fees as provided in subdivision 1b, 1c, 1d, or 2a.

37.29 (d) The contract is terminated if the provisions of paragraph (c) are not met.

37.30 (e) In the event that the notice was not signed by an attorney for the seller and the seller
37.31 is not present in the state, or cannot be found in the state, then compliance with the conditions
37.32 specified in the notice may be made by paying to the court administrator of the district court
37.33 in the county wherein the real estate or any part thereof is situated any money due and filing

38.1 proof of compliance with other defaults specified, and the court administrator of the district
38.2 court shall be deemed the agent of the seller for such purposes. A copy of the notice with
38.3 proof of service thereof, and the affidavit of the seller, the seller's agent or attorney, showing
38.4 that the purchaser has not complied with the terms of the notice, may be recorded with the
38.5 county recorder or registrar of titles, and is prima facie evidence of the facts stated in it; but
38.6 this section in no case applies to contracts for the sale or conveyance of lands situated in
38.7 another state or in a foreign country. If the notice is served by publication, the affidavit must
38.8 state that the affiant believes that the party to be served is not a resident of the state, or
38.9 cannot be found in the state, and either that the affiant has mailed a copy of the notice by
38.10 first class mail, postage prepaid, to the party's last known address, or that such address is
38.11 not known to the affiant.

38.12 (f) No notice under this section may be given for a contract for deed executed by an
38.13 investor seller unless, at least 30 days prior to the service of the notice, some part of the
38.14 conditions of default has existed and the investor seller has notified the purchaser of the
38.15 conditions of default by certified mail to the purchaser's last known address.

38.16 (g) For purposes of this subdivision, "investor seller" has the meaning given in section
38.17 559A.01, subdivision 5.

38.18 **EFFECTIVE DATE.** This section is effective August 1, 2024.

38.19 Sec. 33. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to
38.20 read:

38.21 **Subd. 4a. Termination prohibited for certain transfers regarding residential real**
38.22 **property.** (a) Notwithstanding any provisions in a contract for deed to the contrary, the
38.23 notice under this section may not be given and no other remedies may be exercised for any
38.24 contract for deed based on any of the following transfers:

38.25 (1) a transfer on death deed conveying or assigning the deceased purchaser's interest in
38.26 the property to a grantee beneficiary;

38.27 (2) a transfer by devise, descent, or operation of law on the death of a joint tenant occurs;

38.28 (3) a transfer by which the spouse or a child of the purchaser becomes an owner of the
38.29 property;

38.30 (4) a transfer resulting from a decree of a dissolution of marriage, legal separation
38.31 agreement, or from an incidental property settlement agreement, by which the spouse of
38.32 the purchaser becomes an owner of the property; or

39.1 (5) a transfer into an inter vivos trust by which the purchaser is and remains a beneficiary
39.2 and that does not relate to a transfer of rights of occupancy in the property.

39.3 (b) For the purposes of this subdivision, "contract for deed" has the meaning given in
39.4 section 507.235, subdivision 1a, paragraph (e).

39.5 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts
39.6 for deed executed by all parties on or after that date.

39.7 Sec. 34. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to
39.8 read:

39.9 Subd. 4b. **Termination prohibited if vendor fails to record contracts for deed**
39.10 **involving residential real property.** (a) Notwithstanding subdivision 2a or any provision
39.11 to the contrary in a contract for deed, a vendor may not terminate a contract for deed under
39.12 this section if the contract has not been recorded as required under section 507.235,
39.13 subdivision 1a, paragraph (b), and the vendor has failed to make a good faith effort to record
39.14 the contract as provided under section 507.235, subdivision 1a, paragraph (d).

39.15 (b) Nothing contained in this subdivision prohibits judicial termination of a contract for
39.16 deed.

39.17 (c) For the purposes of this subdivision, "contract for deed" has the meaning given in
39.18 section 507.235, subdivision 1a, paragraph (e).

39.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts
39.20 for deed executed by all parties on or after that date.

39.21 Sec. 35. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to
39.22 read:

39.23 Subd. 9. **Affidavit of seller constituting prima facie evidence.** In any instance where
39.24 the copy of the notice of default, proof of service of the notice, and an affidavit showing
39.25 that the purchaser has not complied with the terms of the notice have been or may be
39.26 recorded, an affidavit of the seller, the seller's agent, or the attorney verified by a person
39.27 having knowledge of the facts and attesting that the seller is not an investor seller or that
39.28 the seller has complied with the requirements of subdivision 4, paragraph (f), may be recorded
39.29 with the county recorder or registrar of titles and is prima facie evidence of the facts stated
39.30 in the affidavit.

39.31 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts
39.32 for deed executed by all parties on or after that date.

40.1 Sec. 36. Minnesota Statutes 2022, section 559.211, subdivision 1, is amended to read:

40.2 Subdivision 1. **Order; proceedings; security.** (a) In an action arising under or in relation
40.3 to a contract for the conveyance of real estate or any interest therein, the district court,
40.4 notwithstanding the service or publication pursuant to the provisions of section 559.21 of
40.5 a notice of termination of the contract, has the authority at any time prior to the effective
40.6 date of termination of the contract and subject to the requirements of rule 65 of the Rules
40.7 of Civil Procedure for the District Courts to enter an order temporarily restraining or enjoining
40.8 further proceedings to effectuate the termination of the contract, including recording of the
40.9 notice of termination with proof of service, recording of an affidavit showing noncompliance
40.10 with the terms of the notice, taking any action to recover possession of the real estate, or
40.11 otherwise interfering with the purchaser's lawful use of the real estate. In the action, the
40.12 purchaser may plead affirmatively any matter that would constitute a defense to an action
40.13 to terminate the contract.

40.14 (b) Upon a motion for a temporary restraining order the court has the discretion,
40.15 notwithstanding any rule of court to the contrary, to grant the order without requiring the
40.16 giving of any security or undertaking, and in exercising that discretion, the court shall
40.17 consider, as one factor, the moving party's ability to afford monetary security. Upon a motion
40.18 for a temporary injunction, the court shall condition the granting of the order either upon
40.19 the tender to the court or vendor of installments as they become due under the contract or
40.20 upon the giving of other security in a sum as the court deems proper. Upon written
40.21 application, the court may disburse from payments tendered to the court an amount the court
40.22 determines necessary to insure the timely payment of property taxes, property insurance,
40.23 installments of special assessments, mortgage installments, prior contract for deed
40.24 installments or other similar expenses directly affecting the real estate, or for any other
40.25 purpose the court deems just.

40.26 (c) If a temporary restraining order or injunction is granted pursuant to this subdivision,
40.27 the contract shall not terminate until the expiration of 15 days after the entry of the order
40.28 or decision dissolving or modifying the temporary restraining order or injunction. If the
40.29 vendor has made an appearance and the restraining order or injunction is granted, the court
40.30 may award court filing fees, reasonable attorney fees, and costs of service to the purchaser.

40.31 (d) If the court subsequently grants permanent relief to the purchaser or determines by
40.32 final order or judgment that the notice of termination was invalid or the purchaser asserted
40.33 a valid defense, the purchaser is entitled to an order granting court filing fees, reasonable
40.34 attorney fees, and costs of service.

41.1 **EFFECTIVE DATE.** This section is effective August 1, 2024.

41.2 Sec. 37. Minnesota Statutes 2022, section 559.213, is amended to read:

41.3 **559.213 PRIMA FACIE EVIDENCE OF TERMINATION.**

41.4 The recording, heretofore or hereafter, of the copy of notice of default, proof of service
41.5 thereof, and the affidavit showing that the purchaser has not complied with the terms of the
41.6 notice, provided for by ~~Minnesota Statutes 1941~~, section 559.21, shall be prima facie evidence
41.7 that the contract referred to in such notice has been terminated. It is not necessary to pay
41.8 current or delinquent real estate taxes owed on the real property that is the subject of the
41.9 contract to record the documents required by this section, provided that the documents must
41.10 be first presented to the county auditor for entry upon the transfer record and must have
41.11 "Transfer Entered" noted in the documents over the county auditor's official signature.

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

41.13 Sec. 38. **[559A.01] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS**
41.14 **AND RESIDENTIAL REAL PROPERTY; DEFINITIONS.**

41.15 Subdivision 1. **Application.** The definitions in this section apply to sections 559A.01
41.16 to 559A.05.

41.17 Subd. 2. **Balloon payment.** "Balloon payment" means a scheduled payment of principal,
41.18 interest, or both under a contract for deed that is significantly larger than the regular
41.19 installment payments and that may be due prior to the end of the contract term or may be
41.20 the final payment that satisfies the contract.

41.21 Subd. 3. **Churning.** "Churning" means the act of an investor seller executing a contract
41.22 for deed on or after August 1, 2024, if previously the investor had frequently or repeatedly
41.23 executed contracts for deed and subsequently terminated the contracts under section 559.21.

41.24 Subd. 4. **Contract for deed.** "Contract for deed" has the meaning given in section
41.25 507.235, subdivision 1a.

41.26 Subd. 5. **Investor seller.** (a) "Investor seller" means a person entering into a contract
41.27 for deed to sell residential real property or, in the event of a transfer or assignment of the
41.28 seller's interest, the holder of the interest.

41.29 (b) An investor seller does not include a person entering into a contract for deed who
41.30 is:

42.1 (1) a natural person who has owned and occupied the residential real property as the
42.2 natural person's primary residence for a continuous 12-month period at any time prior to
42.3 the execution of the contract for deed;

42.4 (2) any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew,
42.5 or cousin of the natural person;

42.6 (3) a personal representative of the natural person;

42.7 (4) a devisee of the natural person;

42.8 (5) a grantee under a transfer on death deed made by the natural person;

42.9 (6) a trust whose settlor is the natural person;

42.10 (7) a trust whose beneficiary is (i) a natural person where the trust or the natural person,
42.11 or a combination of the two, has owned and the natural person has occupied the residential
42.12 real property as the natural person's primary residence for a continuous 12-month period at
42.13 any time prior to the execution of the contract for deed, or (ii) any spouse, parent, child,
42.14 sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

42.15 (8) a natural person selling on contract for deed to any spouse, parent, child, sibling,
42.16 grandparent, grandchild, uncle, aunt, niece, nephew, or cousin;

42.17 (9) a bank, credit union, or residential mortgage originator that is under the supervision
42.18 of or regulated by the Office of the Comptroller of the Currency, the Federal Deposit
42.19 Insurance Corporation, the National Credit Union Administration, or the Minnesota
42.20 Department of Commerce; and

42.21 (10) a natural person who has owned and leased the residential real property to the
42.22 purchaser for at least the prior two years.

42.23 (c) If, substantially contemporaneous with the execution of the contract for deed, the
42.24 seller's interest is assigned or transferred to a person who does not meet any of the
42.25 qualifications of paragraph (b), the assignee or transferee is deemed an investor seller who
42.26 has executed the contract for deed.

42.27 Subd. 6. **Person.** "Person" means a natural person, partnership, corporation, limited
42.28 liability company, association, trust, or other legal entity, however organized.

42.29 Subd. 7. **Purchase agreement.** "Purchase agreement" means a purchase agreement for
42.30 a contract for deed, an earnest money contract, or an executed option contemplating that,
42.31 at closing, the investor seller and the purchaser will enter into a contract for deed.

43.1 Subd. 8. **Purchaser.** "Purchaser" means a person who executes a contract for deed to
43.2 purchase residential real property. Purchaser includes all purchasers who execute the same
43.3 contract for deed to purchase residential real property.

43.4 Subd. 9. **Residential real property.** "Residential real property" means real property
43.5 consisting of one to four family dwelling units, one of which is intended to be occupied as
43.6 the principal place of residence by:

43.7 (1) the purchaser;

43.8 (2) if the purchaser is an entity, the natural person who is the majority or controlling
43.9 owner of the entity; or

43.10 (3) if the purchaser is a trust, the settlor or beneficiary of the trust.

43.11 Residential real property does not include a transaction subject to sections 583.20 to 583.32.

43.12 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts
43.13 for deed executed by all parties on or after that date.

43.14 Sec. 39. **[559A.02] APPLICABILITY.**

43.15 This chapter applies only to residential real property where a purchaser is entering into
43.16 a contract for deed with an investor seller. Either of the following statements included in a
43.17 contract for deed in which the property is not residential real property or the seller is not an
43.18 investor seller constitutes prima facie evidence that this chapter does not apply to the contract
43.19 for deed: "The property is not residential real property" or "The seller is not an investor
43.20 seller." A person examining title to the property may rely on either statement.

43.21 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts
43.22 for deed executed by all parties on or after that date.

43.23 Sec. 40. **[559A.03] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS**
43.24 **AND RESIDENTIAL REAL PROPERTY; DISCLOSURES.**

43.25 Subdivision 1. **Disclosures required.** (a) In addition to the disclosures required under
43.26 sections 513.52 to 513.61, an investor seller must deliver to a prospective purchaser the
43.27 disclosures specified under this section and instructions for cancellation as provided under
43.28 section 559A.04, subdivision 2, paragraph (b).

43.29 (b) The disclosures must be affixed to the front of any purchase agreement executed
43.30 between an investor seller and a prospective purchaser. The investor seller may not enter
43.31 into a contract for deed with a prospective purchaser earlier than ten calendar days after the

44.1 execution of the purchase agreement by all parties and provision by the investor seller of
44.2 the disclosures required under this section and instructions for cancellation as required under
44.3 section 559A.04, subdivision 2, paragraph (b).

44.4 (c) If there is no purchase agreement, an investor seller must provide the disclosures
44.5 required under this section to the prospective purchaser no less than ten calendar days before
44.6 the prospective purchaser executes the contract for deed. The disclosures must be provided
44.7 in a document separate from the contract for deed. The investor seller may not enter into a
44.8 contract for deed with a prospective purchaser earlier than ten calendar days after providing
44.9 the disclosures to the prospective purchaser.

44.10 (d) The first page of the disclosures must contain the disclosures required in subdivisions
44.11 2, 3, and 4, in that order. The title must be centered, be in bold, capitalized, and underlined
44.12 20-point type, and read "IMPORTANT INFORMATION YOU NEED TO KNOW." The
44.13 disclosures required under subdivisions 5 and 6 must follow in subsequent pages in that
44.14 order.

44.15 (e) The investor seller must acknowledge delivery and the purchaser must acknowledge
44.16 receipt of the disclosures by signing and dating the disclosures. The acknowledged disclosures
44.17 constitute prima facie evidence that the disclosures have been provided as required by this
44.18 section.

44.19 Subd. 2. **Disclosure of balloon payment.** (a) The investor seller must disclose the
44.20 amount and due date of, if any, all balloon payments. For purposes of disclosure of a balloon
44.21 payment, the investor seller may assume that all prior scheduled payments were timely
44.22 made and no prepayments were made. If there is more than one balloon payment due, each
44.23 balloon payment must be listed separately.

44.24 (b) The disclosure must be in the following form, with the title in 14-point type and the
44.25 text in 12-point type:

44.26 **"BALLOON PAYMENT**

44.27 This contract contains a lump-sum balloon payment or several balloon payments. When
44.28 the final balloon payment comes due, you may need to get a mortgage or other financing
44.29 to pay it off, or you will have to sell the property. Even if you are able to sell the property,
44.30 you may not get back all the money you paid for it.

44.31 If you cannot come up with this large amount - even if you have made all your monthly
44.32 payments - the seller can cancel the contract.

44.33 **Amount of Balloon Payment**

When Balloon Payment is Due

45.1 \$ (amount) (month, year)"

45.2 Subd. 3. Disclosure of price paid by investor seller to acquire property. (a) The
45.3 investor seller must disclose to the purchaser the purchase price and the date of earliest
45.4 acquisition of the property by the investor seller, unless the acquisition occurs more than
45.5 two years prior to the execution of the contract for deed.

45.6 (b) The disclosure must be in the following form, with the title in 14-point type and the
45.7 text in 12-point type:

45.8 "INVESTOR SELLER'S PRICE TO BUY HOUSE BEING SOLD TO BUYER

45.9 Date Investor Seller Acquired Property:

45.10 (date seller acquired ownership)

45.11 Price Paid by Investor Seller to Acquire the Property:

45.12 \$ (total purchase price paid by seller to acquire ownership)

45.13 Contract for Deed Purchase Price:

45.14 \$ (total sale price to the purchaser under the contract)"

45.15 (c) For the purposes of this subdivision, unless the acquisition occurred more than two
45.16 years prior to the execution of the contract for deed, the person who first acquires the property
45.17 is deemed to be the same person as the investor seller where the person who first acquires
45.18 the property:

45.19 (1) is owned or controlled, in whole or in part, by the investor seller;

45.20 (2) owns or controls, in whole or in part, the investor seller;

45.21 (3) is under common ownership or control, in whole or in part, with the investor seller;

45.22 (4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew,
45.23 or cousin of the investor seller, or of the natural person who owns or controls, in whole or
45.24 in part, the investor seller; or

45.25 (5) is an entity owned or controlled, in whole or in part, by a person who is a spouse,
45.26 parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the
45.27 investor seller, or of the natural person who owns or controls, in whole or in part, the investor
45.28 seller.

45.29 Subd. 4. Disclosure of other essential terms. (a) An investor seller must disclose to
45.30 the prospective purchaser the purchase price, the annual interest rate, the amount of any
45.31 down payment, and whether the purchaser is responsible for any or all of the following:

46.1 paying property taxes, acquiring homeowner's insurance, making repairs, and maintaining
46.2 the property.

46.3 (b) The disclosure must be in the following form, with the title in 14-point type and the
46.4 text in 12-point type:

46.5 **"COSTS AND ESSENTIAL TERMS**

- 46.6 1. Purchase Price: \$ (price)
- 46.7 2. Annual Interest Rate: (interest rate) %
- 46.8 3. Down Payment: \$ (down payment)
- 46.9 4. Monthly/Period Installments: \$ (amount of installment payment)
- 46.10 5. Taxes, Homeowner's Insurance, Repairs
- 46.11 and Maintenance:

46.12 You (seller must circle one):

- | | | |
|----------------------|----------------|------------------------------------|
| 46.13 <u>(a) DO</u> | <u>DO NOT</u> | <u>have to pay property taxes</u> |
| 46.14 <u>(b) DO</u> | <u>DO NOT</u> | <u>have to pay homeowner's</u> |
| 46.15 | | <u>insurance</u> |
| 46.16 <u>(c) ARE</u> | <u>ARE NOT</u> | <u>responsible for repairs and</u> |
| 46.17 | | <u>maintenance."</u> |

46.18 Subd. 5. **General disclosure.** (a) An investor seller must provide the prospective
46.19 purchaser with a general disclosure about contracts for deeds as provided in this subdivision.

46.20 (b) The disclosure must be in the following form, with the title in 18-point type, the titles
46.21 of the sections in 14-point type and underlined, and the text of each section in 12-point type,
46.22 with a double space between each section:

46.23 **"KNOW WHAT YOU ARE GETTING INTO BEFORE YOU SIGN**

46.24 **1. How Contracts for Deed Work**

46.25 A contract for deed is a complicated legal arrangement. Be sure you know exactly what
46.26 you are getting into before you sign a contract for deed. A contract for deed is **NOT** a
46.27 mortgage. Minnesota's foreclosure protections do **NOT** apply.

46.28 **You should get advice from a lawyer or the Minnesota Homeownership Center**
46.29 **before you sign the contract.** You can contact the Homeownership Center at
46.30 1-(866)-462-6466 or go to www.hocmn.org.

46.31 **2. What If I Can't Make My Payments?**

46.32 If you do not make your monthly installment payment or the balloon payment, the seller
46.33 can cancel the contract beginning only 120 days from the date you missed the payment. If

47.1 the contract is canceled, you lose your home and all the money you have paid, including
47.2 any down payment, all the monthly payments, and any improvements to the property
47.3 you have made.

47.4 If the contract contains a final lump-sum balloon payment, you will need to get a mortgage
47.5 or other financing to pay it off, or you will have to sell the property. If you can't come up
47.6 with this large amount - even if you have made all your monthly payments - the seller can
47.7 cancel the contract. Even if you are able to sell the property, you may not get back all
47.8 the money you have paid for it.

47.9 **3. BEFORE YOU SIGN, YOU SHOULD:**

47.10 **A. Get an Independent, Professional Appraisal** of the property to learn what it is
47.11 worth and make sure you are not overpaying for the house.

47.12 **B. Get an Independent, Professional Inspection** of the property because you will
47.13 probably be responsible for maintaining and making repairs on the house.

47.14 **C. Buy Title Insurance** from a title insurance company or ask a lawyer for a "title
47.15 opinion" to address or minimize potential title problems.

47.16 **4. YOUR RIGHTS BEFORE YOU SIGN**

47.17 **A. Waiting Period After Getting Disclosures.** There is a ten calendar day waiting
47.18 period after you get these disclosures. The contract for deed cannot be signed by you or the
47.19 seller during that ten calendar day period.

47.20 **B. Canceling a Purchase Agreement.** You have ten calendar days after you get these
47.21 disclosures to cancel your purchase agreement and get back any money you paid."

47.22 **Subd. 6. Amortization schedule.** In a document separate from all other documents, an
47.23 investor seller must provide to the prospective purchaser an amortization schedule consistent
47.24 with the contract for deed, including the portion of each installment payment applied to
47.25 interest and to principal and the amount and due date of any balloon payments.

47.26 **Subd. 7. Disclosures in other languages.** If the contract was advertised or primarily
47.27 negotiated with the purchaser in a language other than English, the investor seller must
47.28 provide the disclosures required in this section in the language in which the contract was
47.29 advertised or primarily negotiated.

47.30 **Subd. 8. No waiver.** The provisions of this section may not be waived.

47.31 **Subd. 9. Effects of violation.** Except as provided in section 559A.05, subdivision 2, a
47.32 violation of this section has no effect on the validity of the contract for deed.

48.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts
48.2 for deed executed by all parties on or after that date.

48.3 Sec. 41. **[559A.04] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS**
48.4 **AND RESIDENTIAL REAL PROPERTY; RIGHTS AND REQUIREMENTS.**

48.5 Subdivision 1. **Requirement of investor seller if property subject to mortgage.** An
48.6 investor may not execute a contract for deed that is subject to a mortgage with a due-on-sale
48.7 clause and not expressly assumed by the contract for deed purchaser unless the investor
48.8 seller has:

48.9 (1) procured a binding agreement with the mortgage holder whereby the holder either
48.10 consents to the sale of the property to the purchaser by contract for deed or agrees to not
48.11 exercise the holder's rights under a due-on-sale clause in the mortgage based on the contract
48.12 for deed; and

48.13 (2) in the contract:

48.14 (i) disclosed the existence of the investor seller's mortgage;

48.15 (ii) covenants that the investor seller will perform all obligations under the mortgage;

48.16 and

48.17 (iii) expressly represents to the purchaser that the seller has procured the binding
48.18 agreement required under clause (1).

48.19 Subd. 2. **Right to cancel purchase agreement.** (a) A prospective purchaser may cancel
48.20 a purchase agreement prior to the execution by all parties of the contract for deed or within
48.21 ten calendar days of receiving the disclosures required under section 559A.03, whichever
48.22 is earlier. A purchaser's execution of the contract for deed earlier than ten calendar days of
48.23 receiving the disclosures does not excuse, constitute a waiver of, or constitute a defense by
48.24 an investor seller regarding the seller's violation of section 559A.03, subdivision 1, paragraph
48.25 (b) or (c).

48.26 (b) In addition to the disclosures required under section 559A.03, an investor seller must
48.27 provide the prospective purchaser with notice of the person to whom, and the mailing address
48.28 to where, cancellation of the purchase agreement must be delivered or sent. Cancellation
48.29 of the purchase agreement is effective upon personal delivery or upon mailing.

48.30 (c) In the event of cancellation or if no purchase agreement has been signed and the
48.31 prospective purchaser elects not to execute the contract for deed, the investor seller may

49.1 not impose a penalty or fee and must promptly refund all payments made by the prospective
49.2 purchaser.

49.3 Subd. 3. **Duty of investor seller to account.** The investor seller must inform the purchaser
49.4 in a separate writing of the right to request an annual accounting. Upon reasonable written
49.5 request by the purchaser and no more than once every calendar year, an investor seller must
49.6 provide an accounting of:

49.7 (1) all payments made pursuant to the contract for deed during the prior calendar year
49.8 with payments allocated between interest and principal;

49.9 (2) any delinquent payments;

49.10 (3) the total principal amount remaining to satisfy the contract for deed; and

49.11 (4) the anticipated amounts and due dates of all balloon payments.

49.12 Subd. 4. **Churning prohibited.** (a) An investor seller is prohibited from churning. There
49.13 is a rebuttable presumption that the investor seller has violated this subdivision if, on or
49.14 after August 1, 2024, the investor seller executes a contract for deed and, within the previous
49.15 48 months, the investor seller either:

49.16 (1) had completed two or more termination proceedings under section 559.21 on the
49.17 same residential real property being sold by the contract for deed; or

49.18 (2) had completed four or more termination proceedings under section 559.21 on contracts
49.19 for deed for any residential real property, where terminated contracts comprise 20 percent
49.20 or more of all contracts executed by the investor seller during that period.

49.21 (b) Nothing contained in this subdivision or in section 559A.01, subdivision 3, shall
49.22 invalidate, impair, affect, or give rise to any cause of action with respect to any contract for
49.23 deed or termination proceeding under section 559.21 used as a predicate to establish the
49.24 presumption under paragraph (a).

49.25 (c) For the purposes of this subdivision, a person who sold residential real property on
49.26 a contract for deed is deemed to be the same person as the investor seller where the person
49.27 who sold on a contract for deed:

49.28 (1) is owned or controlled, in whole or in part, by the investor seller;

49.29 (2) owns or controls, in whole or in part, the investor seller;

49.30 (3) is under common ownership or control, in whole or in part, with the investor seller;

50.1 (4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew,
50.2 or cousin of the investor seller, or of the natural person who owns or controls, in whole or
50.3 in part, the investor seller; or

50.4 (5) is an entity owned or controlled, in whole or in part, by a person who is a spouse,
50.5 parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the
50.6 investor seller, or of the natural person who owns or controls, in whole or in part, the investor
50.7 seller.

50.8 **Subd. 5. Duty of investor seller to refund down payments.** (a) If an investor seller
50.9 terminates under section 559.21 a contract for deed within 48 months of executing the
50.10 contract, any portion of the down payment that exceeded ten percent of the purchase price
50.11 shall be refunded to the purchaser within 180 days of the termination of the contract.

50.12 (b) Upon delivery to the purchaser by the investor seller of reasonable documentation
50.13 that the following expenses were incurred or taxes and contract payments were unpaid, an
50.14 investor seller may offset against the refund, if applicable, for:

50.15 (1) unpaid property taxes for the period prior to termination of the contract;

50.16 (2) unpaid insurance premiums for the period prior to termination of the contract incurred
50.17 by the investor seller;

50.18 (3) the reasonable cost of necessary repairs for damage to the residential real property
50.19 caused by the purchaser, beyond ordinary wear and tear, incurred by the investor seller;

50.20 (4) attorney fees, not to exceed \$1,000, and costs of service incurred in connection with
50.21 the termination of the contract;

50.22 (5) unpaid utility arrears for the period prior to termination of the contract incurred by
50.23 the investor seller; and

50.24 (6) one-half of the unpaid monthly contract installment payments, excluding balloon
50.25 payments, that accrued prior to termination of the contract.

50.26 (c) If the purchaser disputes the amount that an investor seller claims as the refund or
50.27 an offset, the purchaser may commence an action in district court or conciliation court to
50.28 determine the amount of the refund or the offsets and recover any money owed by the
50.29 investor seller to the purchaser. The purchaser is entitled to recover from the investor seller
50.30 any portion of the down payment that the court finds is owed by the investor seller to the
50.31 purchaser and not previously paid to the purchaser. An attorney expressly authorized by
50.32 the investor seller to receive payments in the notice of termination is designated as the

51.1 attorney who may receive service as agent for the investor seller in an action under this
51.2 paragraph in the same manner as provided in section 559.21, subdivision 8.

51.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts
51.4 for deed executed by all parties on or after that date.

51.5 Sec. 42. **[559A.05] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS**
51.6 **AND RESIDENTIAL REAL PROPERTY; REMEDIES FOR VIOLATION.**

51.7 Subdivision 1. **Definition.** For the purposes of this section, "material violation of section
51.8 559A.03" means:

51.9 (1) if applicable, failure to disclose any balloon payment as required under section
51.10 559A.03, subdivision 2;

51.11 (2) failure to disclose the price paid by the investor seller under the contract for deed to
51.12 acquire property as required under section 559A.03, subdivision 3;

51.13 (3) failure to disclose the other essential terms of the contract as required under section
51.14 559A.03, subdivision 4;

51.15 (4) failure to provide the general disclosure in substantially the form required under
51.16 section 559A.03, subdivision 5;

51.17 (5) failure to disclose the amortization schedule as required under section 559A.03,
51.18 subdivision 6;

51.19 (6) a violation of section 559A.03, subdivision 1, paragraph (b) or (c);

51.20 (7) a violation of section 559A.03, subdivision 7; or

51.21 (8) a material omission or misstatement of any of the information required to be disclosed
51.22 under section 559A.03.

51.23 Subd. 2. **Remedy for violation of disclosure requirements or churning.** (a)
51.24 Notwithstanding any provision in the purchase agreement or contract for deed to the contrary,
51.25 a purchaser may, within two years of the execution of the contract for deed, bring an action
51.26 for relief for a material violation of section 559A.03 or a violation of section 559A.04,
51.27 subdivision 4. A prevailing purchaser may rescind a contract and, in conjunction with the
51.28 rescission, may recover against the investor seller a sum equal to:

51.29 (1) all amounts paid by the purchaser under the contract for deed, including payments
51.30 to third parties, less the fair rental value of the residential real property for the period of
51.31 time the purchaser was in possession of the property;

52.1 (2) the reasonable value of any improvements to the residential real property made by
52.2 the purchaser;

52.3 (3) actual, consequential, and incidental damages; and

52.4 (4) reasonable attorney fees and costs.

52.5 (b) A claim for rescission and a money judgment awarded under this subdivision does
52.6 not affect any rights or responsibilities of a successor in interest to the investor seller prior
52.7 to the filing of a lis pendens in the action in which relief is sought, unless it is established
52.8 by clear and convincing evidence that the successor in interest had prior knowledge that
52.9 the contract for deed was executed in violation of the requirements of section 559A.03 or
52.10 559A.04, subdivision 4.

52.11 (c) A purchaser barred under paragraph (b) from making a claim against a successor in
52.12 interest to the investor seller may, within two years of the execution of the contract for deed,
52.13 bring a claim for violation of the requirements of section 559A.03 or 559A.04, subdivision
52.14 4, against the original investor seller who entered into the contract for deed and may recover
52.15 the greater of actual damages or statutory damages of \$5,000, plus reasonable attorney fees
52.16 and costs. The original investor seller has no claim for indemnification or contribution
52.17 against the successor in interest.

52.18 **Subd. 3. Remedy for failure of investor seller to procure agreement with mortgage**
52.19 **holder.** (a) If a mortgage holder commences foreclosure of the mortgage holder's mortgage
52.20 based on the sale to a purchaser under the contract for deed and notwithstanding any provision
52.21 in the purchase agreement or contract for deed to the contrary, a purchaser may bring an
52.22 action for the failure of the investor seller to procure the agreement with the mortgage holder
52.23 as required under section 559A.04, subdivision 2. A prevailing purchaser may rescind a
52.24 contract and may recover against the investor seller a sum equal to:

52.25 (1) all amounts paid by the purchaser under the contract for deed, including payments
52.26 to third parties, less the fair rental value of the residential real property for the period of
52.27 time the purchaser was in possession of the property;

52.28 (2) the reasonable value of any improvements to the residential real property made by
52.29 the purchaser;

52.30 (3) actual, consequential, and incidental damages; and

52.31 (4) reasonable attorney fees and costs.

52.32 (b) An action under this subdivision may be brought at any time and is not subject to
52.33 the statute of limitations in subdivision 2, provided that at least 30 days prior to bringing

53.1 the action, a purchaser must deliver a notice of violation to the investor seller under the
53.2 contract for deed personally or by United States mail.

53.3 (c) An investor seller may cure the violation at any time prior to entry of a final judgment
53.4 by delivering to the purchaser either evidence of the agreement with the mortgage holder
53.5 as required under section 559A.04, subdivision 2, or evidence that the mortgage holder has
53.6 abandoned foreclosure of the mortgage. If the violation is cured, the purchaser's action must
53.7 be dismissed. An investor seller is liable to the purchaser for reasonable attorney fees and
53.8 court costs if the seller delivers evidence of the mortgage holder's agreement or abandonment
53.9 of the foreclosure after the purchaser has commenced the action.

53.10 (d) Nothing in this subdivision bars or limits any other claim by a purchaser arising from
53.11 the investor seller's breach of a senior mortgage.

53.12 Subd. 4. **Defense to termination.** A purchaser's right to the remedy under subdivision
53.13 2 or 3 constitutes grounds for injunctive relief under section 559.211.

53.14 Subd. 5. **Effect of action on title.** An action under subdivision 2 or 3 is personal to the
53.15 purchaser only, does not constitute an interest separate from the purchaser's interest in the
53.16 contract for deed, and may not be assigned except to a successor in interest.

53.17 Subd. 6. **Rights cumulative.** The rights and remedies provided in this section are
53.18 cumulative to, and not a limitation of, any other rights and remedies provided under law
53.19 and at equity. Nothing in this chapter precludes a court from construing a contract for deed
53.20 as an equitable mortgage.

53.21 Subd. 7. **Public enforcement.** The attorney general has authority under section 8.31 to
53.22 investigate and prosecute violations of sections 559A.03 and 559A.04, subdivision 4.

53.23 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts
53.24 for deed executed by all parties on or after that date.

53.25 Sec. 43. **RULEMAKING.**

53.26 The commissioner of commerce must adopt rules to conform with the changes made to
53.27 Minnesota Statutes, sections 80A.66 and 80C.05, subdivision 3, in this article with respect
53.28 to investment adviser registration continuing education and franchise fees deferral,
53.29 respectively. The commissioner of commerce may use the good cause exemption under
53.30 Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this
53.31 section, and Minnesota Statutes, section 14.386, does not apply except as provided under
53.32 Minnesota Statutes, section 14.388.

54.1 Sec. 44. **REPEALER.**

54.2 (a) Minnesota Statutes 2022, sections 45.014; 239.791, subdivision 3; 559.201; and
54.3 559.202, are repealed.

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

54.5 (c) Minnesota Statutes 2023 Supplement, section 53B.58, is repealed.

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

54.7 **ARTICLE 2**

54.8 **MONETARY AND FINANCIAL INSTITUTION POLICY**

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

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

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

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

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

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

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

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

54.30 (4) has a loan for personal, family, or household purposes in which the financial institution
54.31 has ownership or servicing rights, even if the financial institution or one or more other

55.1 institutions that hold ownership or servicing rights in conjunction with the financial institution

55.2 hires an agent to collect on the loan.

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

55.4 (1) is a consumer of another financial institution that uses a different financial institution

55.5 to act solely as an agent for, or provide processing or other services to, the consumer's

55.6 financial institution;

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

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

55.9 (4) is a participant or a beneficiary of an employee benefit plan that the financial

55.10 institution sponsors or for which the financial institution acts as a trustee or fiduciary.

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

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

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

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

55.15 (4) holds an investment product through a financial institution, including but not limited

55.16 to when the financial institution acts as a custodian for securities or for assets in an individual

55.17 retirement arrangement;

55.18 (5) enters into an agreement or understanding with a financial institution whereby the

55.19 financial institution undertakes to arrange or broker a home mortgage loan, or credit to

55.20 purchase a vehicle, for the consumer;

55.21 (6) enters into a lease of personal property on a nonoperating basis with a financial

55.22 institution;

55.23 (7) obtains financial, investment, or economic advisory services from a financial

55.24 institution for a fee;

55.25 (8) becomes a financial institution's client to obtain tax preparation or credit counseling

55.26 services from the financial institution;

55.27 (9) obtains career counseling while: (i) seeking employment with a financial institution

55.28 or the finance, accounting, or audit department of any company; or (ii) employed by a

55.29 financial institution or department of any company;

55.30 (10) is obligated on an account that a financial institution purchases from another financial

55.31 institution, regardless of whether the account is in default when purchased, unless the

56.1 financial institution does not locate the consumer or attempt to collect any amount from the
56.2 consumer on the account;

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

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

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

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

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

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

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

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

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

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

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

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

57.1 Subd. 10. **Federally insured depository financial institution.** "Federally insured
57.2 depository financial institution" means a bank, credit union, savings and loan association,
57.3 trust company, savings association, savings bank, industrial bank, or industrial loan company
57.4 organized under the laws of the United States or any state of the United States, when the
57.5 bank, credit union, savings and loan association, trust company, savings association, savings
57.6 bank, industrial bank, or industrial loan company has federally insured deposits.

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

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

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

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

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

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

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

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

58.3 Subd. 16. **Nonpublic personal information.** (a) "Nonpublic personal information"

58.4 means:

58.5 (1) personally identifiable financial information; or

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

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

58.12 (c) Nonpublic personal information does not include:

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

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

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

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

58.30 Subd. 18. **Penetration testing.** "Penetration testing" means a test methodology in which
58.31 assessors attempt to circumvent or defeat the security features of an information system by

59.1 attempting to penetrate databases or controls from outside or inside a financial institution's
59.2 information systems.

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

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

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

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

59.10 (b) Personally identifiable financial information includes:

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

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

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

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

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

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

59.25 (7) information from a consumer report.

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

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

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

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

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

60.5 (2) widely distributed media; or

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

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

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

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

60.15 (c) For purposes of this subdivision, a financial institution has a reasonable basis to
60.16 believe that information is lawfully made available to the general public if the financial
60.17 institution has taken steps to determine: (1) that the information is of the type that is available
60.18 to the general public; and (2) whether an individual can direct that the information not be
60.19 made available to the general public and, if so, that the financial institution's consumer has
60.20 not directed that the information not be made available to the general public. A financial
60.21 institution has a reasonable basis to believe that mortgage information is lawfully made
60.22 available to the general public if the financial institution determines the information is of
60.23 the type included on the public record in the jurisdiction where the mortgage would be
60.24 recorded. A financial institution has a reasonable basis to believe that an individual's
60.25 telephone number is lawfully made available to the general public if the financial institution
60.26 has located the telephone number in the telephone book or the consumer has informed the
60.27 financial institution that the telephone number is not unlisted.

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

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

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

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

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

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

61.12 (c) The information security program must include the elements set forth in section
61.13 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as
61.14 established under subdivision 2.

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

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

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

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

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

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

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

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

61.30 (1) retain responsibility for complying with this chapter;

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

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

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

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

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

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

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

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

62.21 (3) requirements describing how:

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

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

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

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

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

63.1 Subd. 4. Risk control. A financial institution must design and implement safeguards to
63.2 control the risks the financial institution identifies through the risk assessment under
63.3 subdivision 3, including by:

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

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

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

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

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

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

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

63.28 (6) developing, implementing, and maintaining procedures to securely dispose of
63.29 customer information in any format no later than two years after the last date the information
63.30 is used in connection with providing a product or service to the customer to whom the
63.31 information relates, unless: (i) the information is necessary for business operations or for
63.32 other legitimate business purposes; (ii) the information is otherwise required to be retained

64.1 by law or regulation; or (iii) if targeted disposal of the information is not reasonably feasible
64.2 due to the manner in which the information is maintained;

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

64.5 (8) adopting procedures for change management; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

65.29 (6) documentation and reporting regarding security events and related incident response
65.30 activities; and

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

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

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

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

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

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

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

66.19 (a) The requirements under section 46A.03, subdivisions 3; 5, paragraph (a); 9; and 10,
66.20 do not apply to financial institutions that maintain customer information concerning fewer
66.21 than 5,000 consumers.

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

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

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

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

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

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

67.8 (b) The notice must include:

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

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

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

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

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

67.14 (6) a statement (i) disclosing whether a law enforcement official has provided the financial
67.15 institution with a written determination indicating that providing notice to the public regarding
67.16 the breach would impede a criminal investigation or cause damage to national security, and
67.17 (ii) if a written determination described under item (i) was provided to the financial
67.18 institution, providing contact information that enables the commissioner to contact the law
67.19 enforcement official. A law enforcement official may request an initial delay of up to 45
67.20 days following the date that notice was provided to the commissioner. The delay may be
67.21 extended for an additional period of up to 60 days if the law enforcement official seeks an
67.22 extension in writing. An additional delay may be permitted only if the commissioner
67.23 determines that public disclosure of a security event continues to impede a criminal
67.24 investigation or cause damage to national security.

67.25 Subd. 2. Notification event treated as discovered. A notification event must be treated
67.26 as discovered on the first day when the event is known to a financial institution. A financial
67.27 institution is deemed to have knowledge of a notification event if the event is known to any
67.28 person, other than the person committing the breach, who is the financial institution's
67.29 employee, officer, or other agent.

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

67.31 (a) The commissioner has the power to examine and investigate the affairs of any covered
67.32 financial institution to determine whether the financial institution has been or is engaged in

68.1 any conduct that violates this chapter. This power is in addition to the powers granted to
68.2 the commissioner under section 46.01.

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

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

68.7 Subdivision 1. **Information sharing.** In order to assist in the performance of the
68.8 commissioner's duties under sections 46A.01 to 46A.08, the commissioner may:

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

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

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

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

68.28 Subd. 2. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the
68.29 commissioner from releasing final, adjudicated actions that are open to public inspection
68.30 pursuant to chapter 13 to a database or other clearinghouse service maintained by the
68.31 Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates,
68.32 or the Conference of State Bank Supervisors' subsidiaries.

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

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

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

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

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

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

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

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

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

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

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

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

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

70.31 (6) "Forward commitment fee" means a fee or other consideration paid to a lender for
70.32 the purpose of securing a binding forward commitment by or through the lender to make
70.33 conventional loans to two or more credit worthy purchasers, including future purchasers,
70.34 of residential units, or a fee or other consideration paid to a lender for the purpose of securing
70.35 a binding forward commitment by or through the lender to make conventional loans to two

71.1 or more credit worthy purchasers, including future purchasers, of units to be created out of
71.2 existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender
71.3 for the purpose of securing a binding forward commitment by or through the lender to make
71.4 cooperative apartment loans to two or more credit worthy purchasers, including future
71.5 purchasers, of a share or shares of stock or a membership certificate or certificates in a
71.6 cooperative apartment corporation; provided, that the forward commitment rate of interest
71.7 does not exceed the maximum lawful rate of interest effective as of the date the forward
71.8 commitment is issued by the lender.

71.9 (7) "Borrower's interest rate commitment" means a binding commitment made by a
71.10 lender to a borrower wherein the lender agrees that, if a conventional or cooperative
71.11 apartment loan is made following issuance of and pursuant to the commitment, the
71.12 conventional or cooperative apartment loan shall be made at a rate of interest not in excess
71.13 of the rate of interest agreed to in the commitment, provided that the rate of interest agreed
71.14 to in the commitment is not in excess of the maximum lawful rate of interest effective as
71.15 of the date the commitment is issued by the lender to the borrower.

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

71.29 (9) "Finance charge" means the total cost of a conventional or cooperative apartment
71.30 loan including extensions or grant of credit regardless of the characterization of the same
71.31 and includes interest, finders fees, and other charges levied by a lender directly or indirectly
71.32 against the person obtaining the conventional or cooperative apartment loan or against a
71.33 seller of real property securing a conventional loan or a seller of a share or shares of stock
71.34 or a membership certificate or certificates in a cooperative apartment corporation securing
71.35 a cooperative apartment loan, or any other party to the transaction except any actual closing

72.1 costs and any forward commitment fee. The finance charges plus the actual closing costs
72.2 and any forward commitment fee, charged by a lender shall include all charges made by a
72.3 lender other than the principal of the conventional or cooperative apartment loan. The finance
72.4 charge, with respect to wraparound mortgages, shall be computed based upon the face
72.5 amount of the wraparound mortgage note, which face amount shall consist of the aggregate
72.6 of those funds actually advanced by the wraparound lender and the total outstanding principal
72.7 balances of the prior note or notes which have been made a part of the wraparound mortgage
72.8 note.

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

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

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

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

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

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

73.2 Subd. 2. **Approval order.** (a) If no objection is received by the commissioner within
73.3 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must
73.4 provide written consent approving the application without a hearing if ~~it is found~~ the
73.5 commissioner finds that ~~(a):~~ (1) the applicant bank meets current industry standards of
73.6 capital adequacy, management quality, and asset condition, ~~(b);~~ (2) the establishment of the
73.7 proposed detached facility ~~will improve~~ improves the quality or increase the availability of
73.8 banking services in the community to be served; ~~and (c):~~ (3) the establishment of the proposed
73.9 detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing
73.10 financial institutions in the community to be served.

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

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

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

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

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

74.3 Subd. 2. **Application.** (a) Extensions of credit or purchases of extensions of credit by
74.4 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, 48.153, 48.185,
74.5 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061 to
74.6 334.19 may, but need not, be made according to those sections in lieu of the authority set
74.7 forth in this section to the extent those sections authorize the financial institution to make
74.8 extensions of credit or purchase extensions of credit under those sections. If a financial
74.9 institution elects to make an extension of credit or to purchase an extension of credit under
74.10 those other sections, the extension of credit or the purchase of an extension of credit is
74.11 subject to those sections and not this section, except this subdivision, and except as expressly
74.12 provided in those sections. A financial institution may also charge an organization a rate of
74.13 interest and any charges agreed to by the organization and may calculate and collect finance
74.14 and other charges in any manner agreed to by that organization. Except for extensions of
74.15 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
74.16 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made
74.17 according to this section or the sections listed in this subdivision. This subdivision does not
74.18 authorize a financial institution to extend credit or purchase an extension of credit under
74.19 any of the sections listed in this subdivision if the financial institution is not authorized to
74.20 do so under those sections. A financial institution extending credit under any of the sections
74.21 listed in this subdivision shall specify in the promissory note, contract, or other loan document
74.22 the section under which the extension of credit is made.

74.23 (b) In accordance with section 525 of the federal Depository Institutions Deregulation
74.24 and Monetary Control Act of 1980, Public Law 96-221, the legislature declares that the
74.25 state of Minnesota does not want the amendments to the Federal Deposit Insurance Act,
74.26 United States Code, title 12, section 1811, et seq., the federal National Housing Act, United
74.27 States Code, title 12, section 1701, et seq., and the Federal Credit Union Act, United States
74.28 Code, title 12, section 1751, et seq., made by sections 521 to 523 of the federal Depository
74.29 Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, prescribing
74.30 interest rates and preempting state interest rates to apply to consumer loans made in
74.31 Minnesota. Consumer loans made in Minnesota are subject to the rates established in this
74.32 section and as otherwise provided by the laws of Minnesota.

74.33 (c) A consumer loan is deemed to be made in Minnesota and is subject to this section
74.34 and other applicable laws of Minnesota if the borrower is a Minnesota resident and the

75.1 borrower completes the transaction, either personally or electronically, while physically
75.2 located in Minnesota.

75.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to loans
75.4 executed on or after that date.

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

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

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

75.11 (2) the total of:

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

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

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

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

75.29 (c) With respect to a loan, the finance charge must be considered not to exceed the
75.30 maximum annual percentage rate permitted under this section if the finance charge contracted
75.31 for and received does not exceed the equivalent of the maximum annual percentage rate

76.1 calculated in accordance with Code of Federal Regulations, title 12, part 226, but using the
76.2 definition of finance charge provided in this section.

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

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

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

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

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

76.32 (i) The dollar amounts in this subdivision, subdivision 6, paragraph (a), clause (4), and
76.33 the dollar amount of original principal amount of closed-end credit in subdivision 6,
76.34 paragraph (d), shall change periodically, as provided in this section, according to and to the

77.1 extent of changes in the implicit price deflator for the gross domestic product, 2005 = 100,
77.2 compiled by the United States Department of Commerce, and hereafter referred to as the
77.3 index. The index for December 2011 is the reference base index for adjustments of dollar
77.4 amounts.

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

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

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

77.15 (k) If the index is revised, the percentage of change pursuant to this section shall be
77.16 calculated on the basis of the revised index. If a revision of the index changes the reference
77.17 base index, a revised reference base index shall be determined by multiplying the reference
77.18 base index then applicable by the rebasing factor furnished by the Department of Commerce.
77.19 If the index is superseded, the index referred to in this section is the one represented by the
77.20 Department of Commerce as reflecting most accurately changes in the purchasing power
77.21 of the dollar for consumers.

77.22 (l) The commissioner shall:

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

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

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

77.32 (m) A person does not violate this chapter with respect to a transaction otherwise
77.33 complying with this chapter if that person relies on dollar amounts either determined

78.1 according to paragraph (j), clause (2), or appearing in the last publication of the commissioner
78.2 announcing the then current dollar amounts.

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

78.5 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to loans
78.6 executed on or after that date.

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

78.8 Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus
78.9 made upon first mortgage security on improved real estate in any state in which the bank
78.10 or a ~~branch established under section 49.411~~ detached facility of the bank is located, or in
78.11 any state adjoining a state in which the bank or a ~~branch established under section 49.411~~
78.12 detached facility of the bank is located, shall not constitute a liability of the maker of the
78.13 notes secured by such mortgages within the meaning of the foregoing provision limiting
78.14 liability, but shall be an actual liability of the maker. These mortgage loans shall be limited
78.15 to, and in no case exceed, 50 percent of the cash value of the security covered by the
78.16 mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment
78.17 Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee
78.18 or for which a conditional guarantee has been issued, which loans shall in no case exceed
78.19 60 percent of the cash value of the security covered by such mortgage. For the purposes of
78.20 this subdivision, real estate is improved when substantial and permanent development or
78.21 construction has contributed substantially to its value, and agricultural land is improved
78.22 when farm crops are regularly raised on such land without further substantial improvements.

78.23 Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
78.24 subdivision to read:

78.25 Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of
78.26 a string of characters that act as a record of and provide proof that the transaction was
78.27 verified and added to the blockchain.

78.28 Sec. 16. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
78.29 subdivision to read:

78.30 Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in
78.31 Minnesota who has been a customer with a virtual currency kiosk operator for less than 72
78.32 hours. After a 72-hour period has elapsed from the day of first signing up as a customer

79.1 with a virtual currency kiosk operator, the customer will be considered an existing customer
79.2 and no longer subject to the new customer transaction limit described in this act.

79.3 Sec. 17. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.4 subdivision to read:

79.5 Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a
79.6 kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more
79.7 than a 72-hour period. A new customer will automatically convert to an existing customer
79.8 after the 72-hour period of first becoming a new customer. An existing customer is subject
79.9 to the transaction limits described in this act.

79.10 Sec. 18. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.11 subdivision to read:

79.12 Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric
79.13 identifier representing a destination for a virtual currency transfer that is associated with a
79.14 virtual currency wallet.

79.15 Sec. 19. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.16 subdivision to read:

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

79.23 Sec. 20. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.24 subdivision to read:

79.25 Subd. 11. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means
79.26 a licensee that operates a virtual currency kiosk within Minnesota.

79.27 Sec. 21. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.28 subdivision to read:

79.29 Subd. 12. **Virtual currency wallet.** "Virtual currency wallet" means a software
79.30 application or other mechanism providing a means to hold, store, or transfer virtual currency.

80.1 Sec. 22. [53B.75] VIRTUAL CURRENCY KIOSKS.

80.2 Subdivision 1. Disclosures on material risks. (a) Before entering into an initial virtual
80.3 currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator
80.4 must disclose in a clear, conspicuous, and easily readable manner all material risks generally
80.5 associated with virtual currency. The disclosures must be displayed on the screen of the
80.6 virtual currency kiosk with the ability for a person to acknowledge the receipt of the
80.7 disclosures. The disclosures must include at least the following information:

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

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

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

80.17 (4) a person who accepts a virtual currency as payment today is not required to accept
80.18 and might not accept virtual currency in the future;

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

80.21 (6) the nature of virtual currency may lead to an increased risk of fraud or cyber attack;

80.22 (7) the nature of virtual currency means that any technological difficulties experienced
80.23 by virtual currency kiosk operators may prevent access to or use of a person's virtual
80.24 currency; and

80.25 (8) any bond maintained by the virtual currency kiosk operator for the benefit of a person
80.26 may not cover all losses a person incurs.

80.27 (b) The virtual currency kiosk operator must provide an additional disclosure, which
80.28 must be acknowledged by the person, written prominently and in bold type, and provided
80.29 separately from the disclosures above, stating: "WARNING: LOSSES DUE TO
80.30 FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE
80.31 AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE. VIRTUAL
80.32 CURRENCY TRANSACTIONS MAY BE USED BY SCAMMERS IMPERSONATING

81.1 LOVED ONES, THREATENING JAIL TIME, AND INSISTING YOU WITHDRAW
81.2 MONEY FROM YOUR BANK ACCOUNT TO PURCHASE VIRTUAL CURRENCY."

81.3 Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant
81.4 terms and conditions generally associated with the products, services, and activities of the
81.5 virtual currency kiosk operator and virtual currency. A virtual currency kiosk operator must
81.6 make the disclosures in a clear, conspicuous, and easily readable manner. The disclosures
81.7 under this subdivision must address at least the following:

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

81.9 (2) the person's right to:

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

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

81.13 (iii) prior notice of a change in the virtual currency kiosk operator's rules or policies;

81.14 (3) under what circumstances the virtual currency kiosk operator, without a court or
81.15 government order, discloses a person's account information to third parties; and

81.16 (4) other disclosures that are customarily provided in connection with opening a person's
81.17 account.

81.18 (b) Before each virtual currency transaction for, on behalf of, or with a person, a virtual
81.19 currency kiosk operator must disclose the transaction's terms and conditions in a clear,
81.20 conspicuous, and easily readable manner. The disclosures under this subdivision must
81.21 address at least the following:

81.22 (1) the amount of the transaction;

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

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

81.25 (4) a warning that once completed, the transaction may not be reversed;

81.26 (5) a daily virtual currency transaction limit of no more than \$3,000;

81.27 (6) the difference in the virtual currency's sale price compared to the current market
81.28 price; and

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

82.1 Subd. 3. **Acknowledgment of disclosures.** Before completing the transaction, a virtual
82.2 currency kiosk operator must ensure that each person who engages in a virtual currency
82.3 transaction using the virtual currency operator's kiosk acknowledges receipt of all the
82.4 disclosures required under this section via a confirmation of consent. Additionally, upon a
82.5 transaction's completion, the virtual currency operator must provide a person with a physical
82.6 receipt, or the person may choose to have a virtual receipt sent to the person's email address,
82.7 containing the following information:

82.8 (1) the virtual currency kiosk operator's name and contact information, including a
82.9 telephone number to answer questions and register complaints;

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

82.12 (3) the fees charged;

82.13 (4) the exchange rate;

82.14 (5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed
82.15 delivery;

82.16 (6) a statement of the virtual currency kiosk operator's refund policy; and

82.17 (7) any additional information the commissioner of commerce may require.

82.18 Subd. 4. **Refunds for new customers.** A virtual currency kiosk operator must issue a
82.19 refund to a new customer for the full amount of all transactions made within the 72-hour
82.20 new customer time period, as described in section 53B.69, subdivision 3b, upon request of
82.21 the customer. In order to receive a refund under this subdivision, a customer must:

82.22 (1) have been fraudulently induced to engage in the virtual currency transactions; and

82.23 (2) within 14 days of the last transaction to occur during the 72-hour new customer time
82.24 period, contact the virtual currency kiosk operator and a government or law enforcement
82.25 agency to inform them of the fraudulent nature of the transaction.

82.26 Sec. 23. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to
82.27 read:

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

83.1 Sec. 24. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

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

83.8 Sec. 25. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

83.9 Subd. 21. **Residential real estate.** "Residential real estate" means real property located
83.10 in Minnesota upon which a dwelling, as defined in United States Code, title 15, section
83.11 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies
83.12 the real property.

83.13 Sec. 26. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

84.4 ~~(6)~~ (7) a person exempted by order of the commissioner; or

84.5 ~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b,
84.6 or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

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

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

84.14 (iii) discloses to the borrower in writing:

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

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

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

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

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

84.27 Sec. 27. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

84.28 Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August
84.29 1, 1999, no person shall engage in activities or practices that fall within the definition of
84.30 "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first
84.31 obtaining a license from the commissioner according to the licensing procedures provided
84.32 in this chapter.

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

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

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

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

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

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

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

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

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

85.16 ~~(8)~~ (9) a person exempted by order of the commissioner.

85.17 Sec. 28. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

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

85.21 (b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision
85.22 4, even if the institution is otherwise an exempt person.

85.23 Sec. 29. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

85.24 Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a
85.25 certificate of exemption from the commissioner to qualify as an exempt person under section
85.26 58.04, subdivision 1, paragraph (c), ~~a financial institution under clause (2);~~

85.27 (1) a bona fide nonprofit organization under section 58.04, subdivision 1, paragraph (c),
85.28 clause (6); or

85.29 (2) a person exempted by order of the commissioner under section 58.04, subdivision
85.30 1, paragraph (c), clause (6); ~~or (7).~~

86.1 (b) The following persons must obtain a certificate of exemption from the commissioner
86.2 to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b), as a
86.3 financial institution under clause (4);

86.4 (1) a bona fide nonprofit organization under section 58.04, subdivision 2, paragraph (b),
86.5 clause (8); or

86.6 (2) a person exempted by order of the commissioner under section 58.04, subdivision
86.7 2, paragraph (b), clause (8) (9).

86.8 Sec. 30. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to
86.9 read:

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

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

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

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

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

86.24 Sec. 31. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to
86.25 read:

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

87.1 Sec. 32. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to
87.2 read:

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

87.8 Sec. 33. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

87.9 Subd. 1a. **Residential mortgage originators.** (a) An applicant for a residential mortgage
87.10 originator license must file with the department a surety bond in the amount of ~~\$100,000~~
87.11 \$125,000, issued by an insurance company authorized to do so in this state. The bond must
87.12 cover all mortgage loan originators who are employees or independent agents of the applicant.
87.13 The bond must be available for the recovery of expenses, fines, and fees levied by the
87.14 commissioner under this chapter and for losses incurred by borrowers as a result of a
87.15 licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48,
87.16 and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

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

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

87.27 Dollar Amount of Closed Residential 87.28 Mortgage Loans	Surety Bond Required
87.29 \$0 to \$5,000,000 <u>\$10,000,000</u>	\$100,000 <u>\$125,000</u>
87.30 \$5,000,000.01 <u>\$10,000,000.01</u> to \$10,000,000 87.31 <u>\$25,000,000</u>	\$125,000 <u>\$150,000</u>
87.32 \$10,000,000.01 <u>\$25,000,000.01</u> to 87.33 \$25,000,000 <u>\$100,000,000</u>	\$150,000 <u>\$200,000</u>
87.34 Over \$25,000,000 <u>\$100,000,000</u>	\$200,000 <u>\$300,000</u>

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

88.3 Sec. 34. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

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

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

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

88.24 <u>Dollar Amount of Unpaid Principal Balance</u> 88.25 <u>for Serviced Residential Mortgage Loans</u>	88.26 <u>Surety Bond Required</u>
88.26 <u>\$0 to \$10,000,000</u>	88.26 <u>\$125,000</u>
88.27 <u>\$10,000,000.01 to \$50,000,000</u>	88.27 <u>\$200,000</u>
88.28 <u>Over \$50,000,000</u>	88.28 <u>\$300,000</u>

88.29 Sec. 35. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

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

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

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

89.8 Sec. 36. Minnesota Statutes 2022, section 58.115, is amended to read:

89.9 **58.115 EXAMINATIONS.**

89.10 The commissioner has under this chapter the same powers with respect to examinations
89.11 that the commissioner has under section 46.04. In addition to the powers under section
89.12 46.04, the commissioner may accept examination reports prepared by a state agency that
89.13 has comparable supervisory powers and examination procedures. The authority under section
89.14 49.411, subdivision 7, applies to examinations of institutions under this chapter.

89.15 Sec. 37. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

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

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

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

89.25 (3) unreasonably delay the processing of a residential mortgage loan application, or the
89.26 closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable
89.27 delay includes but is not limited to those factors identified in section 47.206, subdivision
89.28 7, paragraph (d);

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

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

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

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

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

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

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

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

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

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

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

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

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

91.1 (17) represent that the licensee or exempt person is acting as the borrower's agent after
91.2 providing the nonagency disclosure required by section 58.15, unless the disclosure is
91.3 retracted and the licensee or exempt person complies with all of the requirements of section
91.4 58.16;

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

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

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

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

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

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

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

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

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

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

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

93.9 (25) engage in "churning." As used in this section, "churning" means knowingly or
93.10 intentionally making, providing, or arranging for a residential mortgage loan when the new
93.11 residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower
93.12 considering all of the circumstances, including the terms of both the new and refinanced
93.13 loans, the cost of the new loan, and the borrower's circumstances; In order to demonstrate
93.14 a reasonable, tangible net benefit to the borrower, the circumstances at the time of the
93.15 application must be documented in writing and must be signed by the borrower prior to the
93.16 closing date;

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

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

93.32 (b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered
93.33 bank, savings bank, or credit union, an institution chartered by Congress under the Farm
93.34 Credit Act, or to a person making, providing, or arranging a residential mortgage loan

94.1 originated or purchased by a state agency or a tribal or local unit of government. This
94.2 paragraph supersedes any inconsistent provision of this chapter.

94.3 Sec. 38. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

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

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

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

94.16 Sec. 39. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended
94.17 to read:

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

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

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

94.24 (3) economic abuse perpetrated against the debtor.

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

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

94.27 Sec. 40. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended
94.28 to read:

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

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

95.2 Sec. 41. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended
95.3 to read:

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

95.7 (1) a police report;

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

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

95.11 (4) a sworn written certification.

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

95.13 Sec. 42. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended
95.14 to read:

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

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

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

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

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

95.24 Sec. 43. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

95.25 **332.72 COERCED DEBT PROHIBITED.**

95.26 (a) A person is prohibited from causing another person to incur coerced debt.

95.27 (b) A person who causes another person to incur a coerced debt in violation of this
95.28 section is civilly liable to the creditor for the amount of the debt, or portion of the debt,
95.29 determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and

96.1 costs, provided the creditor follows the procedures under section 332.74, subdivision 3,
96.2 paragraph (b).

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

96.4 Sec. 44. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended
96.5 to read:

96.6 Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74,
96.7 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on
96.8 which the creditor demands payment is coerced debt and request that the creditor cease all
96.9 collection activity on the coerced debt. The notification and request must be in writing and
96.10 include documentation. If not already included in documentation, the notification must
96.11 include a signed statement that includes:

96.12 (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or
96.13 labor trafficking;

96.14 (2) a recitation of the facts supporting the claim that the debt is coerced; and

96.15 (3) if only a portion of the debt is claimed to be coerced debt, an itemization of the
96.16 portion of the debt that is claimed to be coerced debt.

96.17 (b) The creditor, within 30 days of the date the notification and request is received, must
96.18 notify the debtor in writing of the creditor's decision to either immediately cease all collection
96.19 activity or continue to pursue collection. If a creditor ceases collection but subsequently
96.20 decides to resume collection activity, the creditor must notify the debtor ten days prior to
96.21 the date the collection activity resumes.

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

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

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

96.27 Sec. 45. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended
96.28 to read:

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

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

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

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

97.9 (b) If the court orders relief for the debtor under paragraph (a), the court, after the
97.10 creditor's motion has been personally served on the person who violated section 332.72, or
97.11 if personal service cannot be made, after service by United States mail to the last known
97.12 address of the person who violated section 332.72 and one-week published notice under
97.13 section 645.11, shall must issue a judgment in favor of the creditor against the person in
97.14 the amount of the debt or a portion thereof.

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

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

97.18 Sec. 46. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended
97.19 to read:

97.20 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative
97.21 defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance
97.22 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor
97.23 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced
97.24 debt has been ~~eriminally convicted, entered a guilty plea, or entered an Alford plea under~~
97.25 of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or
97.26 609.527.

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

97.28 Sec. 47. **[332C.01] DEFINITIONS.**

97.29 Subdivision 1. **Application.** For purposes of this chapter, the following terms have the
97.30 meanings given.

98.1 Subd. 2. **Collecting party.** "Collecting party" means a party engaged in the collection
98.2 of medical debt. Collecting party does not include banks, credit unions, public officers,
98.3 garnishees, and other parties complying with a court order or statutory obligation to garnish
98.4 or levy a debtor's property.

98.5 Subd. 3. **Debtor.** "Debtor" means a person obligated or alleged to be obligated to pay
98.6 any debt.

98.7 Subd. 4. **Medical debt.** "Medical debt" means debt incurred primarily for medically
98.8 necessary health treatment or services. Medical debt does not include debt charged to a
98.9 credit card unless the credit card is issued under a credit plan offered solely for the payment
98.10 of health care treatment or services.

98.11 Subd. 5. **Medically necessary.** "Medically necessary" has the meaning given in section
98.12 62J.805, subdivision 6.

98.13 Subd. 6. **Person.** "Person" means any individual, partnership, association, or corporation.

98.14 **Sec. 48. [332C.02] PROHIBITED PRACTICES.**

98.15 No collecting party shall:

98.16 (1) in a collection letter, publication, invoice, or any oral or written communication,
98.17 threaten wage garnishment or legal suit by a particular lawyer, unless the collecting party
98.18 has actually retained the lawyer to do so;

98.19 (2) use or employ sheriffs or any other officer authorized to serve legal papers in
98.20 connection with the collection of a claim, except when performing legally authorized duties;

98.21 (3) use or threaten to use methods of collection which violate Minnesota law;

98.22 (4) furnish legal advice to debtors or represent that the collecting party is competent or
98.23 able to furnish legal advice to debtors;

98.24 (5) communicate with debtors in a misleading or deceptive manner by falsely using the
98.25 stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare,
98.26 or instruments which simulate the form and appearance of judicial process;

98.27 (6) publish or cause to be published any list of debtors, use shame cards or shame
98.28 automobiles, advertise or threaten to advertise for sale any claim as a means of forcing
98.29 payment thereof, or use similar devices or methods of intimidation;

99.1 (7) operate under a name or in a manner which falsely implies the collecting party is a
99.2 branch of or associated with any department of federal, state, county, or local government
99.3 or an agency thereof;

99.4 (8) transact business or hold itself out as a debt settlement company, debt management
99.5 company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or
99.6 pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or
99.7 liquidation is done pursuant to a court order or under the supervision of a creditor's
99.8 committee;

99.9 (9) unless an exemption in the law exists, violate Code of Federal Regulations, title 12,
99.10 part 1006, while attempting to collect on any account, bill, or other indebtedness. For
99.11 purposes of this section, Public Law 95-109, and Code of Federal Regulations, title 12, part
99.12 1006, apply to collecting parties;

99.13 (10) communicate with a debtor by use of an automatic telephone dialing system or an
99.14 artificial or prerecorded voice after the debtor expressly informs the collecting party to cease
99.15 communication utilizing an automatic telephone dialing system or an artificial or prerecorded
99.16 voice. For purposes of this clause, an automatic telephone dialing system or an artificial or
99.17 prerecorded voice includes but is not limited to (i) artificial intelligence chatbots, and (ii)
99.18 the usage of the term under the Telephone Consumer Protection Act, United States Code,
99.19 title 47, section 227(b)(1)(A);

99.20 (11) in collection letters or publications, or in any oral or written communication, imply
99.21 or suggest that medically necessary health treatment or services will be denied as a result
99.22 of a medical debt;

99.23 (12) when a debtor has a listed telephone number, enlist the aid of a neighbor or third
99.24 party to request that the debtor contact the collecting party, except a person who resides
99.25 with the debtor or a third party with whom the debtor has authorized with the collecting
99.26 party to place the request. This clause does not apply to a callback message left at the debtor's
99.27 place of employment which is limited solely to the collecting party's telephone number and
99.28 name;

99.29 (13) when attempting to collect a medical debt, fail to provide the debtor with the full
99.30 name of the collecting party, as registered with the secretary of state;

99.31 (14) fail to return any amount of overpayment from a debtor to the debtor or to the state
99.32 of Minnesota pursuant to the requirements of chapter 345;

100.1 (15) accept currency or coin as payment for a medical debt without issuing an original
100.2 receipt to the debtor and maintain a duplicate receipt in the debtor's payment records;

100.3 (16) attempt to collect any amount, including any interest, fee, charge, or expense
100.4 incidental to the charge-off obligation, from a debtor unless the amount is expressly
100.5 authorized by the agreement creating the medical debt or is otherwise permitted by law;

100.6 (17) falsify any documents with the intent to deceive;

100.7 (18) when initially contacting a Minnesota debtor by mail to collect a medical debt, fail
100.8 to include a disclosure on the contact notice, in a type size or font which is equal to or larger
100.9 than the largest other type of type size or font used in the text of the notice, that includes
100.10 and identifies the Office of the Minnesota Attorney General's general telephone number,
100.11 and states: "You have the right to hire your own attorney to represent you in this matter.";

100.12 (19) commence legal action to collect a medical debt outside the limitations period set
100.13 forth in section 541.053;

100.14 (20) report to a credit reporting agency any medical debt which the collecting party
100.15 knows or should know is or was originally owed to a health care provider, as defined in
100.16 section 62J.805, subdivision 2; or

100.17 (21) challenge a debtor's claim of exemption to garnishment or levy in a manner that is
100.18 baseless, frivolous, or otherwise in bad faith.

100.19 Sec. 49. **[332C.03] MEDICAL DEBT REPORTING PROHIBITED.**

100.20 (a) A collecting party is prohibited from reporting medical debt to a consumer reporting
100.21 agency.

100.22 (b) A consumer reporting agency is prohibited from making a consumer report containing
100.23 an item of information that the consumer reporting agency knows or should know concerns:

100.24 (1) medical information; or

100.25 (2) debt arising from:

100.26 (i) the provision of medical care, treatment, services, devices, medicines; or

100.27 (ii) procedures to maintain, diagnose, or treat a person's physical or mental health.

100.28 (c) For purposes of this section, "consumer report," "consumer reporting agency," and
100.29 "medical information" have the meanings given in the Fair Credit Reporting Act, United
100.30 States Code, title 15, section 1681a.

101.1 (d) This section applies to collection agencies and debt buyers licensed under chapter
101.2 332.

101.3 Sec. 50. **[332C.04] DEFENDING MEDICAL DEBT CASES.**

101.4 A debtor who successfully defends against a claim for payment of medical debt that is
101.5 alleged by a collecting party must be awarded the debtor's costs, including reasonable
101.6 attorney fees as determined by the court, incurred in defending against the collecting party's
101.7 claim for debt payment.

101.8 Sec. 51. **[332C.05] ENFORCEMENT.**

101.9 (a) The attorney general may enforce this chapter under section 8.31.

101.10 (b) A collecting party that violates this chapter is strictly liable to the debtor in question
101.11 for the sum of:

101.12 (1) actual damage sustained by the debtor as a result of the violation;

101.13 (2) additional damages as the court may allow, but not exceeding \$1,000 per violation;

101.14 and

101.15 (3) in the case of any successful action to enforce the foregoing, the costs of the action,
101.16 together with reasonable attorney fees as determined by the court.

101.17 (c) A collecting party that willfully and maliciously violates this chapter is strictly liable
101.18 to the debtor for three times the sums allowable under paragraph (b), clauses (1) and (2).

101.19 (d) The dollar amount limit under paragraph (b), clause (2), changes on July 1 of each
101.20 even-numbered year in an amount equal to changes made in the Consumer Price Index,
101.21 compiled by the United States Bureau of Labor Statistics. The Consumer Price Index for
101.22 December 2024 is the reference base index. If the Consumer Price Index is revised, the
101.23 percentage of change made under this section must be calculated on the basis of the revised
101.24 Consumer Price Index. If a Consumer Price Index revision changes the reference base index,
101.25 a revised reference base index must be determined by multiplying the reference base index
101.26 that is effective at the time by the rebasing factor furnished by the Bureau of Labor Statistics.

101.27 (e) If the Consumer Price Index is superseded, the Consumer Price Index referred to in
101.28 this section is the Consumer Price Index represented by the Bureau of Labor Statistics as
101.29 most accurately reflecting changes in the prices paid by consumers for consumer goods and
101.30 services.

102.1 (f) The attorney general must publish the base reference index under paragraph (c) in
102.2 the State Register no later than September 1, 2024. The attorney general must calculate and
102.3 publish the revised Consumer Price Index under paragraph (c) in the State Register no later
102.4 than September 1 each even-numbered year.

102.5 (g) A collecting party may not be held liable in any action brought under this section if
102.6 the collecting party shows by a preponderance of evidence that the violation: (1) was not
102.7 intentional and resulted from a bona fide error made notwithstanding the maintenance of
102.8 procedures reasonably adopted to avoid any such error; or (2) was the result of inaccurate
102.9 or incorrect information provided to the collecting party by a health care provider, as defined
102.10 in section 62J.805, subdivision 3; a health carrier, as defined in section 62A.011, subdivision
102.11 2; or another collecting party currently or previously engaged in collection of the medical
102.12 debt in question.

102.13 Sec. 52. Minnesota Statutes 2022, section 519.05, is amended to read:

102.14 **519.05 LIABILITY OF ~~HUSBAND AND WIFE~~ SPOUSES.**

102.15 (a) A spouse is not liable to a creditor for any debts of the other spouse. ~~Where husband~~
102.16 ~~and wife are living together, they shall be jointly and severally liable for necessary medical~~
102.17 ~~services that have been furnished to either spouse, including any claims arising under section~~
102.18 ~~246.53, 256B.15, 256D.16, or 261.04, and necessary household articles and supplies furnished~~
102.19 ~~to and used by the family.~~ Spouses are joint and severally liable for claims arising under
102.20 section 256B.15. Notwithstanding this paragraph, in a proceeding under chapter 518 the
102.21 court may apportion such debt between the spouses.

102.22 (b) Either spouse may close a credit card account or other unsecured consumer line of
102.23 credit on which both spouses are contractually liable, by giving written notice to the creditor.

102.24 Sec. 53. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

102.25 Subd. 2. ~~Bible and musical instrument~~ **Sacred possessions.** The family Bible, library,
102.26 and musical instruments Torah, Qur'an, prayer rug, other religious items in an aggregate
102.27 amount not exceeding \$2,000.

102.28 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
102.29 of action commenced on or after that date.

103.1 Sec. 54. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
103.2 read:

103.3 Subd. 2a. **Library.** A personal library in an aggregate amount not exceeding \$2,000.

103.4 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
103.5 of action commenced on or after that date.

103.6 Sec. 55. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
103.7 read:

103.8 Subd. 2b. **Musical instruments.** Musical instruments in an aggregate amount not
103.9 exceeding \$2,000.

103.10 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
103.11 of action commenced on or after that date.

103.12 Sec. 56. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

103.13 Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs
103.14 of the debtor and the debtor's family.

103.15 (b) Household furniture, household appliances, ~~phonographs, radio and television~~
103.16 ~~receivers~~ radios, computers, tablets, televisions, printers, cell phones, smart phones, and
103.17 other consumer electronics of the debtor and the debtor's family, not exceeding \$11,250 in
103.18 value.

103.19 (c) The debtor's aggregate interest, not exceeding \$3,062.50 in value, in ~~wedding rings~~
103.20 ~~or other religious or culturally recognized symbols of marriage exchanged between the~~
103.21 ~~debtor and spouse at the time of the marriage and in the debtor's possession~~ jewelry.

103.22 The exemption provided by this subdivision may not be waived except with regard to
103.23 purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase
103.24 money security interest in the property exempt under this subdivision is void.

103.25 If a debtor has property of the type which would qualify for the exemption under clause
103.26 (b), of a value in excess of \$11,250 an itemized list of the exempt property, together with
103.27 the value of each item listed, shall be attached to the security agreement at the time a security
103.28 interest is taken, and a creditor may take a nonpurchase money security interest in the excess
103.29 over \$11,250 by requiring the debtor to select the exemption in writing at the time the loan
103.30 is made.

104.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
104.2 of action commenced on or after that date.

104.3 Sec. 57. Minnesota Statutes 2022, section 550.37, subdivision 6, is amended to read:

104.4 Subd. 6. **Tools of trade.** The tools, implements, machines, vehicles, instruments, office
104.5 furniture, stock in trade, and library reasonably necessary in the trade, business, or profession
104.6 of the debtor, not exceeding \$12,500 in value.

104.7 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
104.8 of action commenced on or after that date.

104.9 Sec. 58. Minnesota Statutes 2022, section 550.37, subdivision 12a, is amended to read:

104.10 Subd. 12a. **Motor vehicles.** One of the following: (1) one motor vehicle, to the extent
104.11 of a value not exceeding \$5,000 \$10,000; (2) one motor vehicle that is regularly used by or
104.12 for the benefit of a physically disabled person, as defined under section 169.345, subdivision
104.13 2, to the extent of a value not exceeding \$25,000; or (3) one motor vehicle, to the extent of
104.14 a value not exceeding ~~\$50,000~~ \$100,000, that has been designed or modified, ~~at a cost of~~
104.15 ~~not less than \$3,750~~, to accommodate the ~~physical~~ disability making a disabled person
104.16 eligible for a certificate authorized by section 169.345.

104.17 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
104.18 of action commenced on or after that date.

104.19 Sec. 59. Minnesota Statutes 2022, section 550.37, subdivision 14, is amended to read:

104.20 Subd. 14. **Public assistance.** All government assistance based on need, and the earnings
104.21 or salary of a person who is a recipient of government assistance based on need, shall be
104.22 exempt from all claims of creditors including any contractual setoff or security interest
104.23 asserted by a financial institution. For the purposes of this chapter, government assistance
104.24 based on need includes but is not limited to Minnesota family investment program;
104.25 Supplemental Security Income;; medical assistance; received by the person or by the person's
104.26 dependent child; MinnesotaCare; received by the person or by the person's dependent child;
104.27 payment of Medicare part B premiums or receipt of part D extra help;; MFIP diversionary
104.28 work program;; work participation cash benefit;; Minnesota supplemental assistance;;
104.29 emergency Minnesota supplemental assistance;; general assistance;; emergency general
104.30 assistance;; emergency assistance or county crisis funds;; energy or fuel assistance, ~~and~~
104.31 Supplemental Nutrition Assistance Program (SNAP); and the portion of any tax refund
104.32 attributable to a state or federal tax credit, including but not limited to the earned income

105.1 tax credit, state or federal child tax credit, Minnesota working family credit, renter's credit,
105.2 or any low-income tax credit. The salary or earnings of any debtor who is or has been an
105.3 eligible recipient of government assistance based on need, or an inmate of a correctional
105.4 institution shall, upon the debtor's return to private employment or farming after having
105.5 been an eligible recipient of government assistance based on need, or an inmate of a
105.6 correctional institution, be exempt from attachment, garnishment, or levy of execution for
105.7 a period of six months after the debtor's return to employment or farming and after all public
105.8 assistance for which eligibility existed has been terminated. Any portion of an income tax
105.9 refund consisting of income that was exempt when the income was earned is also exempt
105.10 under this subdivision. The exemption provisions contained in this subdivision also apply
105.11 ~~for 60 days~~ after deposit in any financial institution, whether in a single or joint account. In
105.12 tracing the funds, the first-in first-out method of accounting shall be used. The burden of
105.13 establishing that funds are exempt rests upon the debtor. Agencies distributing government
105.14 assistance and the correctional institutions shall, at the request of creditors, inform them
105.15 whether or not any debtor has been an eligible recipient of government assistance based on
105.16 need, or an inmate of a correctional institution, within the preceding six months.

105.17 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
105.18 of action commenced on or after that date.

105.19 Sec. 60. Minnesota Statutes 2022, section 550.37, subdivision 20, is amended to read:

105.20 Subd. 20. **Traceable funds.** The exemption of funds from creditors' claims, provided
105.21 by subdivisions 9, 10, 11, 15, 22, and 24, shall not be affected by the subsequent deposit of
105.22 the funds in a bank or any other financial institution, whether in a single or joint account,
105.23 if the funds are traceable to ~~their~~ the funds' exempt source. In tracing the funds, the first-in
105.24 first-out method of accounting shall be used. The burden of establishing that funds are
105.25 exempt rests upon the debtor. No bank or other financial institution shall be liable for
105.26 damages for complying with process duly issued out of any court for the collection of a
105.27 debt even if the funds affected by the process are subsequently determined to have been
105.28 exempt.

105.29 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
105.30 of action commenced on or after that date.

105.31 Sec. 61. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

105.32 Subd. 22. **Rights of action.** Rights of action or money received for injuries to the person
105.33 of the debtor or of a relative whether or not resulting in death. Injuries to the person include

106.1 physical, mental, and emotional injuries. The exemption under this subdivision applies to
106.2 the right to receive, annuities being paid, and money already received.

106.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
106.4 of action commenced on or after that date.

106.5 Sec. 62. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

106.6 Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to
106.7 exceed in value \$10,000 in any accrued ~~dividend~~ dividends or interest under or loan value
106.8 of any unmatured life insurance ~~contract~~ contracts owned by the debtor under which the
106.9 insured is the debtor or an individual of whom the debtor is a dependent.

106.10 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
106.11 of action commenced on or after that date.

106.12 Sec. 63. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
106.13 read:

106.14 Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to
106.15 exceed \$3,000, in household tools and equipment, including but not limited to hand and
106.16 power tools, snow removal equipment, and lawnmowers.

106.17 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
106.18 of action commenced on or after that date.

106.19 Sec. 64. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
106.20 read:

106.21 Subd. 28. **Property tax refunds.** Any refund due under chapter 290A, up to a present
106.22 value of \$3,000.

106.23 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
106.24 of action commenced on or after that date.

106.25 Sec. 65. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
106.26 read:

106.27 Subd. 29. **Funds in a depository account.** An amount up to an aggregate of \$4,000 in
106.28 financial institutions in which the debtor has a depository account, regardless of the sources
106.29 of the money, is exempt from garnishment under sections 571.91 to 571.915. The exemption

107.1 under this subdivision must not be claimed in conjunction with the exemption under
107.2 subdivision 30.

107.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to
107.4 garnishment levied on or after that date.

107.5 Sec. 66. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
107.6 read:

107.7 Subd. 30. **Wild card exemption in bankruptcy.** In a bankruptcy, a debtor may exempt
107.8 any property, including money in a bank account, up to \$4,000 in value. A debtor is
107.9 prohibited from claiming the exemption under this subdivision if the debtor is already
107.10 protecting money in a bank account under subdivision 29, and the debtor is prohibited from
107.11 using this subdivision in conjunction with subdivision 29.

107.12 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemptions
107.13 claimed on or after that date.

107.14 Sec. 67. **[550.3711] MOTOR VEHICLE; BANKRUPTCY DEBTOR'S RIGHT TO**
107.15 **RETAIN.**

107.16 Subdivision 1. **No default.** If a buyer does not default in performing the buyer's
107.17 obligations under the contract, the seller or holder is prohibited from (1) accelerating the
107.18 maturity of part or the entire amount due under the contract, or (2) repossessing the motor
107.19 vehicle.

107.20 Subd. 2. **Bankruptcy.** (a) Neither of the following constitutes a default in the performance
107.21 of the buyer's obligations under the contract: (1) the buyer or another individual liable under
107.22 the contract files a petition commencing a case for bankruptcy under United States Code,
107.23 title 11; or (2) the buyer or another individual liable under the contract is a debtor in
107.24 bankruptcy.

107.25 (b) The act or status under paragraph (a), clauses (1) and (2), with respect to the buyer
107.26 or another individual liable on the contract, must not be used by a seller or holder to: (1)
107.27 accelerate the maturity of a portion of or the entire amount due under the contract; or (2)
107.28 repossess the motor vehicle.

107.29 (c) A contract provision that states an act or status under paragraph (a), clauses (1) and
107.30 (2), with respect to the buyer or another individual liable on the contract, constitutes a default
107.31 is void and unenforceable.

108.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
108.2 of action commenced on or after that date.

108.3 Sec. 68. Minnesota Statutes 2022, section 550.39, is amended to read:

108.4 **550.39 EXEMPTION OF INSURANCE POLICIES.**

108.5 The net amount payable to any insured or to any beneficiary under any policy of accident
108.6 or disability insurance or under accident or disability clauses attached to any policy of life
108.7 insurance shall be exempt and free and clear from the claims of all creditors of such insured
108.8 or such beneficiary and from all legal and judicial processes of execution, attachment,
108.9 garnishment, or otherwise, up to a total amount of \$1,000,000 per claim and subsequent
108.10 award.

108.11 Sec. 69. Minnesota Statutes 2022, section 563.01, subdivision 3, is amended to read:

108.12 Subd. 3. **Court fee waiver; authorization of in forma pauperis.** (a) Any court of the
108.13 state of Minnesota or any political subdivision thereof may authorize the commencement
108.14 or defense of any civil action, or appeal therein, without prepayment of fees, costs and
108.15 security for costs by a natural person who makes affidavit stating (a) the nature of the action,
108.16 defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is
108.17 financially unable to pay the fees, costs and security for costs.

108.18 (b) Upon a finding by the court that the action is not of a frivolous nature, the court shall
108.19 allow the person to proceed ~~in forma pauperis~~ with a court fee waiver if the affidavit is
108.20 substantially in the language required by this subdivision and is not found by the court to
108.21 be untrue. Persons meeting the requirements of this subdivision include, but are not limited
108.22 to, a person who is receiving public assistance described in section 550.37, subdivision 14,
108.23 who is represented by an attorney on behalf of a civil legal services program or a volunteer
108.24 attorney program based on indigency, or who has an annual income not greater than 125
108.25 percent of the poverty line established under United States Code, title 42, section 9902(2),
108.26 except as otherwise provided by section 563.02.

108.27 (c) If, at commencement of the action, the court finds that a party does not meet the
108.28 eligibility criteria under paragraph (b), but the court also finds that the party is not able to
108.29 pay all of the fees, costs, and security for costs, the court may order payment of a fee of \$75
108.30 or partial payment of the fees, costs, and security for costs, to be paid as directed by the
108.31 court.

109.1 The court administrator shall transmit any fees or payments to the commissioner of
109.2 management and budget for deposit in the state treasury and credit to the general fund.

109.3 Sec. 70. Minnesota Statutes 2022, section 563.01, subdivision 4, is amended to read:

109.4 Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the
109.5 sheriff of any Minnesota county shall perform their duties without charge to the person
109.6 proceeding ~~in forma pauperis~~ with a court fee waiver. The court shall direct payment of the
109.7 reasonable expense of service of process pursuant to subdivision 2 if served by a private
109.8 process server, if the sheriff is unavailable, or by publication.

109.9 Sec. 71. Minnesota Statutes 2022, section 563.01, subdivision 8, is amended to read:

109.10 Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting
109.11 permission to proceed ~~in forma pauperis~~ with a court fee waiver following application in
109.12 the manner provided in subdivision 3, direct payment of the reasonable expenses incurred
109.13 in obtaining the record and reproducing the appellate briefs.

109.14 Sec. 72. Minnesota Statutes 2022, section 563.01, subdivision 9, is amended to read:

109.15 Subd. 9. **Rescinding ~~in forma pauperis status~~ court fee waiver.** Upon motion, the
109.16 court may rescind its permission to proceed ~~in forma pauperis~~ with a court fee waiver if ~~it~~
109.17 the court finds the allegations of poverty contained in the affidavit are untrue, or if, following
109.18 commencement of the action, the party becomes able to pay the fees, costs and security for
109.19 the costs. In such cases, the court may direct the party to pay to the court administrator any
109.20 costs allowing the action to proceed. The court administrator shall transmit the costs to the
109.21 commissioner of management and budget for deposit in the state treasury and credit them
109.22 to the general fund.

109.23 Sec. 73. Minnesota Statutes 2022, section 563.01, subdivision 10, is amended to read:

109.24 Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action
109.25 as in other cases. In the event any person recovers moneys by either settlement or judgment
109.26 as a result of commencing or defending an action ~~in forma pauperis~~ with a court fee waiver,
109.27 the costs deferred and the expenses directed by the court to be paid under this section shall
109.28 be included in such moneys and shall be paid directly to the court administrator by the
109.29 opposing party. The court administrator shall transmit the costs to the commissioner of
109.30 management and budget for deposit in the state treasury and credit them to the general fund.

110.1 Sec. 74. Minnesota Statutes 2022, section 563.02, subdivision 2, is amended to read:

110.2 Subd. 2. **Inmate request to ~~proceed in forma pauperis~~ waive court fees.** (a) An inmate
110.3 who wishes to commence a civil action ~~by proceeding in forma pauperis~~ with court fee
110.4 waived must meet the following requirements, in addition to the requirements of section
110.5 563.01, subdivision 3:

110.6 (1) exhaust the inmate complaint procedure developed under the commissioner of
110.7 corrections policy and procedure before commencing a civil action against the department,
110.8 and state in the application to ~~proceed in forma pauperis~~ waive court fees that the inmate
110.9 has done so; and

110.10 (2) include the following information in an affidavit submitted under section 563.01:

110.11 (i) a statement that the inmate's claim is not substantially similar to a previous claim
110.12 brought by the inmate against the same party, arising from the same operative facts, and in
110.13 which there was an action that operated as an adjudication on the merits;

110.14 (ii) complete information on the inmate's identity, the nature and amount of the inmate's
110.15 income, spouse's income, if available to the inmate, real property owned by the inmate, and
110.16 the inmate's bank accounts, debts, monthly expenses, and number of dependents; and

110.17 (iii) the most recent monthly statement provided by the commissioner of corrections
110.18 showing the balance in the inmate's inmate account.

110.19 (b) The inmate shall also attach a written authorization for the court to obtain at any
110.20 time during pendency of the present action, without further authorization from the inmate,
110.21 a current statement of the inmate's inmate account balance, if needed to determine eligibility
110.22 to proceed with bringing a civil action ~~in forma pauperis~~ with court fees waived. An inmate
110.23 who has no funds in an inmate account satisfies the requirement of section 563.01,
110.24 subdivision 3, clause (c).

110.25 (c) An inmate who seeks to proceed as a plaintiff ~~in forma pauperis~~ with court fees
110.26 waived must file with the court the complaint in the action and the affidavit under this
110.27 section before serving the complaint on an opposing party.

110.28 (d) An inmate who has funds in an inmate account may only proceed as a plaintiff in a
110.29 civil action by paying the lesser of:

110.30 (1) the applicable court filing fee; or

111.1 (2) 50 percent of the balance shown in the inmate's account according to the statement
111.2 filed with the court under this subdivision, consistent with the requirements of section
111.3 243.23, subdivision 3.

111.4 (e) If an inmate elects to proceed under paragraph (d), the court shall notify the
111.5 commissioner of corrections to withdraw from the inmate's account the amount required
111.6 under this section and forward the amount to the court administrator in the county where
111.7 the action was commenced. The court shall also notify the commissioner of corrections of
111.8 the amount of the filing fee remaining unpaid. The commissioner shall continue making
111.9 withdrawals from the inmate's account and forwarding the amounts withdrawn to the court
111.10 administrator, at intervals as the applicable funds in the inmate's account equal at least \$10,
111.11 until the entire filing fee and any costs have been paid in full.

111.12 Sec. 75. Minnesota Statutes 2022, section 571.72, subdivision 6, is amended to read:

111.13 Subd. 6. **Bad faith claim.** If, in a proceeding brought under subdivision 9, section 571.91,
111.14 or a similar proceeding under this chapter to determine a claim of exemption, the claim of
111.15 exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor
111.16 shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional
111.17 proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and
111.18 the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor
111.19 shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional
111.20 proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified
111.21 to reflect assessment of damages, costs, and attorney fees. However, if the party in whose
111.22 favor a penalty assessment is made is not actually indebted to that party's attorney for fees,
111.23 the attorney's fee award shall be made directly to the attorney and if not paid an appropriate
111.24 judgment in favor of the attorney shall be entered.

111.25 Sec. 76. Minnesota Statutes 2022, section 571.72, subdivision 8, is amended to read:

111.26 Subd. 8. **Exemption notice.** In every garnishment where the debtor is a natural person,
111.27 the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing
111.28 earnings, the earnings exemption notice provided in section 571.924 must be served ten or
111.29 more days before the service of the first garnishment summons. If the creditor is garnishing
111.30 funds in a financial institution, the exemption notice provided in section 571.912 must be
111.31 served with the garnishment summons. In all other cases, the exemption notice must be in
111.32 the following form and served on the debtor with a copy of the garnishment summons.

112.1 STATE OF MINNESOTA DISTRICT COURT
 112.2 COUNTY OF JUDICIAL DISTRICT
 112.3(Creditor)
 112.4 against
 112.5(Debtor) EXEMPTION NOTICE
 112.6 and
 112.7(Garnishee)

112.8 A Garnishment Summons is being served upon you. Some of your property may be
 112.9 exempt and cannot be garnished. The following is a list of some of the more common
 112.10 exemptions. It is not complete and is subject to section 550.37 of the Minnesota Statutes
 112.11 and other state and federal laws. The dollar amounts contained in this list are subject to the
 112.12 provisions of section 550.37, subdivision 4a, at the time of garnishment. If you have questions
 112.13 about an exemption, you should obtain legal advice.

112.14 (1) a homestead or the proceeds from the sale of a homestead;

112.15 (2) household furniture, appliances, phonographs, radios, and televisions up to a total
 112.16 current value of \$5,850;

112.17 (3) a manufactured (mobile) home used as your home;

112.18 (4) one motor vehicle currently worth less than \$2,600 after deducting any security
 112.19 interest;

112.20 (5) farm machinery used by an individual principally engaged in farming, or tools,
 112.21 machines, or office furniture used in your business or trade. This exemption is limited to
 112.22 \$13,000;

112.23 (6) relief based on need. This includes:

112.24 (i) Minnesota Family Investment Program (MFIP) and Work First Program;

112.25 (ii) Medical Assistance (MA), whether received by you or by your dependent child;

112.26 (iii) General Assistance (GA);

112.27 (iv) Emergency General Assistance (EGA);

112.28 (v) Minnesota Supplemental AID (MSA);

112.29 (vi) MSA-Emergency Assistance (MSA-EA);

112.30 (vii) Supplemental Security Income (SSI);

112.31 (viii) Energy Assistance; and

- 113.1 (ix) Emergency Assistance (EA);
- 113.2 (7) Social Security benefits;
- 113.3 (8) unemployment benefits, workers' compensation, or veteran's benefits;
- 113.4 (9) an accident, disability, or retirement pension or annuity;
- 113.5 (10) life insurance proceeds;
- 113.6 (11) earnings of your minor child; and
- 113.7 (12) money from a claim for damage or destruction of exempt property (such as household
- 113.8 goods, farm tools, business equipment, a manufactured (mobile) home, or a car).
- 113.9 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemption
- 113.10 notices provided on or after that date.

113.11 Sec. 77. Minnesota Statutes 2022, section 571.72, subdivision 9, is amended to read:

113.12 Subd. 9. **Motion to determine objections.** (a) This subdivision applies to all garnishment

113.13 proceedings governed by this chapter. An objection regarding a garnishment must be

113.14 interposed as provided in section 571.914, subdivision 1, in the form provided under section

113.15 571.914, subdivision 2.

113.16 (b) Upon motion of any party in interest, on notice, the court shall determine the validity

113.17 of any claim of exemption and may make any order necessary to protect the rights of those

113.18 interested.

113.19 (c) Upon receipt of a claim of exemption by the debtor, the creditor must comply with

113.20 the claim or interpose an objection within ten business days of the date the exemption claim

113.21 was received. An objection must be interposed by:

113.22 (1) in the district court that issued the judgment, filing the Notice of Objection and

113.23 requesting a hearing; and

113.24 (2) mailing or delivering one copy of the Notice of Objection and Notice of Hearing to

113.25 the garnishee and one copy of the Notice of Objection and Notice of Hearing to the debtor.

113.26 (d) For the purposes of subdivision 6, there is a rebuttable presumption of bad faith if

113.27 the court finds that the creditor failed to comply with the requirements of this subdivision.

113.28 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes

113.29 of action commenced on or after that date.

114.1 Sec. 78. Minnesota Statutes 2022, section 571.72, subdivision 10, is amended to read:

114.2 Subd. 10. **Exemption notice for prejudgment garnishment.**

114.3 **EXEMPTION NOTICE**

114.4 **IMPORTANT NOTICE: A garnishment summons may be served on your employer,**
114.5 **bank, or other third parties without any further court proceeding or notice to you.**

114.6 **See the attached Notice of Intent to Garnish for more information.**

114.7 **The following money and wages may be protected (the legal word is exempt) from**
114.8 **garnishment:**

114.9 **1. Financial institutions/bank**

114.10 Some of the money in your account may be protected because you receive government
114.11 benefits from one or more of the following places:

114.12 **MFIP** - Minnesota family investment program,

114.13 **MFIP Diversionary Work Program,**

114.14 **Work participation cash benefit,**

114.15 **GA** - general assistance,

114.16 **EA** - emergency assistance,

114.17 **MA** - medical assistance, whether received by you or by your dependent child,

114.18 **EGA** - emergency general assistance or county crisis funds,

114.19 **MSA** - Minnesota supplemental aid,

114.20 **MSA-EA** - MSA emergency assistance,

114.21 **Supplemental Nutrition Assistance Program (SNAP),**

114.22 **SSI** - Supplemental Security Income,

114.23 **MinnesotaCare**, whether received by you or by your dependent child,

114.24 **Medicare Part B premium payments,**

114.25 **Medicare Part D extra help,**

114.26 **Energy or fuel assistance,**

114.27 **Social Security benefits,**

114.28 **Unemployment benefits,**

115.1 **Workers' compensation,**

115.2 **Veterans benefits.**

115.3 **Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK**

115.4 **STATEMENTS that show what was in your account for the past 60 days may give the**

115.5 **creditor enough information about your exemption claim to avoid a garnishment.**

115.6 **2. Earnings**

115.7 All or some of your earnings may be completely protected from garnishment if:

115.8 **All of your earnings (wages) may be protected if:**

115.9 You get government benefits (see list of government benefits)

115.10 You currently receive other assistance based on need

115.11 You have received government benefits in the last six months

115.12 You were in jail or prison in the last six months

115.13 Your wages are only protected for 60 days after they are deposited in your account so

115.14 **it would be helpful if you immediately send the undersigned creditor a copy of BANK**

115.15 **STATEMENTS that show what was in your account for the past 60 days.**

115.16 **Some of your earnings (wages) may be protected if:**

115.17 If all of your earnings are not exempt, some of your earnings may still be protected for

115.18 20 days after they were deposited in your account. The amount protected is the larger amount

115.19 of:

115.20 75 percent of your wages (after taxes are taken out); or

115.21 (insert the sum of the current federal minimum wage) multiplied by 40.

115.22 **The money from the following are also exempt for 20 days after they are deposited**

115.23 **in your account.**

115.24 **An accident, disability, or retirement pension or annuity**

115.25 **Payments to you from a life insurance policy**

115.26 **Earnings of your child who is under 18 years of age**

115.27 **Child support**

115.28 **Money paid to you from a claim for damage or destruction of property.** Property

115.29 includes household goods, farm tools or machinery, tools for your job, business equipment,

116.1 a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or
116.2 appliances.

116.3 **Death benefits paid to you.**

116.4 **YOU WILL BE ABLE TO CLAIM THESE EXEMPTIONS WHEN YOU**
116.5 **RECEIVE A NOTICE. You will get the notice at least ten days BEFORE a wage**
116.6 **garnishment. BUT if the creditor garnishes your bank account, you will not get the**
116.7 **notice until AFTER the account has been frozen. IF YOU BELIEVE THE MONEY**
116.8 **IN YOUR BANK ACCOUNT OR YOUR WAGES ARE EXEMPT, YOU SHOULD**
116.9 **IMMEDIATELY CONTACT THE PERSON BELOW. YOU SHOULD TELL THEM**
116.10 **WHY YOU THINK YOUR ACCOUNT OR WAGES ARE EXEMPT TO SEE IF**
116.11 **YOU CAN AVOID GARNISHMENT.**

116.12 Creditor

116.13 Creditor address

116.14 Creditor telephone number

116.15 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemption
116.16 notices provided on or after that date.

116.17 Sec. 79. Minnesota Statutes 2022, section 571.911, is amended to read:

116.18 **571.911 EXEMPTION NOTICE; DUTY OF FINANCIAL INSTITUTION.**

116.19 (a) If the garnishment summons is used to garnish funds of a debtor who is a natural
116.20 person and if the funds to be garnished are held on deposit at a financial institution, the
116.21 creditor shall serve with the garnishee summons a notice, instructions, and two copies of
116.22 an exemption notice. The notice, instructions, and exemption notices must be substantially
116.23 in the forms set forth in section 571.912. Failure of the creditor to send the exemption notice
116.24 renders the garnishment void, and the financial institution shall take no action.

116.25 (b) Unless the total amount in the depository accounts under the debtor's name is less
116.26 than the amount specified under section 550.37, subdivision 29, upon receipt of the
116.27 garnishment summons and exemption notices, the financial institution shall retain as much
116.28 of the amount under section 571.73 as the financial institution has on deposit owing to the
116.29 debtor, but not more than 110 percent of the creditor's claim. If the amount in the account
116.30 does not exceed the amount specified under section 550.37, subdivision 29, the bank must
116.31 notify the creditor that no money is retained.

116.32 (c) If the creditor receives notice from the financial institution that no money is retained,
116.33 the creditor is prohibited from sending the notice under section 571.912.

117.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
117.2 of action commenced on or after that date.

117.3 Sec. 80. Minnesota Statutes 2022, section 571.914, subdivision 1, is amended to read:

117.4 Subdivision 1. **Objections and request for hearing.** ~~An objection shall be interposed,~~
117.5 ~~within six business days of receipt by the creditor of an exemption claim from the debtor,~~
117.6 ~~by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the~~
117.7 ~~financial institution and one copy of the Notice of Objection and Notice of Hearing to the~~
117.8 ~~debtor.~~

117.9 (a) The Notice of Objection and Notice of Hearing form must be substantially in the
117.10 form set out in subdivision 2.

117.11 (b) The court administrator may charge a fee of \$1 for the filing of a Notice of Objection
117.12 and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the
117.13 court administrator shall schedule the matter for hearing no sooner than five business days
117.14 but no later than seven business days from the date of filing. A debtor may request
117.15 continuance of the hearing by notifying the creditor and the court. The court shall schedule
117.16 the continued hearing within seven days of the original hearing date.

117.17 (c) An order stating whether the debtor's funds are exempt shall be issued by the court
117.18 within three days of the date of the hearing.

117.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
117.20 of action commenced on or after that date.

117.21 Sec. 81. Minnesota Statutes 2022, section 571.92, is amended to read:

117.22 **571.92 GARNISHMENT OF EARNINGS.**

117.23 Sections 571.921 to 571.926 relate to the garnishment of earnings. The exemptions
117.24 available under section 550.37 apply to the garnishment of earnings if the debtor is a resident
117.25 of Minnesota and the debtor's place of employment is in Minnesota, regardless of where
117.26 the employer is domiciled.

117.27 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
117.28 of action commenced on or after that date.

118.1 Sec. 82. Minnesota Statutes 2022, section 571.921, is amended to read:

118.2 **571.921 DEFINITIONS.**

118.3 For purposes of sections 571.921 to ~~571.926~~ 571.927, the following terms have the
118.4 meanings given them:

118.5 (a) "Earnings" means:

118.6 (1) compensation paid or payable to an employee, independent contractor, or
118.7 self-employed person for personal service whether denominated as wages, salary,
118.8 commissions, bonus, payments, profit-sharing distribution, severance payment, fees, or
118.9 otherwise, and includes periodic payments pursuant to a pension or retirement program;

118.10 (2) compensation paid or payable to the producer for the sale of agricultural products;
118.11 livestock or livestock products; milk or milk products; or fruit or other horticultural products
118.12 produced when the producer is operating a family farm, a family farm corporation, or an
118.13 authorized farm corporation, as defined in section 500.24, subdivision 2; or

118.14 (3) maintenance as defined in section 518.003, subdivision 3a.

118.15 (b) "Disposable earnings" means that part of the earnings of an individual remaining
118.16 after the deduction from those earnings of amounts required by law to be withheld.

118.17 (c) "Employee" means an individual ~~who performs services subject to the right of the~~
118.18 ~~employer to control both what is done and how it is done,~~ whether currently or formerly
118.19 employed, who is owed earnings and who is treated by an employer as an employee for
118.20 federal employment tax purposes.

118.21 (d) "Employer" means a person ~~for whom an individual performs services as an employee~~
118.22 who owes or will owe earnings to an employee or independent contractor.

118.23 (e) "Independent contractor" means an individual who (1) receives or is owed earnings
118.24 from an employer through periodic payments, and (2) is not treated by the employer as an
118.25 employee for federal employment tax purposes.

118.26 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
118.27 of action commenced on or after that date.

119.1 Sec. 83. Minnesota Statutes 2022, section 571.922, is amended to read:

119.2 **571.922 LIMITATION ON WAGE GARNISHMENT.**

119.3 (a) Unless the judgment is for child support, the maximum part of the aggregate
119.4 disposable earnings of an individual for any pay period subjected to garnishment may not
119.5 exceed the lesser of:

119.6 (1) 25 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds
119.7 120 times the greater of the hourly wage described in section 571.922, paragraph (a), clause
119.8 (4); or

119.9 (2) 15 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds
119.10 80 times, but is less than or equal to 120 times, the greater of the hourly wages described
119.11 in section 571.922, paragraph (a), clause (4); or

119.12 (3) five percent of the debtor's disposable earnings, if the debtor's weekly income exceeds
119.13 40 times, but is less than or equal to 80 times, the greater of the hourly wages described in
119.14 section 571.922, paragraph (a), clause (4).

119.15 (b) The amount by which the debtor's disposable earnings exceed the greater of:

119.16 ~~(i)~~ (1) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph
119.17 (b), clause (1), item (iii); or

119.18 ~~(ii)~~ (2) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the
119.19 Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The
119.20 calculation of the amount that is subject to garnishment must be based on the hourly wage
119.21 in effect at the time the earnings are payable, times the number of work weeks in the pay
119.22 period. When a pay period consists of other than a whole number of work weeks, each day
119.23 of that pay period in excess of the number of completed work weeks shall be counted as a
119.24 fraction of a work week equal to the number of excess workdays divided by the number of
119.25 days in the normal work week.

119.26 ~~(b)~~ (c) If the judgment is for child support, the garnishment may not exceed:

119.27 (1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is
119.28 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
119.29 to be calculated to the beginning of the work week in which the execution levy is received);

119.30 (2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is
119.31 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks

120.1 to be calculated to the beginning of the work week in which the garnishment summons is
120.2 received);

120.3 (3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not
120.4 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
120.5 to be calculated to the beginning of the work week in which the execution levy is received);
120.6 or

120.7 (4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not
120.8 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
120.9 to be calculated to the beginning of the work week in which the garnishment summons is
120.10 received).

120.11 Wage garnishments on judgments for child support are effective until the judgments are
120.12 satisfied if the judgment creditor is a county and the employer is notified by the county
120.13 when the judgment is satisfied.

120.14 ~~(e)~~ (d) No court may make, execute, or enforce an order or any process in violation of
120.15 this section.

120.16 Sec. 84. Minnesota Statutes 2022, section 571.924, subdivision 1, is amended to read:

120.17 Subdivision 1. **Requirement.** The creditor shall serve upon the debtor, no less than ten
120.18 days before the service of the garnishment summons, a notice that a summons may be issued.
120.19 The notice shall: (1) be substantially in the form set out in section 571.925; (2) be served
120.20 personally, in the manner of a summons and complaint, or by first class mail to the last
120.21 known address of the debtor; (3) inform the debtor that a garnishment summons may be
120.22 served on the debtor's employer after ten days, and that the debtor may, within that time,
120.23 cause to be served on the creditor a signed statement under penalties of perjury asserting
120.24 an entitlement to an exemption from garnishment; (4) inform the debtor of the earnings
120.25 garnishment exemptions contained in section 550.37, subdivision 14; ~~and~~ (5) advise the
120.26 debtor of the relief set forth in this chapter to which the debtor may be entitled if a creditor
120.27 in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed
120.28 against a debtor who in bad faith falsely claims an exemption or in bad faith takes action
120.29 to frustrate the garnishment process; and (6) provide in type that is at least two points larger
120.30 than the body of the notice: (i) the date upon which the notice is mailed; (ii) a mailing
120.31 address and an email address for delivery of an exemption claim; and (iii) a telephone
120.32 number for the creditor's attorney or the creditor.

121.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
121.2 of action commenced on or after that date.

121.3 Sec. 85. Minnesota Statutes 2022, section 571.925, is amended to read:

121.4 **571.925 FORM OF NOTICE.**

121.5 The ten-day notice informing a debtor that a garnishment summons may be used to
121.6 garnish the earnings of an individual must be substantially in the following form:

121.7	STATE OF MINNESOTA	DISTRICT COURT
121.8	COUNTY OFJUDICIAL DISTRICT
121.9(Creditor)	
121.10	against	
121.11		GARNISHMENT EXEMPTION
121.12(Debtor)	NOTICE AND NOTICE OF
121.13	and	INTENT TO GARNISH EARNINGS
121.14(Garnishee)	

121.15 PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon
121.16 your employer or other third parties, without any further court proceedings or notice to you,
121.17 ten days or more from the date hereof. Some or all of your earnings are exempt from
121.18 garnishment. If your earnings are garnished, your employer must show you how the amount
121.19 that is garnished from your earnings was calculated. You have the right to request a hearing
121.20 if you claim the garnishment is incorrect.

121.21 Your earnings are completely exempt from garnishment if you are now a recipient of
121.22 assistance based on need, if you have been a recipient of assistance based on need within
121.23 the last six months, or if you have been an inmate of a correctional institution in the last six
121.24 months.

121.25 Assistance based on need includes, but is not limited to:

- 121.26 **MFIP** - Minnesota family investment program,
- 121.27 **MFIP Diversionary Work Program,**
- 121.28 **Work participation cash benefit,**
- 121.29 **GA** - general assistance,
- 121.30 **EA** - emergency assistance,
- 121.31 **MA** - medical assistance, whether received by you or by your dependent child,
- 121.32 **EGA** - emergency general assistance,
- 121.33 **MSA** - Minnesota supplemental aid,
- 121.34 **MSA-EA** - MSA emergency assistance,

- 122.1 **Supplemental Nutrition Assistance Program (SNAP),**
- 122.2 **SSI - Supplemental Security Income,**
- 122.3 **MinnesotaCare, whether received by you or by your dependent child,**
- 122.4 **Medicare Part B premium payments,**
- 122.5 **Medicare Part D extra help,**
- 122.6 **Energy or fuel assistance.**

122.7 If you wish to claim an exemption, you should fill out the appropriate form below, sign
 122.8 it, and send it to the creditor's attorney and the garnishee.

122.9 You may wish to contact the attorney for the creditor in order to arrange for a settlement
 122.10 of the debt or contact an attorney to advise you about exemptions or other rights.

122.11 **PENALTIES**

122.12 (1) Be advised that even if you claim an exemption, a garnishment summons may still
 122.13 be served on your employer. If your earnings are garnished after you claim an exemption,
 122.14 you may petition the court for a determination of your exemption. If the court finds that
 122.15 the creditor disregarded your claim of exemption in bad faith, you will be entitled to
 122.16 costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

122.17 (2) **HOWEVER, BE WARNED** if you claim an exemption, the creditor can also petition
 122.18 the court for a determination of your exemption, and if the court finds that you claimed
 122.19 an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus
 122.20 an amount not to exceed \$100.

122.21 (3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment,
 122.22 thus requiring the creditor to petition the court to resolve the problem, you will be liable
 122.23 to the creditor for costs and reasonable attorney's fees plus an amount not to exceed
 122.24 \$100.

122.25 Dated:
 122.26 (Attorney for) Creditor
 122.27
 122.28 Address
 122.29
 122.30 Telephone

122.31 **DEBTOR'S EXEMPTION CLAIM NOTICE**

122.32 I hereby claim that my earnings are exempt from garnishment because:

123.1 (1) I am presently a recipient of relief based on need. (Specify the program, case number,
123.2 and the county from which relief is being received.)

123.3

123.4 Program Case Number (if known) County

123.5 (2) I am not now receiving relief based on need, but I have received relief based on need
123.6 within the last six months. (Specify the program, case number, and the county from
123.7 which relief has been received.)

123.8

123.9 Program Case Number (if known) County

123.10 (3) I have been an inmate of a correctional institution within the last six months. (Specify
123.11 the correctional institution and location.)

123.12

123.13 Correctional Institution Location

123.14 I hereby authorize any agency that has distributed relief to me or any correctional
123.15 institution in which I was an inmate to disclose to the above-named creditor or the creditor's
123.16 attorney only whether or not I am or have been a recipient of relief based on need or an
123.17 inmate of a correctional institution within the last six months. I have mailed or delivered a
123.18 copy of this form to the creditor or creditor's attorney.

123.19

123.20 Date Debtor

123.21

123.22 Address

123.23

123.24 Debtor Telephone Number

123.25 STATE OF MINNESOTA DISTRICT COURT

123.26 COUNTY OF JUDICIAL DISTRICT

123.27(Creditor)

123.28(Debtor)

123.29(Financial institution)

123.30 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to notices
123.31 provided on or after that date.

124.1 Sec. 86. Minnesota Statutes 2022, section 571.927, is amended to read:

124.2 **571.927 PENALTY FOR RETALIATION FOR GARNISHMENT.**

124.3 Subdivision 1. **Prohibition.** An employer shall not discharge or otherwise discipline an
124.4 employee or independent contractor as a result of an earnings garnishment authorized by
124.5 this chapter.

124.6 Subd. 2. **Remedy.** If an employer violates this section, a court may order the reinstatement
124.7 of an aggrieved party who demonstrates a violation of this section, and other relief the court
124.8 considers appropriate. The aggrieved party may bring a civil action within 90 days of the
124.9 date of the prohibited action. If an employer-employee or employer-independent contractor
124.10 relationship existed before the violation of this section, the employee or independent
124.11 contractor shall recover twice the ~~wages~~ earnings lost as a result of this violation.

124.12 Subd. 3. **Nonwaiver.** The rights guaranteed by this section may not be waived or altered
124.13 by ~~employment~~ contract.

124.14 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
124.15 of action commenced on or after that date.

124.16 Sec. 87. **GARNISHMENT FORMS REVISION.**

124.17 (a) The attorney general must review and make recommendations to revise into plain
124.18 language the notices and forms found in Minnesota Statutes, sections 571.72, subdivisions
124.19 8 and 10; 571.74; 571.75, subdivision 2; 571.912; and 571.925.

124.20 (b) The attorney general must review and determine whether the forms contained in
124.21 Minnesota Statutes, sections 571.711, subdivision 11; 571.914; 571.931, subdivision 6; and
124.22 571.932, subdivision 2, should be revised into a more easily readable and understandable
124.23 format. If the attorney general determines the forms should be revised, the attorney general
124.24 must make recommendations for legislative revisions to the forms.

124.25 (c) The recommendations made under paragraphs (a) and (b) must include proposals to
124.26 (1) explain in simple terms the meaning of garnishment in any form that uses the term
124.27 garnishment, and (2) prominently place on forms the name, telephone, and email address
124.28 of the creditor.

124.29 (d) When developing the recommendations, the attorney general must consult with the
124.30 Center for Plain Language and other plain language experts the attorney general may identify,
124.31 and must collaborate with the commissioner of commerce and affected business and consumer
124.32 groups, including but not limited to:

- 125.1 (1) the Minnesota Creditors' Rights Association;
125.2 (2) the Great Lakes Credit and Collections Association;
125.3 (3) the Minnesota Bankers' Association;
125.4 (4) the Minnesota Credit Union Network;
125.5 (5) BankIn Minnesota;
125.6 (6) Mid-Minnesota Legal Aid;
125.7 (7) the Minnesota chapter of the National Association of Consumer Advocates;
125.8 (8) the Minnesota chapter of the National Association of Consumer Bankruptcy Attorneys;
125.9 (9) Lutheran Social Service; and
125.10 (10) Family Means.

125.11 (e) For the purposes of this section, "plain language" means communication in which
125.12 the wording, structure, and design are so clear that the intended reader can easily: (1) find
125.13 what the reader needs; (2) understand what the reader needs; and (3) use what the reader
125.14 finds to meet the reader's needs.

125.15 Sec. 88. **RULEMAKING.**

125.16 The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply
125.17 with the changes made and added in this article to Minnesota Statutes, sections 47.20,
125.18 subdivision 2; 47.54, subdivisions 2 and 6; 48.24, subdivision 2; 58.02, subdivisions 15a,
125.19 18, and 21; 58.04, subdivisions 1 and 2; 58.05, subdivisions 1 and 3; 58.06, subdivisions
125.20 5, 6, and 7; 58.08, subdivisions 1a, 2, and 3; 58.10, subdivision 3; 58.115; 58.13, subdivision
125.21 1; and 58.141. The commissioner of commerce may use the good cause exemption under
125.22 Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this
125.23 section. Minnesota Statutes, section 14.386, does not apply, except as provided under
125.24 Minnesota Statutes, section 14.388.

125.25 Sec. 89. **REPEALER.**

125.26 (a) Minnesota Statutes 2022, section 58.08, subdivision 3, is repealed.

125.27 (b) Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

125.28 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025.

126.1 **ARTICLE 3**
126.2 **INSURANCE**

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

126.4 Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A,
126.5 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph
126.6 (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78;
126.7 471.617; ~~and 471.982;~~ and 513.80, unless the context indicates otherwise, the terms defined
126.8 in this section have the meanings given them.

126.9 Sec. 2. Minnesota Statutes 2022, section 60A.201, is amended by adding a subdivision to
126.10 read:

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

126.14 Sec. 3. **[60A.43] DISABILITY INCOME COVERAGE; DISCLOSURE.**

126.15 (a) No contract or policy of long-term disability insurance that limits the duration of
126.16 coverage for mental health or substance use disorders shall be offered in this state without
126.17 a disclosure, provided at the time of application, that includes the following:

126.18 (1) a notification that the long-term disability coverage selected by the potential
126.19 policyholder or plan sponsor limits the duration of coverage for mental health or substance
126.20 use disorders; and

126.21 (2) that the potential policyholder or plan sponsor has the right to request more
126.22 information about the limitation and other coverage options that include an unlimited
126.23 duration, if available.

126.24 (b) Receipt of the disclosure described in paragraph (a) must be acknowledged by the
126.25 potential policyholder or plan sponsor and evidence of the disclosure and acknowledgment
126.26 must be retained by the insurance company offering the coverage for a period of no less
126.27 than two years.

126.28 Sec. 4. Minnesota Statutes 2023 Supplement, section 61A.031, is amended to read:

126.29 **61A.031 SUICIDE PROVISIONS.**

126.30 (a) ~~The sanity or insanity mental competency~~ of a person shall not be a factor in
126.31 determining whether a person ~~committed~~ completed suicide within the terms of an individual

127.1 or group life insurance policy regulating the payment of benefits in the event of the insured's
127.2 suicide. This paragraph shall not be construed to alter present law but is intended to clarify
127.3 present law.

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

127.12 Sec. 5. Minnesota Statutes 2023 Supplement, section 62Q.522, subdivision 1, is amended
127.13 to read:

127.14 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

127.15 ~~(b) "Closely held for-profit entity" means an entity that:~~

127.16 ~~(1) is not a nonprofit entity;~~

127.17 ~~(2) has more than 50 percent of the value of its ownership interest owned directly or~~
127.18 ~~indirectly by five or fewer owners; and~~

127.19 ~~(3) has no publicly traded ownership interest.~~

127.20 ~~For purposes of this paragraph:~~

127.21 ~~(i) ownership interests owned by a corporation, partnership, limited liability company,~~
127.22 ~~estate, trust, or similar entity are considered owned by that entity's shareholders, partners,~~
127.23 ~~members, or beneficiaries in proportion to their interest held in the corporation, partnership,~~
127.24 ~~limited liability company, estate, trust, or similar entity;~~

127.25 ~~(ii) ownership interests owned by a nonprofit entity are considered owned by a single~~
127.26 ~~owner;~~

127.27 ~~(iii) ownership interests owned by all individuals in a family are considered held by a~~
127.28 ~~single owner. For purposes of this item, "family" means brothers and sisters, including~~
127.29 ~~half brothers and half sisters, a spouse, ancestors, and lineal descendants; and~~

127.30 ~~(iv) if an individual or entity holds an option, warrant, or similar right to purchase an~~
127.31 ~~ownership interest, the individual or entity is considered to be the owner of those ownership~~
127.32 ~~interests.~~

128.1 ~~(e)~~ (b) "Contraceptive method" means a drug, device, or other product approved by the
128.2 Food and Drug Administration to prevent unintended pregnancy.

128.3 ~~(d)~~ (c) "Contraceptive service" means consultation, examination, procedures, and medical
128.4 services related to the prevention of unintended pregnancy, excluding vasectomies. This
128.5 includes but is not limited to voluntary sterilization procedures, patient education, counseling
128.6 on contraceptives, and follow-up services related to contraceptive methods or services,
128.7 management of side effects, counseling for continued adherence, and device insertion or
128.8 removal.

128.9 ~~(e)~~ "Eligible organization" means an organization that opposes providing coverage for
128.10 some or all contraceptive methods or services on account of religious objections and that
128.11 is:

128.12 ~~(1) organized as a nonprofit entity and holds itself out to be religious; or~~

128.13 ~~(2) organized and operates as a closely held for-profit entity, and the organization's~~
128.14 ~~owners or highest governing body has adopted, under the organization's applicable rules of~~
128.15 ~~governance and consistent with state law, a resolution or similar action establishing that the~~
128.16 ~~organization objects to covering some or all contraceptive methods or services on account~~
128.17 ~~of the owners' sincerely held religious beliefs.~~

128.18 ~~(f)~~ "Exempt organization" means an organization that is organized and operates as a
128.19 nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal
128.20 Revenue Code of 1986, as amended.

128.21 ~~(g)~~ (d) "Medical necessity" includes but is not limited to considerations such as severity
128.22 of side effects, difference in permanence and reversibility of a contraceptive method or
128.23 service, and ability to adhere to the appropriate use of the contraceptive method or service,
128.24 as determined by the attending provider.

128.25 ~~(h)~~ (e) "Therapeutic equivalent version" means a drug, device, or product that can be
128.26 expected to have the same clinical effect and safety profile when administered to a patient
128.27 under the conditions specified in the labeling, and that:

128.28 (1) is approved as safe and effective;

128.29 (2) is a pharmaceutical equivalent: (i) containing identical amounts of the same active
128.30 drug ingredient in the same dosage form and route of administration; and (ii) meeting
128.31 compendial or other applicable standards of strength, quality, purity, and identity;

128.32 (3) is bioequivalent in that:

129.1 (i) the drug, device, or product does not present a known or potential bioequivalence
129.2 problem and meets an acceptable in vitro standard; or

129.3 (ii) if the drug, device, or product does present a known or potential bioequivalence
129.4 problem, it is shown to meet an appropriate bioequivalence standard;

129.5 (4) is adequately labeled; and

129.6 (5) is manufactured in compliance with current manufacturing practice regulations.

129.7 EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health
129.8 plans offered, sold, issued, or renewed on or after that date.

129.9 Sec. 6. Minnesota Statutes 2023 Supplement, section 62Q.523, subdivision 1, is amended
129.10 to read:

129.11 Subdivision 1. **Scope of coverage.** Except as otherwise provided in section ~~62Q.522~~
129.12 ~~62Q.679~~, subdivisions 2 and 3 ~~and 4~~, all health plans that provide prescription coverage
129.13 must comply with the requirements of this section.

129.14 EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health
129.15 plans offered, sold, issued, or renewed on or after that date.

129.16 Sec. 7. [62Q.585] GENDER-AFFIRMING CARE COVERAGE; MEDICALLY
129.17 NECESSARY CARE.

129.18 Subdivision 1. Requirement. No health plan that covers physical or mental health
129.19 services may be offered, sold, issued, or renewed in this state that:

129.20 (1) excludes coverage for medically necessary gender-affirming care; or

129.21 (2) requires gender-affirming treatments to satisfy a definition of "medically necessary
129.22 care," "medical necessity," or any similar term that is more restrictive than the definition
129.23 provided in subdivision 2.

129.24 Subd. 2. Minimum definition. "Medically necessary care" means health care services
129.25 appropriate in terms of type, frequency, level, setting, and duration to the enrollee's diagnosis
129.26 or condition and diagnostic testing and preventive services. Medically necessary care must
129.27 be consistent with generally accepted practice parameters as determined by health care
129.28 providers in the same or similar general specialty as typically manages the condition,
129.29 procedure, or treatment at issue and must:

129.30 (1) help restore or maintain the enrollee's health; or

130.1 (2) prevent deterioration of the enrollee's condition.

130.2 Subd. 3. **Definitions.** (a) For purposes of this section, the following terms have the
130.3 meanings given.

130.4 (b) "Gender-affirming care" means all medical, surgical, counseling, or referral services,
130.5 including telehealth services, that an individual may receive to support and affirm the
130.6 individual's gender identity or gender expression and that are legal under the laws of this
130.7 state.

130.8 (c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes
130.9 the coverages listed in section 62A.011, subdivision 3, clauses (7) and (10).

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

130.11 Sec. 8. **[62Q.679] RELIGIOUS OBJECTIONS.**

130.12 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

130.13 (b) "Closely held for-profit entity" means an entity that is not a nonprofit entity, has
130.14 more than 50 percent of the value of its ownership interest owned directly or indirectly by
130.15 five or fewer owners, and has no publicly traded ownership interest. For purposes of this
130.16 paragraph:

130.17 (1) ownership interests owned by a corporation, partnership, limited liability company,
130.18 estate, trust, or similar entity are considered owned by that entity's shareholders, partners,
130.19 members, or beneficiaries in proportion to their interest held in the corporation, partnership,
130.20 limited liability company, estate, trust, or similar entity;

130.21 (2) ownership interests owned by a nonprofit entity are considered owned by a single
130.22 owner;

130.23 (3) ownership interests owned by all individuals in a family are considered held by a
130.24 single owner. For purposes of this clause, "family" means brothers and sisters, including
130.25 half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

130.26 (4) if an individual or entity holds an option, warrant, or similar right to purchase an
130.27 ownership interest, the individual or entity is considered to be the owner of those ownership
130.28 interests.

130.29 (c) "Eligible organization" means an organization that opposes covering some or all
130.30 health benefits under section 62Q.522 or 62Q.585 on account of religious objections and
130.31 that is:

131.1 (1) organized as a nonprofit entity and holds itself out to be religious; or

131.2 (2) organized and operates as a closely held for-profit entity, and the organization's
131.3 owners or highest governing body has adopted, under the organization's applicable rules of
131.4 governance and consistent with state law, a resolution or similar action establishing that the
131.5 organization objects to covering some or all health benefits under section 62Q.522 or
131.6 62Q.585 on account of the owners' sincerely held religious beliefs.

131.7 (d) "Exempt organization" means an organization that is organized and operates as a
131.8 nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal
131.9 Revenue Code of 1986, as amended.

131.10 Subd. 2. **Exemption.** (a) An exempt organization is not required to provide coverage
131.11 under section 62Q.522 or 62Q.585 if the exempt organization has religious objections to
131.12 the coverage. An exempt organization that chooses to not provide coverage pursuant to this
131.13 paragraph must notify employees as part of the hiring process and must notify all employees
131.14 at least 30 days before:

131.15 (1) an employee enrolls in the health plan; or

131.16 (2) the effective date of the health plan, whichever occurs first.

131.17 (b) If the exempt organization provides partial coverage under section 62Q.522 or
131.18 62Q.585, the notice required under paragraph (a) must provide a list of the portions of such
131.19 coverage which the organization refuses to cover.

131.20 Subd. 3. **Accommodation for eligible organizations.** (a) A health plan established or
131.21 maintained by an eligible organization complies with the coverage requirements of section
131.22 62Q.522 or 62Q.585, with respect to the health benefits identified in the notice under this
131.23 paragraph, if the eligible organization provides notice to any health plan company with
131.24 which the eligible organization contracts that it is an eligible organization and that the
131.25 eligible organization has a religious objection to coverage for all or a subset of the health
131.26 benefits under section 62Q.522 or 62Q.585.

131.27 (b) The notice from an eligible organization to a health plan company under paragraph
131.28 (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to
131.29 coverage for some or all of the health benefits under section 62Q.522 or 62Q.585, including
131.30 a list of the health benefits to which the eligible organization objects, if applicable; and (3)
131.31 the health plan name. The notice must be executed by a person authorized to provide notice
131.32 on behalf of the eligible organization.

132.1 (c) An eligible organization must provide a copy of the notice under paragraph (a) to
132.2 prospective employees as part of the hiring process and to all employees at least 30 days
132.3 before:

132.4 (1) an employee enrolls in the health plan; or

132.5 (2) the effective date of the health plan, whichever occurs first.

132.6 (d) A health plan company that receives a copy of the notice under paragraph (a) with
132.7 respect to a health plan established or maintained by an eligible organization must, for all
132.8 future enrollments in the health plan:

132.9 (1) expressly exclude coverage for those health benefits identified in the notice under
132.10 paragraph (a) from the health plan; and

132.11 (2) provide separate payments for any health benefits required to be covered under
132.12 section 62Q.522 or 62Q.585 for enrollees as long as the enrollee remains enrolled in the
132.13 health plan.

132.14 (e) The health plan company must not impose any cost-sharing requirements, including
132.15 co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or
132.16 other charge for the health benefits under section 62Q.522 on the enrollee. The health plan
132.17 company must not directly or indirectly impose any premium, fee, or other charge for the
132.18 health benefits under section 62Q.522 or 62Q.585 on the eligible organization or health
132.19 plan.

132.20 (f) On January 1, 2024, and every year thereafter a health plan company must notify the
132.21 commissioner, in a manner determined by the commissioner, of the number of eligible
132.22 organizations granted an accommodation under this subdivision.

132.23 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
132.24 plans offered, sold, issued, or renewed on or after that date.

132.25 Sec. 9. Minnesota Statutes 2022, section 65A.29, subdivision 7, is amended to read:

132.26 Subd. 7. **Renewal; notice requirement.** (a) No insurer shall refuse to renew, or reduce
132.27 limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it
132.28 mails or delivers to the insured, at the address shown in the policy, at least 60 days' advance
132.29 notice of its intention. The notice must contain the specific underwriting or other reason or
132.30 reasons for the indicated action and must state the name of the insurer and the date the notice
132.31 is issued.

133.1 (b) For purposes of this section and any rules adopted pursuant to subdivision 8,
133.2 increasing or revising a homeowner's insurance policy deductible, including but not limited
133.3 to obligating a policyholder to pay a percentage of an insured loss as part of the deductible,
133.4 is not a refusal to renew, a reduction in coverage limits, or an elimination of coverage. If
133.5 an insurer provides a deductible obligating a policyholder to pay a percentage of an insured
133.6 loss, the insurer must also provide at least one flat-dollar deductible.

133.7 (c) Proof of mailing this notice to the insured at the address shown in the policy is
133.8 sufficient proof that the notice required by this section has been given.

133.9 Sec. 10. Minnesota Statutes 2022, section 65A.29, subdivision 8, is amended to read:

133.10 Subd. 8. **Rules.** (a) The commissioner may adopt rules pursuant to chapter 14, to specify
133.11 the grounds for nonrenewal, reduction in limits of coverage, or elimination of coverage of
133.12 a homeowner's policy. The rules must limit the grounds to the following factors:

133.13 (1) reasons stated for cancellation in section 65A.01, subdivision 3a;

133.14 (2) reasons stated in section 72A.20, subdivision 13;

133.15 (3) insured's loss experience, ~~not to include~~ including natural causes, which may include
133.16 but are not limited to lightning, rain, wind, and hail; and

133.17 (4) other factors deemed reasonable by the commissioner.

133.18 The rules may give consideration to the form and content of the termination notice to
133.19 the insured, a statement as to what constitutes receipt of the termination notice, and the
133.20 procedure by which the insured may appeal a termination notice.

133.21 The rules adopted under this subdivision may provide for imposition of a monetary
133.22 penalty not greater than \$500 per occurrence upon insurers who are found to be in violation
133.23 of the law or the rules.

133.24 (b) In addition to any rules adopted under this subdivision, an insured may appeal any
133.25 nonrenewal under this section to the commissioner of commerce. If the commissioner finds
133.26 that the nonrenewal is unjustified, arbitrary, or capricious, the commissioner shall order the
133.27 insurer to reinstate the insured's policy. The commissioner's order may be appealed pursuant
133.28 to chapter 14. The insured's policy shall continue in force pending the conclusion of the
133.29 appeal to the commissioner. The insurer must notify the insured of the insured's right to
133.30 appeal the nonrenewal to the commissioner in the notice of nonrenewal required under
133.31 subdivision 7.

134.1 Sec. 11. [65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES;
134.2 COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.

134.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
134.4 the meanings given.

134.5 (b) "Assessable loss" means a covered loss under the terms of a policy governed by
134.6 subdivision 2, paragraph (a) or (b).

134.7 (c) "Association" has the meaning given in section 515B.1-103, clause (4).

134.8 (d) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

134.9 Subd. 2. Loss assessment. (a) If a loss assessment is charged by an association to an
134.10 individual unit owner, the insurance policy in force at the time of the assessable loss must
134.11 pay the loss assessment, subject to the limits provided in the policy, notwithstanding any
134.12 policy provisions regarding when loss assessment coverage accrues, and subject to any
134.13 other terms, conditions, and exclusions in the policy, if the following conditions are met:

134.14 (1) the unit owner at the time of the assessable loss is the owner of the property listed
134.15 on the policy at the time the loss assessment is charged;

134.16 (2) the insurance policy in force at the time of the assessable loss provides loss assessment
134.17 coverage; and

134.18 (3) a loss assessment and the event or occurrence which triggers a loss assessment shall
134.19 be considered a single loss for underwriting and rating purposes.

134.20 (b) If a loss assessment is charged by an association to an individual unit owner, the
134.21 insurance policy in force at the time the loss assessment is charged must pay the assessment,
134.22 subject to the limits provided in the policy, notwithstanding any policy provisions regarding
134.23 when loss assessment coverage accrues, and subject to any other terms, conditions, and
134.24 exclusions in the policy, if the following conditions are met:

134.25 (1) the unit owner at the time of the loss assessment is charged is different than the unit
134.26 owner at the time of the assessable loss; and

134.27 (2) the insurance policy in force at the time the loss assessment is charged provides loss
134.28 assessment coverage.

134.29 (c) For a loss assessment under paragraph (b), an insurer may require evidence
134.30 documenting that the transfer of ownership occurred prior to the assessment before the
134.31 insurer affords coverage.

135.1 Sec. 12. Minnesota Statutes 2022, section 70A.05, is amended to read:

135.2 **70A.05 RATING METHODS.**

135.3 The compliance of rates with the standards of section 70A.04 shall be determined by
135.4 considering the following matters:

135.5 (1) **Factors in rates.** Due consideration shall be given to past and prospective loss and
135.6 expense experience within and outside this state, to a reasonable provision for catastrophe
135.7 hazards and contingencies, to clearly discernible trends within and outside this state, to
135.8 dividends or savings allowed or returned by insurers to their policyholders, members or
135.9 subscribers, and to all other relevant factors, including the judgment of underwriters and
135.10 raters and, with respect to property and homeowners insurance, the impact of losses caused
135.11 by natural causes, including but not limited to lightning, rain, wind, and hail.

135.12 (2) **Classification.** Risks may be classified by any reasonable method for the
135.13 establishment of rates and minimum premiums. Classifications may not be based on race,
135.14 color, creed or national origin. Rates thus produced may be modified for individual risks
135.15 in accordance with rating plans or schedules which establish standards for measuring probable
135.16 variations in hazards, expenses, or both.

135.17 (3) **Profits.** The rates may contain an allowance permitting a profit that is not
135.18 unreasonable.

135.19 Sec. 13. Minnesota Statutes 2022, section 72A.20, subdivision 13, is amended to read:

135.20 Subd. 13. **Refusal to renew.** Refusing to renew, declining to offer or write, or charging
135.21 differential rates for an equivalent amount of homeowner's insurance coverage, as defined
135.22 by section 65A.27, for property located in a ~~town or statutory or home rule charter city of~~
135.23 the first class, in which the insurer offers to sell or writes homeowner's insurance, solely
135.24 because:

135.25 (a) of the geographic area in which the property is located;

135.26 (b) of the age of the primary structure sought to be insured;

135.27 (c) the insured or prospective insured was denied coverage of the property by another
135.28 insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason
135.29 other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e);

135.30 (d) the property of the insured or prospective insured has been insured under the
135.31 Minnesota FAIR Plan Act, shall constitute an unfair method of competition and an unfair
135.32 and deceptive act or practice; or

136.1 (e) the insured has inquired about coverage for a hypothetical claim or has made an
136.2 inquiry to the insured's agent regarding a potential claim.

136.3 This subdivision prohibits an insurer from filing or charging different rates for different
136.4 zip code areas within the same town or statutory or home rule charter city.

136.5 This subdivision shall not prohibit the insurer from applying underwriting or rating
136.6 standards which the insurer applies generally in all other locations in the state and which
136.7 are not specifically prohibited by clauses (a) to (e). Such underwriting or rating standards
136.8 shall specifically include but not be limited to standards based upon the proximity of the
136.9 insured property to an extraordinary hazard or based upon the quality or availability of fire
136.10 protection services or based upon the density or concentration of the insurer's risks. Clause
136.11 (b) shall not prohibit the use of rating standards based upon the age of the insured structure's
136.12 plumbing, electrical, heating or cooling system or other part of the structure, the age of
136.13 which affects the risk of loss. Any insurer's failure to comply with section 65A.29,
136.14 subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice
136.15 or statement or (2) by failing to state specifically a bona fide underwriting or other reason
136.16 for the refusal to write shall create a presumption that the insurer has violated this subdivision.

136.17 Sec. 14. Minnesota Statutes 2022, section 325E.66, subdivision 1, is amended to read:

136.18 Subdivision 1. ~~Payment or rebate of insurance deductible~~ **Residential contractor;**
136.19 **prohibited insurance practices.** (a) A residential contractor providing home repair or
136.20 improvement services to be paid by an insured from the proceeds of a property or casualty
136.21 insurance policy shall not:

136.22 (1) as an inducement to the sale or provision of goods or services to an insured, advertise
136.23 or promise to pay, directly or indirectly, all or part of any applicable insurance deductible
136.24 or offer to compensate an insured for providing any service to the insured. The prohibition
136.25 under this clause includes but is not limited to offering compensation in exchange for:

136.26 (i) allowing the residential contractor to conduct an inspection of the insured's roof;

136.27 (ii) making an insurance claim for damage to the insured's roof; or

136.28 (iii) referring the residential contractor's services to others when insurance proceeds are
136.29 payable;

136.30 (2) provide an insured with an agreement authorizing repairs without also providing a
136.31 good faith estimate of the itemized and detailed cost of services and materials undertaken
136.32 pursuant to a property and casualty claim; or

137.1 (3) interpret policy provisions or advise an insured regarding coverages or duties under
137.2 the insured's policy, or adjust a property insurance claim on behalf of the insured, unless
137.3 the contractor has a license as a public adjuster under chapter 72B.

137.4 (b) If a residential contractor violates this section, the insurer to whom the insured
137.5 tendered the claim shall not be obligated to consider the estimate prepared by the residential
137.6 contractor. The residential contractor must provide a written notification of the requirements
137.7 of this section with its initial estimate. The adjuster or insurer must provide a written
137.8 notification of the requirements of this section in the initial estimate relating to the claim.

137.9 (c) For purposes of this section, "residential contractor" means a residential roofer, as
137.10 defined in section 326B.802, subdivision 14; a residential building contractor, as defined
137.11 in section 326B.802, subdivision 11; and a residential remodeler, as defined in section
137.12 326B.802, subdivision 12.

137.13 Sec. 15. [332.3352] WAIVER OF LICENSING AND REGISTRATION.

137.14 The commissioner of commerce may, by order, waive the licensing and registration
137.15 requirements of this chapter for a nonresident collection agency and the nonresident collection
137.16 agency's affiliated collectors if: (1) a written reciprocal licensing agreement is in effect
137.17 between the commissioner and the licensing officials of the nonresident collection agency's
137.18 home state; and (2) the nonresident collection agency is licensed in good standing in the
137.19 nonresident collection agency's home state.

137.20 Sec. 16. Minnesota Statutes 2022, section 471.6161, subdivision 8, is amended to read:

137.21 **Subd. 8. School districts; group health insurance coverage.** (a) Any entity providing
137.22 group health insurance coverage to a school district must provide the school district with
137.23 school district-specific nonidentifiable aggregate claims records for the most recent 24
137.24 months within 30 days of the request.

137.25 (b) School districts shall request proposals for group health insurance coverage as
137.26 provided in subdivision 2 from a minimum of three potential sources of coverage. One of
137.27 these requests must go to an administrator governed by chapter 43A. Entities referenced in
137.28 subdivision 1 must respond to requests for proposals received directly from a school district.
137.29 School districts that are self-insured must also follow these provisions, except as provided
137.30 in paragraph ~~(f)~~ (g). School districts must make requests for proposals at least 150 days
137.31 prior to the expiration of the existing contract but not more frequently than once every 24
137.32 months. The request for proposals must include the most recently available 24 months of

138.1 nonidentifiable aggregate claims data. The request for proposals must be publicly released
138.2 at or prior to its release to potential sources of coverage.

138.3 (c) School district contracts for group health insurance must not be longer than two years
138.4 unless the exclusive representative of the largest employment group and the school district
138.5 agree otherwise.

138.6 (d) All proposals for group health insurance coverage, including coverage offered under
138.7 chapters 43A and 123A, must include the information described in this paragraph for each
138.8 separate health plan being proposed. The information must be on the first page of each
138.9 proposal in a summary section and in a separate tabular format. Proposals that do not include
138.10 all of the following information are not eligible to be selected by a school district. All
138.11 proposals must include the:

138.12 (1) structure of the health plan, designating either exclusive provider organization,
138.13 preferred provider organization, point of service, or health maintenance organization;

138.14 (2) health plan actuarial value, using the minimum value calculator described in Code
138.15 of Federal Regulations, title 45, section 156.145;

138.16 (3) type of provider network, designating either narrow network, broad network, narrow
138.17 tiered network, or broad tiered network;

138.18 (4) agent or broker commissions paid as part of the premium, as requested by the proposal,
138.19 displayed in dollars per member per month;

138.20 (5) total premium dollars in the first 12-month period of the quote, not including
138.21 commissions;

138.22 (6) total premium dollars, per member per month, not including commissions; and

138.23 (7) number of expected members used for the premium quote calculation.

138.24 ~~(d)~~ (e) All initial proposals shall be sealed upon receipt until they are all opened no less
138.25 than 90 days prior to the plan's renewal date in the presence of up to three representatives
138.26 selected by the exclusive representative of the largest group of employees. Section 13.591,
138.27 subdivision 3, paragraph (b), applies to data in the proposals. The representatives of the
138.28 exclusive representative must maintain the data according to this classification and are
138.29 subject to the remedies and penalties under sections 13.08 and 13.09 for a violation of this
138.30 requirement.

138.31 ~~(e)~~ (f) A school district, in consultation with the same representatives referenced in
138.32 paragraph ~~(d)~~ (e), may continue to negotiate with any entity that submitted a proposal under

139.1 paragraph ~~(d)~~ (e) in order to reduce costs or improve services under the proposal. Following
139.2 the negotiations any entity that submitted an initial proposal may submit a final proposal
139.3 incorporating the negotiations, which is due no less than 75 days prior to the plan's renewal
139.4 date. All the final proposals submitted must be opened at the same time in the presence of
139.5 up to three representatives selected by the exclusive representative of the largest group of
139.6 employees. Notwithstanding section 13.591, subdivision 3, paragraph (b), following the
139.7 opening of the final proposals, all the proposals, including any made under paragraph ~~(d)~~
139.8 (e), and other data submitted in connection with the proposals are public data. The school
139.9 district may choose from any of the initial or final proposals without further negotiations
139.10 and in accordance with subdivision 5, but not sooner than 15 days after the proposals become
139.11 public data.

139.12 ~~(f)~~ (g) School districts that are self-insured shall follow all of the requirements of this
139.13 section, except that:

139.14 (1) their requests for proposals may be for third-party administrator services, where
139.15 applicable;

139.16 (2) these requests for proposals must be from a minimum of three different sources,
139.17 which may include both entities referenced in subdivision 1 and providers of third-party
139.18 administrator services;

139.19 (3) for purposes of fulfilling the requirement to request a proposal for group insurance
139.20 coverage from an administrator governed by chapter 43A, self-insured districts are not
139.21 required to include in the request for proposal the coverage to be provided;

139.22 (4) a district that is self-insured on or before the date of enactment, or that is self-insured
139.23 with more than 1,000 insured lives, or a district in which the school board adopted a motion
139.24 on or before May 14, 2014, to approve a self-insured health care plan to be effective July
139.25 1, 2014, may, but need not, request a proposal from an administrator governed by chapter
139.26 43A;

139.27 (5) requests for proposals must be sent to providers no less than 90 days prior to the
139.28 expiration of the existing contract; and

139.29 (6) proposals must be submitted at least 60 days prior to the plan's renewal date and all
139.30 proposals shall be opened at the same time and in the presence of the exclusive representative,
139.31 where applicable.

140.1 ~~(g)~~ (h) Nothing in this section shall restrict the authority granted to school district boards
140.2 of education by section 471.59, except that districts will not be considered self-insured for
140.3 purposes of this subdivision solely through participation in a joint powers arrangement.

140.4 ~~(h)~~ (i) An entity providing group health insurance to a school district under a multiyear
140.5 contract must give notice of any rate or plan design changes applicable under the contract
140.6 at least 90 days before the effective date of any change. The notice must be given to the
140.7 school district and to the exclusive representatives of employees.

140.8 Sec. 17. Minnesota Statutes 2022, section 471.617, subdivision 2, is amended to read:

140.9 Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, school
140.10 districts, or instrumentalities thereof which together have more than 100 employees may
140.11 jointly self-insure for any employee health benefits including long-term disability, but not
140.12 for employee life benefits, subject to the same requirements as an individual self-insurer
140.13 under subdivision 1. Self-insurance pools under this section are subject to section 62L.045.
140.14 A self-insurance pool established and operated by one or more service cooperatives governed
140.15 by section 123A.21 to provide coverage described in this subdivision qualifies under this
140.16 subdivision, but the individual school district members of such a pool shall not be considered
140.17 to be self-insured for purposes of section 471.6161, subdivision 8, paragraph ~~(f)~~ (g). The
140.18 commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or
140.19 guidelines for the operation and administration of self-insurance pools.

140.20 Sec. 18. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS;**
140.21 **UNFAIR SERVICE AGREEMENTS.**

140.22 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
140.23 the meanings given.

140.24 (b) "County recorder" has the meaning given in section 13.045, subdivision 1.

140.25 (c) "Person" means natural persons, corporations both foreign and domestic, trusts,
140.26 partnerships both limited and general, incorporated or unincorporated associations,
140.27 companies, business entities, and any other legal entity or any other group associated in fact
140.28 although not a legal entity or any agent, assignee, heir, employee, representative, or servant
140.29 thereof.

140.30 (d) "Record" or "recording" means placement of a document or instrument in the official
140.31 county public land records.

141.1 (e) "Residential real property" means real property that is located in Minnesota and
141.2 occupied, or intended to be occupied, by one to four families as the family's or families'
141.3 residence.

141.4 (f) "Service agreement" means a contract under which a person agrees to provide real
141.5 estate broker services, as defined in section 82.55, subdivision 19, in connection with the
141.6 purchase or sale of residential real property.

141.7 (g) "Service provider" means an individual or entity that provides services to a person
141.8 pursuant to a service agreement.

141.9 **Subd. 2. Unfair service agreements; prohibition.** (a) A service agreement subject to
141.10 this section is unfair and prohibited if any part of the agreement provides an exclusive right
141.11 to a service provider for a term in excess of one year after the time the service agreement
141.12 is entered into and:

141.13 (1) purports to run with the land or to be binding on future owners of interests in the real
141.14 property;

141.15 (2) allows for assignment of the right to provide service without notice to and the consent
141.16 of the residential real property's owner, including a contract for deed vendee;

141.17 (3) is recorded or purports to create a lien, encumbrance, or other real property security
141.18 interest; or

141.19 (4) contains a provision that purports to automatically renew the agreement upon the
141.20 agreement's expiration.

141.21 (b) The following are not unfair service agreements under this section:

141.22 (1) a home warranty or similar product that covers the cost of maintaining a major home
141.23 system or appliance for a fixed period;

141.24 (2) an insurance contract;

141.25 (3) a mortgage loan or a commitment to make or receive a mortgage loan;

141.26 (4) an option or right of refusal to purchase a residential real property;

141.27 (5) a declaration of any covenants, conditions, or restrictions created in the formation
141.28 of a homeowners association, a group of condominium owners, or other common interest
141.29 community or an amendment to the covenants, conditions, or restrictions;

141.30 (6) a maintenance or service agreement entered by a homeowners association in a
141.31 common interest community;

142.1 (7) a security agreement governed by chapter 336 that relates to the sale or rental of
142.2 personal property or fixtures; or

142.3 (8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service
142.4 provider.

142.5 (c) This section does not impair any lien right granted under Minnesota law or that is
142.6 judicially imposed.

142.7 Subd. 3. **Recording prohibited.** (a) A person is prohibited from:

142.8 (1) presenting or sending an unfair service agreement or notice or memorandum of an
142.9 unfair service agreement to any county recorder to record; or

142.10 (2) causing an unfair service agreement or notice or memorandum of an unfair service
142.11 agreement to be recorded by a county recorder.

142.12 (b) If a county recorder records an unfair service agreement, the county recorder does
142.13 not incur liability.

142.14 (c) If an unfair service agreement is recorded, the recording does not create a lien or
142.15 provide constructive notice to any third party, bona fide purchaser, or creditor.

142.16 Subd. 4. **Unfair service agreements unenforceable.** A service agreement that is unfair
142.17 under this section is unenforceable and does not create a contractual obligation or relationship.
142.18 Any waiver of a consumer right, including a right to trial by jury, in an unfair service
142.19 agreement is void.

142.20 Subd. 5. **Unfair service agreements; solicitation.** Encouraging any consumer to enter
142.21 into an unfair service agreement by any service provider constitutes:

142.22 (1) an unfair method of competition; and

142.23 (2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph
142.24 (c), and section 325F.69.

142.25 Sec. 19. Minnesota Statutes 2022, section 604.18, subdivision 1, is amended to read:

142.26 Subdivision 1. **Terms.** For purposes of this section, the following terms have the
142.27 meanings given them.

142.28 (a) "Insurance policy" means a written agreement between an insured and an insurer
142.29 that obligates an insurer to pay proceeds directly to an insured. Insurance policy does not
142.30 include provisions of a written agreement obligating an insurer to defend an insured,

143.1 reimburse an insured's defense expenses, provide for any other type of defense obligation,
143.2 or provide indemnification for judgments or settlements. Insurance policy does not include:

143.3 (1) coverage for workers' compensation insurance under chapter 176;

143.4 (2) a written agreement of a health carrier, as defined in section 62A.011, with the
143.5 exception of coverage that is limited to disability or income protection or a long-term care
143.6 policy or insurance, as defined under sections 62A.46, subdivision 2, and 62S.01, subdivision
143.7 18;

143.8 (3) a contract issued by a nonprofit health service plan corporation regulated under
143.9 chapter 62C that provides only dental coverage;

143.10 (4) a written agreement authorized under section 60A.06, subdivision 1, clause (4) or
143.11 (6), or 64B.16, subdivision 1; or

143.12 (5) a written agreement issued pursuant to section 67A.191.

143.13 (b) "Insured" means a person who, or an entity which, qualifies as an insured under the
143.14 terms of an insurance policy on which a claim for coverage is made. An insured does not
143.15 include any person or entity claiming a third-party beneficiary status under an insurance
143.16 policy.

143.17 (c) "Insurer" means every insurer, corporation, business trust, or association engaged in
143.18 insurance as a principal licensed or authorized to transact insurance under section 60A.06,
143.19 but for purposes of this section an insurer does not include a political subdivision providing
143.20 self-insurance or a pool of political subdivisions under section 471.981, subdivision 3. The
143.21 term does not include the Joint Underwriting Association operating under chapter 62F or
143.22 62I.

143.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and
143.24 applies to claims made or commenced under this section on or after that date.

143.25 Sec. 20. **REPEALER.**

143.26 (a) Minnesota Statutes 2022, section 332.3351, is repealed.

143.27 (b) Minnesota Statutes 2023 Supplement, section 62Q.522, subdivisions 3 and 4, are
143.28 repealed.

143.29 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025, and applies to health
143.30 plans offered, sold, issued, or renewed on or after that date.

144.1

ARTICLE 4

144.2

TELECOMMUNICATIONS POLICY

144.3

Section 1. Minnesota Statutes 2022, section 237.121, is amended to read:

144.4

237.121 PROHIBITED PRACTICES.

144.5

(a) A telephone company or telecommunications carrier may not do any of the following

144.6

with respect to services regulated by the commission:

144.7

(1) upon request, fail to disclose in a timely and uniform manner information necessary

144.8

for the design of equipment and services that will meet the specifications for interconnection;

144.9

(2) intentionally impair the speed, quality, or efficiency of services, products, or facilities

144.10

offered to a consumer under a tariff, contract, or price list;

144.11

(3) fail to provide a service, product, or facility to a consumer other than a telephone

144.12

company or telecommunications carrier in accordance with its applicable tariffs, price lists,

144.13

or contracts and with the commission's rules and orders;

144.14

(4) refuse to provide a service, product, or facility to a telephone company or

144.15

telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts

144.16

and with the commission's rules and orders;

144.17

(5) impose unreasonable or discriminatory restrictions on the resale of its services,

144.18

provided that:

144.19

(i) it may require that residential service may not be resold as a different class of service;

144.20

and

144.21

(ii) the commission may prohibit resale of services it has approved for provision for

144.22

not-for-profit entities at rates less than those offered to the general public; ~~or~~

144.23

(6) provide telephone service to a person acting as a telephone company or

144.24

telecommunications carrier if the commission has ordered the telephone company or

144.25

telecommunications carrier to discontinue service to that person; or

144.26

(7) upon cancellation of a service, refuse to provide a prorated refund of payment made

144.27

in advance by a customer.

144.28

(b) A telephone company or telecommunications carrier may not violate a provision of

144.29

sections 325F.692 and 325F.693, with regard to any of the services provided by the company

144.30

or carrier.

145.1 Sec. 2. [237.185] MISSED REPAIR APPOINTMENTS; CREDIT.

145.2 Subdivision 1. Credit required; limitation; exception. (a) A local exchange carrier
145.3 that schedules a repair appointment with a customer for any service, either to provide the
145.4 service directly or by contracting with a third party, must provide an immediate \$25 credit
145.5 to the customer if a repair technician fails to appear at the scheduled appointment time and
145.6 at the location where the repair is required. A customer is not required to request the
145.7 immediate credit.

145.8 (b) The immediate credit under paragraph (a) applies only if the customer, prior to the
145.9 scheduled repair appointment, provides notice to the local exchange carrier that the customer's
145.10 compromised health requires continued access to emergency services. The customer is not
145.11 required to provide the local exchange carrier with medical documentation when providing
145.12 notice under this paragraph.

145.13 (c) The local exchange carrier is not required to provide an immediate credit if the local
145.14 exchange carrier (1) notifies the customer that a change in scheduling is necessary, and (2)
145.15 provides the notice to the customer at least 24 hours before the scheduled appointment.

145.16 Subd. 2. Notice. (a) A local exchange carrier must notify the local exchange carrier's
145.17 customers (1) of the right to an immediate credit for a missed repair appointment, and (2)
145.18 that a health notice from the customer must be on file in order for the customer to obtain
145.19 the immediate credit.

145.20 (b) The notice must be given to a new customer within 45 days of the date that service
145.21 to the customer is commenced and at least annually thereafter. The notice must be provided
145.22 in a writing labeled "NOTICE OF RIGHT TO IMMEDIATE CREDIT FOR MISSED
145.23 REPAIR APPOINTMENTS FOR CERTAIN HEALTH COMPROMISED CUSTOMERS."
145.24 The notification must be printed in a sufficient size so that the notification is clearly legible.

145.25 Sec. 3. Minnesota Statutes 2022, section 237.19, is amended to read:

145.26 **237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.**

145.27 Any municipality shall have the right to own and operate a telephone exchange within
145.28 its own borders, subject to the provisions of this chapter. It may construct such plant, or
145.29 purchase an existing plant by agreement with the owner, or where it cannot agree with the
145.30 owner on price, it may acquire an existing plant by condemnation, ~~as hereinafter provided,~~
145.31 ~~but in no case shall a municipality construct or purchase such a plant or proceed to acquire~~
145.32 ~~an existing plant by condemnation until such action by it is authorized by a majority of the~~
145.33 ~~electors voting upon the proposition at a general election or a special election called for that~~

146.1 ~~purpose, and if the proposal is to construct a new exchange where an exchange already~~
146.2 ~~exists, it shall not be authorized to do so unless 65 percent of those voting thereon vote in~~
146.3 ~~favor of the undertaking.~~ A municipality that owns and operates a telephone exchange may
146.4 enter into a joint venture as a partner or shareholder with a telecommunications organization
146.5 to provide telecommunications services within its service area.

146.6 Sec. 4. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

146.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
146.8 the meanings given.

146.9 (b) "Broadband Internet access service" means:

146.10 (1) a mass-market retail service by wire or radio that provides the capability, including
146.11 any capability that is incidental to and enables the operation of the communications service,
146.12 to transmit data to and receive data from all or substantially all Internet endpoints;

146.13 (2) any service that provides a functional equivalent of the service described in clause
146.14 (1); or

146.15 (3) any service that is used to evade the protections established under this section.

146.16 Broadband Internet access service includes a service that serves end users at fixed endpoints
146.17 using stationary equipment or end users using mobile stations, but does not include dial-up
146.18 Internet access service.

146.19 (c) "Edge provider" means any person or entity that provides:

146.20 (1) any content, application, or service over the Internet; or

146.21 (2) a device used to access any content, application, or service over the Internet.

146.22 Edge provider does not include a person or entity providing obscene material, as defined
146.23 in section 617.241.

146.24 (d) "Impairing or degrading lawful Internet traffic on the basis of Internet content,
146.25 application, or service, or use of a nonharmful device" means impairing or degrading any
146.26 of the following:

146.27 (1) particular content, applications, or services;

146.28 (2) particular classes of content, applications, or services;

146.29 (3) lawful Internet traffic to particular nonharmful devices; or

146.30 (4) lawful Internet traffic to particular classes of nonharmful devices.

147.1 Impairing or degrading lawful Internet traffic on the basis of Internet content, application,
147.2 or service, or use of a nonharmful device includes, without limitation, differentiating
147.3 positively or negatively between any of the following:

147.4 (i) particular content, applications, or services;

147.5 (ii) particular classes of content, applications, or services;

147.6 (iii) lawful Internet traffic to particular nonharmful devices; or

147.7 (iv) lawful Internet traffic to particular classes of nonharmful devices.

147.8 (e) "Internet service provider" means a business that provides broadband Internet access
147.9 service to a customer in Minnesota.

147.10 (f) "Paid prioritization" means the management of an Internet service provider's network
147.11 to directly or indirectly favor some traffic over other traffic:

147.12 (1) in exchange for monetary or other consideration from a third party; or

147.13 (2) to benefit an affiliated entity.

147.14 (g) "Reasonable network management" means a network management practice that has
147.15 a primarily technical network-management justification, but does not include other business
147.16 practices, which is reasonable if the practice is primarily used for and tailored to achieving
147.17 a legitimate network-management purpose, taking into account the particular network
147.18 architecture and technology of the broadband Internet access service, and is as
147.19 application-agnostic as possible.

147.20 (h) "Zero-rating" means exempting some Internet traffic from a customer's data usage
147.21 allowance.

147.22 Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging
147.23 in any of the following activities with respect to any of the Internet service provider's
147.24 Minnesota customers:

147.25 (1) subject to reasonable network management, blocking lawful content, applications,
147.26 services, or nonharmful devices;

147.27 (2) subject to reasonable network management, impairing, impeding, or degrading lawful
147.28 Internet traffic on the basis of (i) Internet content, application, or service, or (ii) use of a
147.29 nonharmful device;

147.30 (3) engaging in paid prioritization;

147.31 (4) unreasonably interfering with or unreasonably disadvantaging:

148.1 (i) a customer's ability to select, access, and use broadband Internet service or lawful
148.2 Internet content, applications, services, or devices of the customer's choice; or

148.3 (ii) an edge provider's ability to provide lawful Internet content, applications, services,
148.4 or devices to a customer;

148.5 (5) engaging in deceptive or misleading marketing practices that misrepresent the
148.6 treatment of Internet traffic or content;

148.7 (6) engaging in zero-rating in exchange for consideration, monetary or otherwise, from
148.8 a third party; or

148.9 (7) zero-rating some Internet content, applications, services, or devices in a category of
148.10 Internet content, applications, services, or devices, but not the entire category.

148.11 Subd. 3. **Exceptions.** This section does not apply to software or applications sponsored
148.12 by the federal government, a state government, or a federally recognized Tribal government
148.13 when the Internet service provider allows an advantage to customers for free or improved
148.14 access, or data for access to government services and programs.

148.15 Subd. 4. **Other laws.** This section does not: (1) supersede any obligation or authorization
148.16 an Internet service provider may have to address the needs of emergency communications
148.17 or law enforcement, public safety, or national security authorities, consistent with or as
148.18 permitted by applicable law; or (2) limit the provider's ability to meet, address, or comply
148.19 with the needs identified in clause (1).

148.20 Subd. 5. **Enforcement.** A violation of subdivision 2 may be enforced by the commissioner
148.21 of commerce under section 45.027. The venue for enforcement proceedings is Ramsey
148.22 County.

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

148.24 Sec. 5. Minnesota Statutes 2022, section 429.021, subdivision 1, is amended to read:

148.25 Subdivision 1. **Improvements authorized.** The council of a municipality shall have
148.26 power to make the following improvements:

148.27 (1) To acquire, open, and widen any street, and to improve the same by constructing,
148.28 reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking
148.29 strips of any material, or by grading, graveling, oiling, or otherwise improving the same,
148.30 including the beautification thereof and including storm sewers or other street drainage and
148.31 connections from sewer, water, or similar mains to curb lines.

149.1 (2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary
149.2 sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps,
149.3 lift stations, service connections, and other appurtenances of a sewer system, within and
149.4 without the corporate limits.

149.5 (3) To construct, reconstruct, extend, and maintain steam heating mains.

149.6 (4) To install, replace, extend, and maintain street lights and street lighting systems and
149.7 special lighting systems.

149.8 (5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems,
149.9 including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks,
149.10 treatment plants, and other appurtenances of a water works system, within and without the
149.11 corporate limits.

149.12 (6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational
149.13 facilities within or without the corporate limits.

149.14 (7) To plant trees on streets and provide for their trimming, care, and removal.

149.15 (8) To abate nuisances and to drain swamps, marshes, and ponds on public or private
149.16 property and to fill the same.

149.17 (9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

149.18 (10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

149.19 (11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and
149.20 promote a pedestrian skyway system. Such improvement may be made upon a petition
149.21 pursuant to section 429.031, subdivision 3.

149.22 (12) To acquire, construct, reconstruct, extend, operate, maintain, and promote
149.23 underground pedestrian concourses.

149.24 (13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public
149.25 malls, plazas or courtyards.

149.26 (14) To construct, reconstruct, extend, and maintain district heating systems.

149.27 (15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection
149.28 systems in existing buildings, but only upon a petition pursuant to section 429.031,
149.29 subdivision 3.

149.30 (16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway
149.31 sound barriers.

150.1 (17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution
150.2 facilities owned by a municipal gas or electric utility.

150.3 (18) To purchase, install, and maintain signs, posts, and other markers for addressing
150.4 related to the operation of enhanced 911 telephone service.

150.5 (19) To improve, construct, extend, and maintain facilities for Internet access and other
150.6 communications purposes, ~~if the council finds that:~~ provided that the municipality must:

150.7 ~~(i) the facilities are necessary to make available Internet access or other communications~~
150.8 ~~services that are not and will not be available through other providers or the private market~~
150.9 ~~in the reasonably foreseeable future; and~~

150.10 ~~(ii) the service to be provided by the facilities will not compete with service provided~~
150.11 ~~by private entities.~~

150.12 (i) not discriminate in favor of the municipality's own communications facilities by
150.13 granting the municipality more favorable or less burdensome terms and conditions than a
150.14 competitive service provider with respect to: (A) access and use of public rights-of-way;
150.15 (B) access and use of municipally owned or controlled conduit, towers, and utility poles;
150.16 and (C) permitting fees charged to access municipally owned and managed facilities;

150.17 (ii) maintain separation between the municipality's role as a regulator over firms that
150.18 offer services in competition with the services offered by the municipality over the
150.19 municipality's communications service facilities, and the municipality's role as a competitive
150.20 provider of services over the municipality's communications service facilities; and

150.21 (iii) not share inside information between employees or contractors responsible for
150.22 executing the municipality's role as a regulator over firms that offer communications services
150.23 in competition with the communication services offered by the municipality, and employees
150.24 or contractors responsible for executing the municipality's role as a competitive
150.25 communications services provider.

150.26 (20) To assess affected property owners for all or a portion of the costs agreed to with
150.27 an electric utility, telecommunications carrier, or cable system operator to bury or alter a
150.28 new or existing distribution system within the public right-of-way that exceeds the utility's
150.29 design and construction standards, or those set by law, tariff, or franchise, but only upon
150.30 petition under section 429.031, subdivision 3.

150.31 (21) To assess affected property owners for repayment of voluntary energy improvement
150.32 financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.

151.1 (22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy
151.2 improvement projects in existing buildings, provided that:

151.3 (i) a petition for the improvement is made by a property owner under section 429.031,
151.4 subdivision 3;

151.5 (ii) the municipality funds and administers the energy improvement project;

151.6 (iii) project funds are only used for the installation of improvements to heating,
151.7 ventilation, and air conditioning equipment and building envelope and for the installation
151.8 of renewable energy systems;

151.9 (iv) each property owner petitioning for the improvement receives notice that free or
151.10 low-cost energy improvements may be available under federal, state, or utility programs;

151.11 (v) for energy improvement projects on residential property, only residential property
151.12 having five or more units may obtain financing for projects under this clause; and

151.13 (vi) prior to financing an energy improvement project or imposing an assessment for a
151.14 project, written notice is provided to the mortgage lender of any mortgage encumbering or
151.15 otherwise secured by the property proposed to be improved.

151.16

ARTICLE 5

151.17

LIQUOR

151.18 Section 1. Minnesota Statutes 2022, section 340A.404, subdivision 1, is amended to read:

151.19 Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the
151.20 following establishments located within its jurisdiction:

151.21 (1) hotels;

151.22 (2) restaurants;

151.23 (3) bowling centers;

151.24 (4) clubs or congressionally chartered veterans organizations with the approval of the
151.25 commissioner, provided that the organization has been in existence for at least three years
151.26 and liquor sales will only be to members and bona fide guests, except that a club may permit
151.27 the general public to participate in a wine tasting conducted at the club under section
151.28 340A.419;

151.29 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the
151.30 Minnesota Sports Facilities Authority;

152.1 (6) sports facilities located on land owned by the Metropolitan Sports Commission;

152.2 (7) exclusive liquor stores; and

152.3 (8) resorts as defined in section 157.15, subdivision 11.

152.4 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
152.5 an on-sale malt liquor license to a theater within the city, notwithstanding any law, local
152.6 ordinance, or charter provision. A license issued under this paragraph authorizes sales on
152.7 all days of the week to persons attending events at the theater.

152.8 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
152.9 an on-sale malt liquor license to a convention center within the city, notwithstanding any
152.10 law, local ordinance, or charter provision. A license issued under this paragraph authorizes
152.11 sales on all days of the week to persons attending events at the convention center. This
152.12 paragraph does not apply to convention centers located in the seven-county metropolitan
152.13 area.

152.14 (d) A municipality may issue an on-sale wine license and an on-sale malt liquor license
152.15 to a person who is the owner of a summer collegiate league baseball team or baseball team
152.16 competing in a league established by the Minnesota Baseball Association, or to a person
152.17 holding a concessions or management contract with the owner, for beverage sales at a
152.18 ballpark or stadium located within the municipality for the purposes of summer collegiate
152.19 league baseball games, town ball games, and any other events at the ballpark or stadium,
152.20 notwithstanding any law, local ordinance, or charter provision. A license issued under this
152.21 paragraph authorizes sales on all days of the week to persons attending baseball games and
152.22 any other events at the ballpark or stadium.

152.23 (e) A municipality may issue an on-sale malt liquor license to a resort as defined in
152.24 section 157.15, subdivision 11, notwithstanding any law, local ordinance, or charter provision.
152.25 A license issued under this paragraph authorizes sales on all days of the week to persons
152.26 staying at the resort and their guests.

152.27 Sec. 2. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

152.28 Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue
152.29 an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the
152.30 Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding
152.31 the limitations of law, or local ordinance, or charter provision relating to zoning or school
152.32 or church distances. The licenses authorize sales on all days of the week to holders of tickets

153.1 for performances presented by the theaters and to members of the nonprofit corporations
153.2 holding the licenses and to their guests.

153.3 (b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland
153.4 Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510
153.5 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter
153.6 provision.

153.7 (c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah
153.8 Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue
153.9 South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter
153.10 provision relating to zoning or school or church distances.

153.11 (d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
153.12 American Association of University Women, Minneapolis branch, for use on the premises
153.13 owned by the American Association of University Women, Minneapolis branch, at 2115
153.14 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local
153.15 ordinances, or charter provisions relating to zoning or school or church distances.

153.16 (e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent
153.17 malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine
153.18 license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue
153.19 South, notwithstanding any law or local ordinance or charter provision.

153.20 (f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor
153.21 license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the
153.22 Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the
153.23 Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located
153.24 at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South,
153.25 Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at
153.26 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South,
153.27 notwithstanding any law or local ordinance or charter provision. The license authorizes
153.28 sales on all days of the week.

153.29 (g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University
153.30 Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering
153.31 operator at the building owned and operated by the University Gateway Corporation on the
153.32 University of Minnesota campus, notwithstanding limitations of law, or local ordinance or
153.33 charter provision. The license authorizes sales on all days of the week.

154.1 (h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker
154.2 Art Center's concessionaire or operator, for a restaurant and catering operator on the premises
154.3 of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter
154.4 provisions. The license authorizes sales on all days of the week.

154.5 (i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie
154.6 Theater's concessionaire or operator for a restaurant and catering operator on the premises
154.7 of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter
154.8 provisions. The license authorizes sales on all days of the week.

154.9 (j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor
154.10 license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator
154.11 for a restaurant and catering operator on the premises of the Minnesota Book and Literary
154.12 Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance
154.13 or charter provision. The license authorizes sales on all days of the week.

154.14 (k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant
154.15 located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter
154.16 provision.

154.17 (l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum
154.18 of Russian Art's concessionaire or operator for a restaurant and catering operator on the
154.19 premises of the Museum of Russian Art located at 5500 Stevens Avenue South,
154.20 notwithstanding any law or local ordinance or charter provision.

154.21 (m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
154.22 American Swedish Institute or to its concessionaire or operator for use on the premises
154.23 owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding
154.24 limitations of law, or local ordinances, or charter provision relating to zoning or school or
154.25 church distances.

154.26 (n) Notwithstanding any other law, local ordinance, or charter provision, the city of
154.27 Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis
154.28 Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions
154.29 or catering contract with the Minneapolis Institute of Arts for use on the premises of the
154.30 Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued
154.31 for space that is not compact and contiguous, provided that all such space is included in the
154.32 description of the licensed premises on the approved license application. The licenses
154.33 authorize sales on all days of the week.

155.1 (o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway
155.2 House or to its concessionaire or operator for use on the premises owned by Norway House
155.3 at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or
155.4 charter provision relating to zoning or school or church distances.

155.5 (p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating
155.6 to seating requirements, local ordinance, or charter provision, the city of Minneapolis may
155.7 issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions
155.8 or catering contract with the Minneapolis Park and Recreation Board for use on ~~the~~
155.9 Minneapolis Park and Recreation Board premises of the Downtown Commons Park, the
155.10 Minneapolis Sculpture Garden, or at Boom Island Park. The licenses authorized by this
155.11 subdivision may be used for space specified within the park property, provided all such
155.12 space is included in the description of the licensed premises on the approved license
155.13 application. The licenses authorize sales on the dates on the approved license application.

155.14 **EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City
155.15 Council and compliance with Minnesota Statutes, section 645.021.

155.16 Sec. 3. Minnesota Statutes 2022, section 340A.404, subdivision 6, is amended to read:

155.17 Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor
155.18 license within the area of the county that is unorganized or unincorporated to a bowling
155.19 center, restaurant, club, hotel, or resort as defined in section 157.15, subdivision 11, with
155.20 the approval of the commissioner.

155.21 (b) A county board may also with the approval of the commissioner issue up to ten
155.22 seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within
155.23 the area of the county that is unorganized or unincorporated. Notwithstanding section
155.24 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not
155.25 to exceed nine months. Not more than one license may be issued for any one premises
155.26 during any consecutive 12-month period.

155.27 (c) A county board may issue an annual on-sale malt liquor license to a resort as defined
155.28 in section 157.15, subdivision 11, within the area of the county that is unorganized or
155.29 unincorporated, notwithstanding any law or local ordinance. A license issued under this
155.30 paragraph authorizes sales on all days of the week to persons staying at the resort and their
155.31 guests.

156.1 Sec. 4. Laws 2022, chapter 86, article 2, section 3, is amended to read:

156.2 **Sec. 3. CITY OF ST. PAUL; LICENSE AUTHORIZED.**

156.3 Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St.
156.4 Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of
156.5 Minnesota or to a person or entity holding a concessions contract with the Thai Cultural
156.6 Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of
156.7 the State Capitol for both days of the Minnesota Songkran Festival. All provisions of
156.8 Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section,
156.9 apply to the license authorized by this section.

156.10 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City
156.11 Council and compliance with Minnesota Statutes, section 645.021.

156.12 **Sec. 5. SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

156.13 Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue
156.14 an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph
156.15 (d), for sales at town ball games played at a ballpark on school grounds, provided that the
156.16 board of Independent School District No. 465, Litchfield, adopts a resolution approving the
156.17 issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply
156.18 to the school grounds or buildings for a license issued under this section.

156.19 **EFFECTIVE DATE.** This section is effective upon approval by the Litchfield City
156.20 Council and compliance with Minnesota Statutes, section 645.021.

156.21 **Sec. 6. SPECIAL LIQUOR LAW; CITY OF WATKINS.**

156.22 Notwithstanding Minnesota Statutes, section 624.701, the city of Watkins may issue an
156.23 on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d),
156.24 for sales at town ball games played at a ballpark on school grounds, provided the board of
156.25 Independent School District No. 463, Eden Valley-Watkins, adopts a resolution approving
156.26 the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not
156.27 apply to the school grounds or buildings for a license issued under this section.

156.28 **EFFECTIVE DATE.** This section is effective upon approval by the Watkins City
156.29 Council and compliance with Minnesota Statutes, section 645.021.

157.1 **Sec. 7. SPORTS AND EVENT CENTER LICENSE; EAGAN.**

157.2 Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance
157.3 to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses
157.4 to the owner of a multiuse sports and event center located on property in the city of Eagan,
157.5 legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter
157.6 due to subdivision or replatting, or to any facility operator, concessionaire, catering operator,
157.7 or other third-party food and beverage vendor for the center under contract with the owner.
157.8 A license issued under this section may be issued for a space that is not compact and
157.9 contiguous, provided that the licensed premises shall only be the space described in the
157.10 approved license. A license issued under this section authorizes sales on all days of the
157.11 week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section,
157.12 apply to a license issued under this section.

157.13 **EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council
157.14 and compliance with Minnesota Statutes, section 645.021.

45.014 SEAL OF DEPARTMENT OF COMMERCE.

The commissioner of commerce shall devise a seal for official use as the seal of the Department of Commerce. The seal must be capable of being legibly reproduced under photographic methods. A description of the seal, and a copy of it, must be filed in the Office of the Secretary of State.

53B.58 PAYROLL PROCESSING SERVICES; DISCLOSURES.

(a) A licensee that provides payroll processing services must:

(1) issue reports to clients detailing client payroll obligations in advance of the payroll funds being deducted from an account; and

(2) make available worker pay stubs or an equivalent statement to workers.

(b) Paragraph (a) does not apply to a licensee providing payroll processing services if the licensee's client designates the intended recipients to the licensee and is responsible for providing the disclosures required by paragraph (a), clause (2).

58.08 BONDS; LETTERS OF CREDIT.

Subd. 3. **Exemption.** Subdivision 2 does not apply to mortgage originators or mortgage servicers who are approved as seller/servicers by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

62Q.522 COVERAGE OF CONTRACEPTIVE METHODS AND SERVICES.

Subd. 3. **Exemption.** (a) An exempt organization is not required to cover contraceptives or contraceptive services if the exempt organization has religious objections to the coverage. An exempt organization that chooses to not provide coverage for some or all contraceptives and contraceptive services must notify employees as part of the hiring process and to all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(b) If the exempt organization provides coverage for some contraceptive methods or services, the notice required under paragraph (a) must provide a list of the contraceptive methods or services the organization refuses to cover.

Subd. 4. **Accommodation for eligible organizations.** (a) A health plan established or maintained by an eligible organization complies with the requirements of subdivision 2 to provide coverage of contraceptive methods and services, with respect to the contraceptive methods or services identified in the notice under this paragraph, if the eligible organization provides notice to any health plan company the eligible organization contracts with that it is an eligible organization and that the eligible organization has a religious objection to coverage for all or a subset of contraceptive methods or services.

(b) The notice from an eligible organization to a health plan company under paragraph (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to coverage for some or all of contraceptive methods or services, including a list of the contraceptive methods or services the eligible organization objects to, if applicable; and (3) the health plan name. The notice must be executed by a person authorized to provide notice on behalf of the eligible organization.

(c) An eligible organization must provide a copy of the notice under paragraph (a) to prospective employees as part of the hiring process and to all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(d) A health plan company that receives a copy of the notice under paragraph (a) with respect to a health plan established or maintained by an eligible organization must, for all future enrollments in the health plan:

(1) expressly exclude coverage for those contraceptive methods or services identified in the notice under paragraph (a) from the health plan; and

(2) provide separate payments for any contraceptive methods or services required to be covered under subdivision 2 for enrollees as long as the enrollee remains enrolled in the health plan.

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(e) The health plan company must not impose any cost-sharing requirements, including co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or other charge for contraceptive services or methods on the eligible organization, health plan, or enrollee.

(f) On January 1, 2024, and every year thereafter a health plan company must notify the commissioner, in a manner determined by the commissioner, of the number of eligible organizations granted an accommodation under this subdivision.

82B.25 VALUATION BIAS.

Subdivision 1. **Definition.** For the purposes of this section, "valuation bias" means to explicitly, implicitly, or structurally select and apply data to an appraisal methodology or technique in a biased manner that harms a protected class, as defined by the Fair Housing Act of 1968, as amended.

Subd. 2. **Education.** A real property appraiser shall provide to the commissioner evidence of satisfactory completion of a continuing education course on the valuation bias of real property. An appraiser licensed after September 1, 2021, must complete the course required by this section prior to the appraiser's first license renewal.

239.791 OXYGENATED GASOLINE.

Subd. 3. **Blending restriction.** When gasoline contains an oxygenate, a person responsible for the product shall not blend the product with ethanol or with any other oxygenate after it is transferred or otherwise removed from a refinery or terminal.

332.3351 EXEMPTION FROM LICENSURE.

A collection agency shall be exempt from the licensing and registration requirements of this chapter if all of the following conditions are met:

(1) the agency is located in another state that regulates and licenses collection agencies, but does not require a Minnesota collection agency to obtain a license to collect debts in the agency's state if the agency's collection activities are limited in the same manner;

(2) the agency's collection activities are limited to collecting debts not incurred in this state from consumers located in this state; and

(3) the agency's collection activities in Minnesota are conducted by means of interstate communications, including telephone, mail, electronic mail, or facsimile transmission.

332.71 DEFINITIONS.

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

559.201 DEFINITIONS.

Subdivision 1. **Application.** The definitions in this section apply to section 559.202.

Subd. 2. **Business day.** "Business day" means any day other than a Saturday, Sunday, or holiday as defined in section 645.44, subdivision 5.

Subd. 3. **Family farm security loan.** "Family farm security loan" has the meaning given in Minnesota Statutes 2008, section 41.52, subdivision 5.

Subd. 4. **Multiple seller.** "Multiple seller" means a person that has acted as a seller in four or more contracts for deed involving residential real property during the 12-month period that precedes either: (1) the date on which the purchaser executes a purchase agreement under section 559.202; or (2) if there is no purchase agreement, the date on which the purchaser executes a contract for deed under section 559.202. A contract for deed transaction that is exempt under section 559.202, subdivision 2, is a contract for deed for the purposes of determining whether a seller is a multiple seller.

Subd. 5. **Person.** "Person" means a natural person, partnership, corporation, limited liability company, association, trust, or other legal entity, however organized.

Subd. 6. **Purchase agreement.** "Purchase agreement" means a purchase agreement for a contract for deed, an earnest money contract, or an executed option contemplating that, at closing, the seller and the purchaser will enter into a contract for deed.

Subd. 7. **Purchaser.** "Purchaser" means a natural person who enters into a contract for deed to purchase residential real property. Purchaser includes all purchasers who enter into the same contract for deed to purchase residential real property.

Subd. 8. **Residential real property.** "Residential real property" means real property consisting of one to four family dwelling units, one of which the purchaser intends to occupy as the purchaser's principal place of residence. Residential real property does not include property subject to a family farm security loan or a transaction subject to sections 583.20 to 583.32.

559.202 CONTRACTS FOR DEED INVOLVING RESIDENTIAL PROPERTY.

Subdivision 1. **Notice required.** (a) In addition to the disclosures required under sections 513.52 to 513.60, a multiple seller must deliver the notice specified under subdivision 3 to a prospective purchaser as provided under this subdivision.

(b) If there is a purchase agreement, the notice must be affixed to the front of the purchase agreement. A contract for deed for which notice is required under this subdivision may not be executed for five business days following the execution of the purchase agreement and delivery of the notice and instructions for cancellation.

(c) If there is no purchase agreement, a multiple seller must deliver the notice in a document separate from any other document or writing to a prospective purchaser no less than five business days before the prospective purchaser executes the contract for deed.

(d) The notice must be:

- (1) written in at least 12-point type; and
- (2) signed and dated by the purchaser.

(e) If a dispute arises concerning whether or when the notice required by this subdivision was provided to the purchaser, there is a rebuttable presumption that the notice was not provided unless the original executed contract for deed contains the following statement, initialed by the purchaser: "By initialing here purchaser acknowledges receipt at least five business days before signing this contract for deed of the disclosure statement entitled "Important Information About Contracts for Deed" required by Minnesota Statutes, section 559.202, subdivision 3."

Subd. 2. **Exception.** This section does not apply to sales made under chapter 282 or if the purchaser is represented throughout the transaction by either:

- (1) a person licensed to practice law in this state; or
- (2) a person licensed as a real estate broker or salesperson under chapter 82, provided that the representation does not create a dual agency, as that term is defined in section 82.55, subdivision 6.

Subd. 3. **Content of the notice.** The notice must contain the following verbatim language:

"IMPORTANT INFORMATION ABOUT CONTRACTS FOR DEED

Know What You Are Getting Into

- (1) A contract for deed is a complex legal agreement. You are NOT a tenant. Mortgage foreclosure laws don't apply.
- (2) You should know ALL of your obligations and rights before you sign a purchase agreement or contract for deed.
- (3) You (seller must circle one):
 - (a) DO DO NOT have to pay homeowner's insurance.
 - (b) DO DO NOT have to pay property taxes.
 - (c) DO DO NOT have to make and pay for some or all of the repairs or maintenance, as described in the contract for deed.
- (4) After some time, you may need to make a large lump sum payment (called a "balloon payment"). Know when it is due and how much it will be. You'll probably need to get a new mortgage, another financial arrangement, or pay for the balance in cash at that time.
- (5) If you miss just a single payment or can't make the balloon payment, the seller can cancel your contract. You will likely lose all the money you have already paid. You will likely lose your ability to purchase the home. The seller can begin an eviction action against you in just a few months.

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(6) Within four months of signing the contract for deed, you must "record" it in the office of the county recorder or registrar of titles in the county in which the property is located. If you do not do so, you could face a fine.

Key Things Highly Recommended Before You Sign

- (1) Get advice from a lawyer or the Minnesota Home Ownership Center at 1-866-462-6466 or go to www.hocmn.org. To find a lawyer through the Minnesota State Bar Association, go to www.mnfindalawyer.com.
- (2) Get an independent, professional appraisal of the property to learn what it is worth.
- (3) Get an independent, professional inspection of the property.
- (4) Buy title insurance or ask a real estate lawyer for a "title opinion."
- (5) Check with the city or county to find out if there are inspection reports or unpaid utility bills.
- (6) Check with a title agent or the county where the property is located to find out if there is a mortgage or other lien on the property and if the property taxes have been paid.
- (7) Ensure that your interest rate does not exceed the maximum allowed by law by calling the Department of Commerce to get a recorded message for the current month's maximum rate.

If You Are Entering into a Purchase Agreement

- (1) If you haven't already signed the contract for deed, you can cancel the purchase agreement (and get all your money back) if you do so within five business days after getting this notice.
- (2) To cancel the purchase agreement, you must follow the provisions of Minnesota Statutes, section 559.217, subdivision 4. Ask a lawyer for help."

Subd. 4. **Right to cancel purchase agreement.** (a) A prospective purchaser may cancel a purchase agreement within five business days after actually receiving the notice required under subdivision 1 if a multiple seller fails to timely deliver the notice, provided that the contract for deed has not been executed by all parties.

(b) A prospective purchaser may cancel the purchase agreement in accordance with the provisions of section 559.217, subdivision 4.

(c) In the event of cancellation, the multiple seller may not impose a penalty and must promptly refund all payments made by the prospective purchaser prior to cancellation.

Subd. 5. **Remedies for failure to timely deliver notices.** (a) Notwithstanding any contrary provision in the purchase agreement or contract for deed, a purchaser has a private right of action against a multiple seller who fails to timely deliver the notice required under subdivision 1. The multiple seller is liable to the purchaser for:

- (1) the greater of actual damages or statutory damages of \$2,500; and
- (2) reasonable attorney fees and court costs.

(b) A multiple seller who knowingly fails to timely deliver the notice required under subdivision 1 is liable to the purchaser for triple the actual or statutory damages available under paragraph (a), whichever is greater, provided that the purchaser must elect the remedy provided under either paragraph (a) or this paragraph and may not recover damages under both paragraphs.

(c) The rights and remedies provided in this subdivision are cumulative to, and not a limitation of, any other rights and remedies provided under law. An action brought pursuant to this subdivision must be commenced within four years from the date of the alleged violation.

Subd. 6. **Effects of violation.** A violation of this section has no effect on the validity of the contract.

Subd. 7. **Duty of multiple seller to account.** Upon reasonable request by the purchaser and no more than once every 12-month period, a multiple seller must provide an accounting of all payments made pursuant to the contract for deed, the amount of interest paid, and the amount remaining to satisfy the principal balance under the contract.

Subd. 8. **No waiver.** The provisions of this section may not be waived.