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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 2854**

03/06/2014 Authored by Atkins  
The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

03/28/2014 Adoption of Report: Amended and Placed on the General Register  
Read Second Time

04/23/2014 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

05/06/2014 Returned to the House as Amended by the Senate  
Read Third Time as Amended by the Senate  
Repassed by the House

A bill for an act

1.1 relating to commerce; removing or modifying obsolete, unnecessary, or  
1.2 redundant laws and rules administered by the Department of Commerce or the  
1.3 Public Utilities Commission; making conforming changes; amending Minnesota  
1.4 Statutes 2012, sections 16D.04, subdivisions 1, 4; 45.0111, subdivision 2;  
1.5 45.22; 45.23; 46.046, by adding a subdivision; 47.20, subdivision 7; 47.325;  
1.6 47.78; 48.93, subdivisions 1, 3; 53A.06; 56.131, subdivision 1; 56.14; 58.115;  
1.7 59C.10, subdivision 2; 60A.131; 72B.03; 72B.041, subdivision 1; 72B.08,  
1.8 subdivision 1; 72B.135, subdivision 2; 82.63, subdivision 6; 82A.03; 82A.05,  
1.9 subdivision 6; 82A.08, subdivision 1; 82A.09, subdivision 2; 82A.10; 82A.111,  
1.10 subdivision 2; 82A.12, subdivision 1; 82A.14; 82A.22, subdivision 2; 82A.25;  
1.11 82A.26; 83.26, subdivision 2; 83.30, subdivision 1; 115C.113; 115C.13;  
1.12 216C.03; 237.04; 237.14; 237.16, subdivisions 8, 12; 237.164; 237.17; 237.30;  
1.13 237.46; 237.491; 237.69, subdivisions 1, 15, 16; 237.71; 239.011, subdivision  
1.14 2; 239.06; 239.081; 239.09; 239.091; 239.44; 239.46; 239.753; 256E.25,  
1.15 subdivision 5a; 270B.14, subdivision 1; 325E.11; 325E.115, subdivision 2;  
1.16 332.31, subdivision 1; 332.311; 332.33, subdivisions 1, 2, 3, 5, 5a, 7; 332.38;  
1.17 332.39; 332.40, subdivisions 1, 2, 3; 332.42, subdivisions 1, 2; 332.44; 386.015,  
1.18 subdivision 5; 386.62; 386.65, subdivision 1; 386.705; 386.706; 386.73; 386.74;  
1.19 386.76; Minnesota Statutes 2013 Supplement, sections 82A.06, subdivision 2;  
1.20 82A.13, subdivision 1; 237.036; 237.16, subdivision 9; 239.101, subdivision 3;  
1.21 repealing Minnesota Statutes 2012, sections 13.713, subdivision 4; 45.0111;  
1.22 45.42, subdivision 1; 46.045, subdivision 2; 46.047; 48.34; 53A.081; 56.001,  
1.23 subdivisions 5, 6; 60A.18; 62A.319; 72A.53; 72B.02, subdivision 8; 80C.30;  
1.24 81A.08; 81A.18; 82.63, subdivisions 7, 9, 10; 82A.04; 82A.07; 82A.08;  
1.25 82A.11, subdivision 2; 82A.111, subdivision 5; 82A.13, subdivision 3; 82A.18,  
1.26 subdivision 3; 82A.22, subdivisions 1, 3; 82A.24, subdivision 5; 115C.111;  
1.27 216C.14; 216C.262; 216C.263; 216C.373; 216C.38; 216C.44; 237.068; 237.16,  
1.28 subdivisions 10, 11, 13; 237.18; 237.33; 237.34; 237.35; 237.36; 237.37; 237.38;  
1.29 237.39; 237.40; 237.44; 237.45; 237.47; 237.67; 237.711; 237.80, subdivision  
1.30 1; 239.002; 239.003; 239.012; 239.101, subdivision 4; 239.28; 239.29; 239.30;  
1.31 239.31; 239.35; 239.36; 239.51; 239.511; 239.53; 239.54; 332.45; 386.61,  
1.32 subdivisions 1, 2, 4; Minnesota Statutes 2013 Supplement, sections 82.63,  
1.33 subdivision 8; 82A.06, subdivision 2; Minnesota Rules, parts 2782.0200;  
1.34 2782.0300; 2782.0400; 2782.0500; 2782.0600; 2782.0700; 2782.0800;  
1.35 2795.2000; 2830.0010; 2830.0020; 2830.0030; 2830.0040; 2830.0050;  
1.36 2830.0060; 2830.0070; 2830.0080; 2830.0090; 2830.0100; 2870.0100;  
1.37 2870.1100; 2870.1200; 2870.1400; 2870.1700; 2870.1800; 2870.1900;  
1.38 2870.2000; 2870.2100; 2870.2200; 2870.2300; 2870.3100; 2870.3200;  
1.39

2.1 2870.3300; 2870.3400; 2870.3500; 2870.3600; 2870.3700; 2870.3800;  
 2.2 2870.3900; 2870.4000; 2870.4100; 2870.5100; 7601.7010; 7601.7090, subpart  
 2.3 3; 7602.0100; 7606.0010; 7606.0020, subparts 1, 2, 3, 4, 5, 5a, 6, 8, 9,  
 2.4 10; 7606.0030; 7606.0040; 7606.0050; 7606.0060; 7606.0070; 7606.0080;  
 2.5 7630.0110; 7630.0120; 7630.0200; 7630.0210; 7630.0220; 7630.0300;  
 2.6 7630.0310; 7630.0320; 7630.0330; 7630.0340; 7630.0350; 7630.0360.

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

## 2.8 ARTICLE 1

### 2.9 OBSOLETE, UNNECESSARY, OR REDUNDANT PROVISIONS

2.10 Section 1. Minnesota Statutes 2012, section 45.22, is amended to read:

#### 2.11 45.22 LICENSE EDUCATION APPROVAL.

2.12 License education courses must be approved in advance by the commissioner.  
 2.13 Each education provider who offers a license education course must be approved by the  
 2.14 commissioner. Each approved education provider must have at least one coordinator who  
 2.15 meets the criteria specified in this chapter, and who is responsible for supervising the  
 2.16 educational program and assuring compliance with all laws and rules.

2.17 ~~For courses with an initial approval date on or before December 31, 2000, approval~~  
 2.18 ~~will expire on April 30, 2006. For courses with an initial approval date after January 1,~~  
 2.19 ~~2001, but before August 1, 2005, approval will expire on April 30, 2007.~~

2.20 Sec. 2. Minnesota Statutes 2012, section 45.23, is amended to read:

#### 2.21 45.23 LICENSE EDUCATION FEES.

2.22 The following fees must be paid to the commissioner:

2.23 (1) initial course approval, \$10 for each hour or fraction of one hour of education  
 2.24 course approval sought. Initial course approval expires on the last day of the 24th month  
 2.25 after the course is approved;

2.26 (2) renewal of course approval, \$10 per course. Renewal of course approval expires  
 2.27 on the last day of the 24th month after the course is renewed;

2.28 (3) initial education provider approval, \$100. Initial education provider approval  
 2.29 issued under this section is valid for a period not to exceed 24 months and expires on  
 2.30 January 31 of the renewal year assigned by the commissioner. ~~Active education providers~~  
 2.31 ~~who have at least one approved coordinator as of June 1, 2006, are deemed to be approved~~  
 2.32 ~~education providers and are not required to submit an initial application for education~~  
 2.33 ~~provider approval; and~~

2.34 (4) renewal of education provider approval, \$10. Each renewal of education  
 2.35 provider approval is valid for a period of 24 months. ~~Active education providers who have~~

3.1 ~~at least one approved coordinator as of June 1, 2006, will have an expiration date of~~  
3.2 ~~January 31, 2008.~~

3.3 Sec. 3. Minnesota Statutes 2012, section 46.046, is amended by adding a subdivision  
3.4 to read:

3.5 Subd. 2a. **Banking institution.** "Banking institution" means a bank, trust company,  
3.6 bank and trust company, savings bank, or industrial loan and thrift operating under section  
3.7 53.04, subdivision 5, that is organized under the laws of this state, or a holding company  
3.8 which owns or otherwise controls the banking institution.

3.9 Sec. 4. Minnesota Statutes 2012, section 47.20, subdivision 7, is amended to read:

3.10 ~~Subd. 7. **Discount points prohibited.** (1) No conventional loan made on or~~  
3.11 ~~after the effective date of Laws 1977, chapter 350 and prior to May 31, 1979 shall~~  
3.12 ~~contain a provision requiring or permitting the imposition, directly or indirectly, of any~~  
3.13 ~~discount points, whether or not actually denominated as discount points, on any person.~~

3.14 ~~Conventional or cooperative apartment loans made on or after May 31, 1979 may contain~~  
3.15 ~~provisions permitting discount points, if the loan does not provide a loan yield in excess of~~  
3.16 ~~that permitted by subdivision 4a. The loan yield is computed using the amount resulting~~  
3.17 ~~when the discount points are included in the finance charge.~~

3.18 ~~(2) Forward commitment fees are not discount points within the meaning of this~~  
3.19 ~~subdivision.~~

3.20 ~~(3) No charges, fees, or sums permitted by this section which are paid to and received~~  
3.21 ~~by a lender may be increased for purposes of evading compliance with this subdivision.~~

3.22 Sec. 5. Minnesota Statutes 2012, section 47.325, is amended to read:

3.23 **47.325 APPEAL AND JUDICIAL REVIEW.**

3.24 A savings bank aggrieved by any action or inaction of the commissioner under  
3.25 sections 47.27 to 47.30 may appeal under sections 14.63 to 14.69. ~~The scope of judicial~~  
3.26 ~~review in the proceedings is as provided in those sections.~~

3.27 Sec. 6. Minnesota Statutes 2012, section 53A.06, is amended to read:

3.28 **53A.06 FINE, SUSPENSION, OR REVOCATION OF LICENSE.**

3.29 (a) The commissioner may suspend or revoke any license under section 45.027 ~~if,~~  
3.30 including when the commissioner finds that:

4.1 (1) the licensee has failed to pay the annual license fee or to maintain in effect the  
4.2 required bond or to comply with any order, decision, or finding of the commissioner  
4.3 under this chapter;

4.4 (2) the licensee, or any officer or director of a corporate licensee, has violated any  
4.5 provision of this chapter or any rule or order of the commissioner under this chapter  
4.6 or chapter 45;

4.7 (3) the licensee, or any officer or director of a corporate licensee, has violated any  
4.8 other law which would indicate that the person is untrustworthy or not qualified to operate  
4.9 a currency exchange; or

4.10 (4) any fact or condition exists which, if it had existed at the time of the original or  
4.11 renewal application for the license, would have warranted the commissioner refusing the  
4.12 issuance of the license.

4.13 ~~(b) A license may not be revoked until the licensee has had notice of a hearing  
4.14 pursuant to the provisions of chapter 14.~~

4.15 ~~(e)~~ (b) A licensee may surrender any license by delivery to the commissioner. The  
4.16 surrender does not affect the licensee's civil or criminal liability for acts committed before  
4.17 the surrender, or affect the liability on the bond required by sections 53A.01 to 53A.13, or  
4.18 entitle the licensee to a return of any part of any license fee.

4.19 ~~(d)~~ (c) Before suspension or revocation of the license, the commissioner may fine a  
4.20 licensee for violations of this chapter as authorized under chapter 45.

4.21 Sec. 7. Minnesota Statutes 2012, section 56.131, subdivision 1, is amended to read:

4.22 Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount  
4.23 not exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock  
4.24 and surplus as defined in section 53.015, if greater, a licensee may contract for and receive  
4.25 interest, finance charges, and other charges as provided in section 47.59.

4.26 ~~(b) Loans may be interest-bearing or precomputed.~~

4.27 ~~(c) Notwithstanding section 47.59 to the contrary, to compute time on interest-bearing  
4.28 and precomputed loans, including, but not limited to the calculation of interest, a day is  
4.29 considered 1/30 of a month when calculation is made for a fraction of a calendar month. A  
4.30 year is 12 calendar months. A calendar month is that period from a given date in one month  
4.31 to the same numbered date in the following month, and if there is no same numbered date,  
4.32 to the last day of the following month. When a period of time includes a whole month and  
4.33 a fraction of a month, the fraction of a month is considered to follow the whole month.~~

4.34 ~~In the alternative, for interest-bearing loans, a licensee may charge interest at the rate  
4.35 of 1/365 of the agreed annual rate for each actual day elapsed.~~

5.1 ~~(d) With respect to interest-bearing loans and notwithstanding section 47.59:~~

5.2 ~~(1) Interest must be computed on unpaid principal balances outstanding from time to~~  
5.3 ~~time, for the time outstanding. Each payment must be applied first to the accumulated~~  
5.4 ~~interest and the remainder of the payment applied to the unpaid principal balance;~~  
5.5 ~~provided however, that if the amount of the payment is insufficient to pay the accumulated~~  
5.6 ~~interest, the unpaid interest continues to accumulate to be paid from the proceeds of~~  
5.7 ~~subsequent payments and is not added to the principal balance.~~

5.8 ~~(2) Interest must not be payable in advance or compounded. However, if part or all of~~  
5.9 ~~the consideration for a new loan contract is the unpaid principal balance of a prior loan, then~~  
5.10 ~~the principal amount payable under the new loan contract may include any unpaid interest~~  
5.11 ~~which has accrued. The unpaid principal balance of a precomputed loan is the balance due~~  
5.12 ~~after refund or credit of unearned interest as provided in paragraph (e), clause (3). The~~  
5.13 ~~resulting loan contract is deemed a new and separate loan transaction for all purposes.~~

5.14 ~~(e) With respect to precomputed loans and notwithstanding section 47.59 to the~~  
5.15 ~~contrary:~~

5.16 ~~(1) Loans must be repayable in substantially equal and consecutive monthly~~  
5.17 ~~installments of principal and interest combined, except that the first installment period~~  
5.18 ~~may be more or less than one month by not more than 15 days, and the first installment~~  
5.19 ~~payment amount may be larger than the remaining payments by the amount of interest~~  
5.20 ~~charged for the extra days and must be reduced by the amount of interest for the number~~  
5.21 ~~of days less than one month to the first installment payment; and monthly installment~~  
5.22 ~~payment dates may be omitted to accommodate borrowers with seasonal income.~~

5.23 ~~(2) Payments may be applied to the combined total of principal and precomputed~~  
5.24 ~~interest until the loan is fully paid. Payments must be applied in the order in which they~~  
5.25 ~~become due.~~

5.26 ~~(3) If the maturity of the loan is accelerated for any reason and judgment is entered,~~  
5.27 ~~the licensee shall credit the borrower with the same refund as if prepayment in full had~~  
5.28 ~~been made on the date the judgment is entered.~~

5.29 ~~(4) Following the final installment as originally scheduled or deferred, the licensee,~~  
5.30 ~~for any loan contract which has not previously been converted to interest-bearing under~~  
5.31 ~~paragraph (g), may charge interest on any balance remaining unpaid, including unpaid~~  
5.32 ~~default or deferment charges, at the single annual percentage rate permitted by this~~  
5.33 ~~subdivision until fully paid.~~

5.34 ~~(5) (b) With respect to a loan secured by an interest in real estate, and having a~~  
5.35 ~~maturity of more than 60 months, the original schedule of installment payments must~~  
5.36 ~~fully amortize the principal and interest on the loan. The original schedule of installment~~

6.1 payments for any other loan secured by an interest in real estate must provide for payment  
6.2 amounts that are sufficient to pay all interest scheduled to be due on the loan.

6.3 ~~(f)~~ (c) A licensee may contract for and collect a delinquency charge as provided for  
6.4 in section 47.59, subdivision 6, paragraph (a), clause (4).

6.5 ~~(g)~~ (d) A licensee may grant extensions, deferments, or conversions to  
6.6 interest-bearing as provided in section 47.59, subdivision 5.

6.7 Sec. 8. Minnesota Statutes 2012, section 56.14, is amended to read:

6.8 **56.14 DUTIES OF LICENSEE.**

6.9 Every licensee shall:

6.10 (1) deliver to the borrower (or if there are two or more borrowers to one of them) at  
6.11 the time any loan is made a statement making the disclosures and furnishing the information  
6.12 required by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601  
6.13 to 1667e, as amended from time to time, with respect to the contract of loan. A copy of the  
6.14 loan contract may be delivered in lieu of a statement if it discloses the required information;

6.15 (2) deliver or mail to the borrower without request, a written receipt within 30  
6.16 days following payment for each payment by coin or currency made on account of any  
6.17 loan wherein charges are computed and paid on unpaid principal balances for the time  
6.18 actually outstanding, specifying the amount applied to charges and the amount, if any,  
6.19 applied to principal, and stating the unpaid principal balance, if any, of the loan; and  
6.20 wherein precomputed charges have been added to the principal of the loan specifying the  
6.21 amount of the payment applied to principal and charges combined, the amount applied  
6.22 to default or extension charges, if any, and stating the unpaid balance, if any, of the  
6.23 precomputed loan contract. A periodic statement showing a payment received by mail  
6.24 complies with this clause;

6.25 (3) permit payment to be made in advance in any amount on any contract of loan at  
6.26 any time, but the licensee may apply the payment first to all charges in full at the agreed  
6.27 rate up to the date of the payment;

6.28 (4) upon repayment of the loan in full, mark indelibly every obligation and security,  
6.29 other than a mortgage or security agreement which secures a new loan to the licensee,  
6.30 signed by the borrower with the word "Paid" or "Canceled," and release any mortgage  
6.31 or security agreement which no longer secures a loan to the licensee, restore any pledge,  
6.32 and cancel and return any note, and any assignment given to the licensee which does not  
6.33 secure a new loan to the licensee within 20 days after the repayment. For purposes of this  
6.34 requirement, the document including actual evidence of an obligation or security may be

7.1 maintained, stored, and retrieved in a form or format acceptable to the commissioner  
 7.2 under section 46.04, subdivision 3;

7.3 (5) display prominently in each licensed place of business a full and accurate  
 7.4 schedule, to be approved by the commissioner, of the charges to be made and the method  
 7.5 of computing the same; furnish a copy of the contract of loan to any person obligated on it  
 7.6 or who may become obligated on it at any time upon the request of that person;

7.7 (6) show in the loan contract or statement of loan the rate or rates of charge on which  
 7.8 the charge in the contract is based, expressed in terms of rate or rates per annum. The  
 7.9 rate expression shall be printed in at least 8-point type on the loan statement or copy of  
 7.10 the loan contract given to the borrower;

7.11 ~~(7) if a payment results in the prepayment of three or more installment payments~~  
 7.12 ~~on a precomputed loan, within 15 days of receipt of the prepayment, deliver or mail to~~  
 7.13 ~~the borrower a notice in at least eight-point type. The notice must contain the following~~  
 7.14 ~~statement:~~

7.15 ~~"You have substantially prepaid the installment payments on your loan and may~~  
 7.16 ~~experience an interest savings over the remaining term only if you refinance the~~  
 7.17 ~~balance within the next 30 days."~~

7.18 Sec. 9. Minnesota Statutes 2012, section 58.115, is amended to read:

7.19 **58.115 EXAMINATIONS.**

7.20 The commissioner has under this chapter the same powers with respect to  
 7.21 examinations that the commissioner has under section 46.04, ~~including the authority to~~  
 7.22 ~~charge for the direct costs of the examination, including travel and per diem expenses.~~

7.23 Sec. 10. Minnesota Statutes 2012, section 59C.10, subdivision 2, is amended to read:

7.24 Subd. 2. **Enforcement authority.** ~~The commissioner may take action that is~~  
 7.25 ~~necessary or appropriate to enforce the provisions of this chapter and the commissioner's~~  
 7.26 ~~rules and orders and to protect warranty holders in this state. The commissioner has the~~  
 7.27 ~~enforcement authority in chapter 45 available to enforce the provisions of the chapter and~~  
 7.28 ~~the rules adopted pursuant to it.~~

7.29 Sec. 11. Minnesota Statutes 2012, section 60A.131, is amended to read:

7.30 **60A.131 OTHER BUSINESS AND INSURANCE INTERESTS, DISCLOSURE.**

7.31 (a) If requested by the commissioner, an insurance company authorized to do  
 7.32 business in this state shall disclose to the commissioner any changes in the principal

8.1 management and directors of the company from that listed on page one of the annual  
8.2 statement within ten days of such change.

8.3 (b) Every insurance company authorized to do business in this state shall notify the  
8.4 commissioner within ten days after receipt of notice of any acquisition by any person,  
8.5 association or corporation of stock or other equity security in said insurer where such  
8.6 transaction, directly or indirectly, either involves five percent or more of any class of any  
8.7 equity security of said insurer, or such acquisition results in ownership of five percent or  
8.8 more of any equity security of said insurer.

8.9 (c) All principal management and directors of the company as listed on page one of  
8.10 its annual statement, and any person, association or corporation or any person or persons  
8.11 managing such company under a management contract, who are directly or indirectly the  
8.12 beneficial owners of more than five percent of any class of any equity security of a stock  
8.13 insurer or guaranty fund of a mutual insurer, shall disclose all other interests in excess  
8.14 of five percent which they may have in insurance agencies, other insurance companies,  
8.15 premium finance companies and any other companies whose principal business relates  
8.16 directly to the writing of insurance or the handling of claims, within 30 days following  
8.17 May 21, 1967. Any such interests acquired after May 21, 1967, shall be reported to the  
8.18 commissioner within 30 days after acquisition thereof.

8.19 ~~(d) Every company applying for an initial certificate of authority to do business in this~~  
8.20 ~~state shall file with the application a statement giving the information required in paragraph~~  
8.21 ~~(e) as to its principal management, directors and affected holders of its equity securities.~~

8.22 Sec. 12. Minnesota Statutes 2012, section 72B.03, is amended to read:

8.23 **72B.03 LICENSES.**

8.24 Subdivision 1. **Requirement; exceptions.** (a) A person shall not act or hold out as  
8.25 an independent adjuster, or public adjuster, ~~or public adjuster solicitor~~ unless the person  
8.26 is licensed as an independent adjuster, or public adjuster, ~~or public adjuster solicitor~~ in  
8.27 accordance with this chapter, or is exempt from licensure as an independent adjuster, or  
8.28 public adjuster, ~~or public adjuster solicitor~~ under this chapter.

8.29 (b) The definition of adjuster does not include, and a license as an adjuster is not  
8.30 required of, the following:

8.31 (1) attorneys-at-law admitted to practice in this state, when acting in the attorney's  
8.32 professional capacity as an attorney;

8.33 (2) a person employed solely to obtain facts surrounding a claim or to furnish  
8.34 technical assistance to a licensed adjuster;

9.1 (3) an individual who is employed to investigate suspected fraudulent insurance  
9.2 claims but who does not adjust losses or determine claims payments;

9.3 (4) a person who solely performs executive, administrative, managerial, or clerical  
9.4 duties or any combination of these duties and who does not investigate, negotiate, or settle  
9.5 claims with policyholders, claimants, or their legal representative;

9.6 (5) a licensed health care provider or its employee who provides managed care  
9.7 services so long as the services do not include the determination of compensability;

9.8 (6) a managed care organization or any of its employees or an employee of any  
9.9 organization providing managed care services so long as the services do not include the  
9.10 determination of compensability;

9.11 (7) a person who settles only reinsurance or subrogation claims;

9.12 (8) an officer, director, manager, or employee of an authorized insurer, a surplus lines  
9.13 insurer, a risk retention group, or an attorney-in-fact of a reciprocal insurer;

9.14 (9) a United States manager of the United States branch of an alien insurer;

9.15 (10) a person who investigates, negotiates, or settles life, accident and health,  
9.16 annuity, or disability insurance claims;

9.17 (11) an individual employee, under a self-insured arrangement, who adjusts claims  
9.18 on behalf of the employee's employer;

9.19 (12) a licensed insurance producer, attorney-in-fact of a reciprocal insurer, or  
9.20 managing general agent of the insurer to whom claim authority has been granted by the  
9.21 insurer;

9.22 (13) a person authorized to adjust workers' compensation or disability claims under  
9.23 the authority of a third-party administrator license pursuant to section 60A.23, subdivision  
9.24 8; or

9.25 (14) an individual who:

9.26 (i) collects claim information from, or furnishes claim information to, insureds or  
9.27 claimants; and

9.28 (ii) conducts data entry including entering data into an automated claims adjudication  
9.29 system, provided that the individual is an employee of a licensed independent adjuster or  
9.30 its affiliate where no more than 25 such persons are under the supervision of one licensed  
9.31 independent adjuster or licensed insurance producer who is exempt from licensure under  
9.32 clause (12).

9.33 Subd. 2. **Classes of licenses.** (a) Unless denied licensure pursuant to section 72B.08,  
9.34 persons who have met the requirements of section 72B.041 must be issued an adjuster  
9.35 license. There shall be ~~four~~ three classes of licenses, as follows:

9.36 (1) independent adjuster's license;

10.1 (2) public adjuster's license; and

10.2 ~~(3) public adjuster solicitor's license; and~~

10.3 ~~(4)~~ (3) crop hail adjuster's license.

10.4 (b) An independent adjuster and a public adjuster may qualify for a license in one or  
10.5 more of the following lines of authority:

10.6 (1) property and casualty; or

10.7 (2) workers' compensation; or

10.8 (3) crop.

10.9 (c) Any person holding a license pursuant to this section is not required to hold any  
10.10 other independent adjuster, public adjuster, insurance, or self-insurance administrator  
10.11 license in this state pursuant to section 60A.23, subdivision 8, or any other provision,  
10.12 provided that the person does not act as an adjuster with respect to life, health, or annuity  
10.13 insurance, other than disability insurance.

10.14 (d) An adjuster license remains in effect unless probated, suspended, revoked, or  
10.15 refused as long as the fee set forth in section 72B.041, subdivision 9, is paid and all other  
10.16 requirements for license renewal are met by the due date, otherwise, the license expires.

10.17 (e) An adjuster whose license expires may, within 12 months of the renewal date,  
10.18 be reissued an adjuster license upon receipt of the renewal request, as prescribed by the  
10.19 commissioner; however, a penalty in the amount of double the unpaid renewal fee is  
10.20 required to reissue the expired license.

10.21 (f) An adjuster who is unable to comply with license renewal procedures and  
10.22 requirements due to military service, long-term medical disability, or some other  
10.23 extenuating circumstance may request a waiver of same and a waiver of any examination  
10.24 requirement, fine, or other sanction imposed for failure to comply with renewal procedures.

10.25 (g) An adjuster is subject to sections 72A.17 to 72A.32.

10.26 (h) The adjuster must inform the commissioner by any means acceptable of any  
10.27 change in resident or business addresses for the home state or in legal name within 30  
10.28 days of the change.

10.29 (i) The license must contain the licensee's name, address, and personal identification  
10.30 number; the dates of issuance and expiration; and any other information the commissioner  
10.31 deems necessary.

10.32 (j) In order to assist in the performance of the commissioner's duties, the  
10.33 commissioner may contract with nongovernmental entities, including the National  
10.34 Association of Insurance Commissioners, its affiliates, or its subsidiaries, to perform any  
10.35 ministerial functions related to licensing that the commissioner may deem appropriate,  
10.36 including the collection of fees and data.

11.1 Subd. 3. **Payment for services; unlawful practice.** No insurer, agent, or other  
11.2 representative of an insurer nor any adjuster shall pay any fee or other compensation to  
11.3 any person for acting as an adjuster, ~~or a public adjuster solicitor~~, except to a person  
11.4 duly licensed to so act or to a person not required to be licensed by sections 72B.01 to  
11.5 72B.14; and it shall be unlawful for any person to act as an independent adjuster, or  
11.6 a public adjuster ~~or a public adjuster solicitor~~, who is not duly licensed, or excluded  
11.7 from the licensing requirement.

11.8 Sec. 13. Minnesota Statutes 2012, section 72B.041, subdivision 1, is amended to read:

11.9 Subdivision 1. **Application.** (a) An individual applying for a resident adjuster  
11.10 license must make application to the commissioner on the appropriate National  
11.11 Association of Insurance Commissioners (NAIC) Uniform Individual Application in  
11.12 a format prescribed by the commissioner and declare under penalty of suspension,  
11.13 revocation, or refusal of the license that the statements made in the application are true,  
11.14 correct, and complete to the best of the individual's knowledge and belief. Before  
11.15 approving the application, the commissioner must find that the individual:

11.16 (1) is at least 18 years of age;

11.17 (2) is eligible to designate this state as the individual's home state;

11.18 (3) is trustworthy, reliable, and of good reputation, evidence of which must be  
11.19 determined by the commissioner;

11.20 (4) has not committed any act that is a ground for probation, suspension, revocation,  
11.21 or refusal of an adjuster's license as set forth in section 72B.08;

11.22 (5) has successfully passed the examination for the lines of authority for which  
11.23 the individual has applied; and

11.24 (6) has paid the fees set forth in subdivision 9.

11.25 ~~An applicant for licensing as a public adjuster solicitor under sections 72B.01 to~~  
11.26 ~~72B.14 must be at least 18 years of age, must be competent and trustworthy, and must not~~  
11.27 ~~have been engaged in any practice which would be grounds for suspension or revocation~~  
11.28 ~~of a license under sections 72B.01 to 72B.14 within the three years next preceding the~~  
11.29 ~~date of the application.~~

11.30 ~~In the case of any applicant who has been convicted of a felony within the ten years~~  
11.31 ~~next preceding the date of the application, and who in the judgment of the commissioner,~~  
11.32 ~~meets the other qualifications, the commissioner may impose the additional requirement of~~  
11.33 ~~the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.~~

11.34 (b) A business entity applying for a resident adjuster license must make application  
11.35 to the commissioner on the appropriate NAIC Uniform Business Entity Application

12.1 in a format prescribed by the commissioner and declare under penalty of suspension,  
12.2 revocation, or refusal of the license that the statements made in the application are true,  
12.3 correct, and complete to the best of the business entity's knowledge and belief. Before  
12.4 approving the application, the commissioner shall find that the business entity:

12.5 (1) is eligible to designate this state as its home state;

12.6 (2) has designated a licensed independent or public adjuster responsible for the  
12.7 business entity's compliance with the insurance laws, rules, and regulations of this state;

12.8 (3) has not committed an act that is a ground for probation, suspension, revocation,  
12.9 or refusal of an adjuster's license as set forth in section 72B.08; and

12.10 (4) has paid the fees set forth in subdivision 9.

12.11 (c) No resident of Canada may be licensed under this section or may designate  
12.12 Minnesota as the applicant's home state, unless the applicant has successfully passed  
12.13 the adjuster examination and has complied with the other applicable provisions of this  
12.14 section, except that such applicant shall not be subject to paragraph (a), clause (2), and  
12.15 section 270C.72, subdivision 4.

12.16 Sec. 14. Minnesota Statutes 2012, section 72B.08, subdivision 1, is amended to read:

12.17 Subdivision 1. **Causes.** The commissioner may place on probation, suspend, revoke,  
12.18 or refuse to issue or renew an adjuster's license or temporary permit or may levy a civil  
12.19 penalty according to section 45.027, subdivision 6, or any combination of the above  
12.20 actions for any of the following causes:

12.21 (1) failure to pass a required examination;

12.22 (2) obtaining or attempting to obtain a license through misrepresentation or fraud  
12.23 providing incorrect, misleading, incomplete, or materially untrue information in the  
12.24 license application;

12.25 (3) violating any insurance laws, rules, subpoena, or order of the commissioner or of  
12.26 another state's insurance commissioner or any provision of sections 72B.01 to 72B.14;

12.27 (4) improperly withholding, misappropriating, or converting any money or  
12.28 properties received in the course of doing insurance business;

12.29 (5) intentionally misrepresenting the terms of an actual or proposed insurance  
12.30 contract or application for insurance, with intent to deceive, or engaging in, or attempting  
12.31 to engage in, any fraudulent transaction with respect to a claim or loss that the licensee or  
12.32 holder of a temporary permit is adjusting and, in the case of a public adjuster solicitor,  
12.33 ~~misrepresenting the services offered or the fees or commission to be charged;~~

12.34 (6) conviction of a felony under the laws of this state, any other state, the United  
12.35 States, or any foreign country;

13.1 (7) the licensee or holder of a temporary permit has demonstrated incompetency or  
13.2 untrustworthiness to act as an adjuster ~~or public adjuster solicitor~~;

13.3 (8) refusal to comply with any lawful order of the commissioner;

13.4 (9) having admitted or been found to have committed any insurance unfair trade  
13.5 practice or fraud;

13.6 (10) using fraudulent, coercive, or dishonest practices, or demonstrating  
13.7 incompetence, untrustworthiness, or financial irresponsibility, in the conduct of insurance  
13.8 business in this state or elsewhere;

13.9 (11) having an insurance license, or its equivalent, probated, suspended, revoked, or  
13.10 refused in any other state, province, district, or territory;

13.11 (12) forging another's name to any document related to an insurance transaction;

13.12 (13) cheating, including improperly using notes or any other reference material, to  
13.13 complete an examination for an insurance license;

13.14 (14) failing to comply with an administrative or court order imposing a child support  
13.15 obligation; or

13.16 (15) failing to pay state income tax or comply with any administrative or court order  
13.17 directing payment of state income tax which remains unpaid.

13.18 Sec. 15. Minnesota Statutes 2012, section 72B.135, subdivision 2, is amended to read:

13.19 Subd. 2. **Writing required; notice of right to cancel; notice of cancellation.** (a)

13.20 Before entering a contract referred to in subdivision 1, the public adjuster must:

13.21 (1) furnish the insured with a statement in boldface type of a minimum size of ten  
13.22 points, in substantially the following form:

13.23 "You, the insured, may cancel this contract at any time within 72 hours after the  
13.24 contract has been signed between the insured and the public adjuster. See attached notice  
13.25 of cancellation form for an explanation of this right."; and

13.26 (2) furnish each insured, a fully completed form in duplicate, captioned, "NOTICE  
13.27 OF CANCELLATION," which shall be attached to the contract and easily detachable,  
13.28 and which shall contain in boldface type of a minimum size of ten points the following  
13.29 information and statements:

13.30 "NOTICE OF CANCELLATION

13.31 .....

13.32 (enter date of contract)

13.33 If you do not want to go forward with the contract with the public adjuster, you may  
13.34 cancel the contract by mailing or delivering a signed and dated copy of this cancellation  
13.35 notice or any other written notice, ~~or send a telegram~~ to (Name of Public Adjuster), at

14.1 (Address of Public Adjuster's Place of Business) not later than midnight of (Date). If you  
 14.2 cancel, any payments made by you under the contract will be returned within ten business  
 14.3 days following receipt by the public adjuster of your cancellation notice.

14.4 I HEREBY CANCEL THIS TRANSACTION.

14.5 .....

14.6 (date)

14.7 .....

14.8 (Insured's signature)"

14.9 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 14.10 and applies to contracts entered into on or after that date.

14.11 Sec. 16. Minnesota Statutes 2012, section 82.63, subdivision 6, is amended to read:

14.12 Subd. 6. **Terminations; transfers.** ~~(a) Except as provided in paragraph (b),~~ When a  
 14.13 salesperson terminates activity on behalf of a broker, the salesperson's license shall be  
 14.14 ineffective. Within ten days of the termination the broker shall notify the commissioner  
 14.15 in writing, ~~and shall return to the commissioner the license of the salesperson~~ the form  
 14.16 prescribed by the commissioner. The salesperson may apply for transfer of the license  
 14.17 to active status with another broker at any time during the remainder of the license  
 14.18 period, ~~on forms provided by the commissioner. If the application for transfer qualifies,~~  
 14.19 ~~the commissioner shall grant the application. Upon receipt of a transfer application and~~  
 14.20 ~~payment of the transfer fee, the commissioner may issue a 45-day temporary license. If~~  
 14.21 an application for transfer is not made within the license period, the commissioner shall  
 14.22 require that an application for a new license be filed.

14.23 ~~(b) When a salesperson terminates activity on behalf of a broker in order to begin~~  
 14.24 ~~association immediately with another broker, the commissioner shall permit the automatic~~  
 14.25 ~~transfer of the salesperson's license. The transfer shall be effective either upon the mailing~~  
 14.26 ~~of the required fee and the executed documents by certified mail or upon personal delivery~~  
 14.27 ~~of the fee and documents to the commissioner's office. The commissioner may adopt rules~~  
 14.28 ~~and prescribe forms as necessary to implement this paragraph.~~

14.29 Sec. 17. Minnesota Statutes 2012, section 82A.03, is amended to read:

14.30 **82A.03 REGISTRATION REQUIREMENT.**

14.31 It is unlawful for any person to offer or sell a membership camping contract in this  
 14.32 state ~~unless:~~ without meeting the requirements of this chapter.

14.33 ~~(1) the membership camping contract is registered in accordance with the provisions~~  
 14.34 ~~of this chapter; or~~

15.1 ~~(2) the membership camping contract or the transaction is exempted under section~~  
15.2 ~~82A.06.~~

15.3 Sec. 18. Minnesota Statutes 2012, section 82A.09, subdivision 2, is amended to read:

15.4 Subd. 2. **Restrictions.** No person shall publish or cause to be published in this state  
15.5 any advertisement concerning any membership camping contract ~~which is required to be~~  
15.6 ~~registered pursuant to this chapter, or which is exempt from registration under section~~  
15.7 ~~82A.06, subdivision 2,~~ after the commissioner has found that the advertisement contains  
15.8 any statement that is false or misleading, or omits to make any statement necessary in  
15.9 order to make the statements made, in light of the circumstances under which they were  
15.10 made, not misleading, and has so notified the person by written order. The order may be  
15.11 issued without prior notice or hearing. Up to 30 days after the issuance of the order, the  
15.12 person desiring to use the advertisement may in writing request a hearing on the order.  
15.13 Upon receipt of a written request, the matter shall be set for hearing to commence within  
15.14 15 days after the receipt unless the person making the request consents to a later date.  
15.15 After the hearing, which shall be conducted in accordance with the provisions of chapter  
15.16 14, the commissioner shall, by written order, either affirm, modify, or vacate the order.

15.17 Sec. 19. Minnesota Statutes 2012, section 82A.10, is amended to read:

15.18 **82A.10 INSPECTION OF RECORDS.**

15.19 All records of a membership camping operator and broker and their agents pertaining  
15.20 to the advertising or sale of membership camping contracts in this state shall be maintained  
15.21 by the membership camping operator or broker at that person's principal place of business  
15.22 and shall there be subject to inspection by the commissioner during normal business hours.  
15.23 ~~The commissioner shall be promptly notified of any change of address affecting the location~~  
15.24 ~~of the records of the membership camping operator or broker and that person's agents.~~

15.25 Sec. 20. Minnesota Statutes 2012, section 82A.111, subdivision 2, is amended to read:

15.26 Subd. 2. **Membership camping dues.** A membership camping operator or the  
15.27 operator's salesperson shall deposit all membership dues received in an escrow account in a  
15.28 Minnesota bank, trust company, or savings association, a foreign bank which authorizes the  
15.29 commissioner to examine its records of these deposits upon demand by the commissioner,  
15.30 or an industrial loan and thrift company organized under chapter 53 with deposit liabilities.  
15.31 ~~In any calendar year, total dues to be deposited in the escrow may not exceed an amount~~  
15.32 ~~approved by the commissioner as reasonably needed for that calendar year's maintenance~~

16.1 ~~budget submitted by the operator.~~ The operator may draw funds from the escrow as  
16.2 needed provided that funds are expended for purposes identified by the budget.

16.3 Sec. 21. Minnesota Statutes 2012, section 82A.12, subdivision 1, is amended to read:

16.4 Subdivision 1. **Generally.** The commissioner may issue a cease and desist order  
16.5 and may issue an order denying, suspending, or revoking any registration, amendment  
16.6 renewal, or exemption if the commissioner finds any of the following:

16.7 (1) that the membership camping operator or registrant or any controlling person  
16.8 thereof has materially or intentionally violated or failed to comply with any provision of  
16.9 this chapter or any rule or order of the commissioner;

16.10 (2) that the offer or sale of the membership camping contract has constituted or  
16.11 would constitute a material misrepresentation to purchasers, or has operated or would  
16.12 operate as a fraud or deceit upon purchasers;

16.13 (3) that the membership camping operator or registrant or any controlling person,  
16.14 agent, or employee thereof, is engaging or about to engage in false, fraudulent, or deceptive  
16.15 practices in connection with the offer and sale of a membership camping contract;

16.16 (4) that the membership camping operator or registrant or any controlling person or  
16.17 employee thereof, has engaged in any fraudulent or deceptive practice, whether or not in  
16.18 connection with the offer and sale of membership camping contracts, and the involvement  
16.19 of the person in the business of the membership camping operator or registrant creates a  
16.20 substantial risk of harm to prospective purchasers;

16.21 (5) that the financial condition of the membership camping operator materially  
16.22 adversely affects, or would materially adversely affect, the ability of the membership  
16.23 camping operator such that there is a reasonable likelihood that the membership camping  
16.24 operator will not be able to substantially fulfill its obligations under the membership  
16.25 camping contract, and no other financial security or assurance is provided by the  
16.26 membership camping operator to fulfill the obligations;

16.27 (6) that the membership camping operator's or registrant's enterprise or method of  
16.28 business with respect to the operation of a campground in this state includes or would  
16.29 include activities which are illegal or not in conformance with applicable statutes,  
16.30 ordinances, or regulations of any governmental entity; and

16.31 ~~(7) that the membership camping operator or registrant or any controlling person~~  
16.32 ~~thereof has made material misrepresentations or concealed material facts in an application~~  
16.33 ~~for registration;~~

16.34 ~~(8) that any fee required by this chapter to be paid by the operator or registrant has~~  
16.35 ~~not been paid; and~~

17.1           ~~(9) (7)~~ that the membership camping operator or controlling person, agent, or  
17.2 employee thereof, has failed faithfully to perform any stipulation or agreement made with  
17.3 the commissioner as an inducement to grant any registration, to reinstate any registration,  
17.4 or to permit any disclosure statement; provided, however, that this clause shall not be  
17.5 deemed to require any stipulations or agreements.

17.6           Sec. 22. Minnesota Statutes 2013 Supplement, section 82A.13, subdivision 1, is  
17.7 amended to read:

17.8           Subdivision 1. **Untrue statements filed in documents.** No person shall make  
17.9 or cause to be made any untrue statement of a material fact in an application or other  
17.10 document filed with the commissioner under this chapter, or omit to state in the application  
17.11 or other document any material fact which is required to be stated therein, or fail to notify  
17.12 the commissioner of any material change as required by section 82A.07.

17.13           Sec. 23. Minnesota Statutes 2012, section 82A.14, is amended to read:

17.14           **82A.14 UNFAIR PRACTICES.**

17.15           No membership camping operator shall:

17.16           (1) sell or offer to sell any membership camping contract with respect to a  
17.17 campground located in this state which is subject to a blanket encumbrance unless;

17.18           (i) each person holding an interest in a blanket encumbrance shall have executed  
17.19 and delivered a nondisturbance agreement and recorded the agreement in the real estate  
17.20 records of the county in which the campground is located; or

17.21           (ii) a bond or irrevocable letter of credit has been issued, or cash or a certified check in  
17.22 an amount sufficient to cover payment of all amounts secured by the blanket encumbrance  
17.23 has been deposited, in the name of the state for the benefit and protection of purchasers of  
17.24 membership camping contracts and subject to terms as approved by the commissioner.

17.25           Any interest accruing on amounts held in the account shall be payable, as and when  
17.26 earned, to the membership camping operator. Any bond shall be executed by an insurance  
17.27 company authorized to do business in this state, which has sufficient net worth to satisfy  
17.28 the indebtedness and which has given consent to be sued in this state. Any irrevocable  
17.29 letter of credit shall be issued by a bank or savings association which has sufficient net  
17.30 worth to satisfy the indebtedness and which has given its consent to be sued in this state.

17.31           The bond, cash, certified check, or irrevocable letter of credit shall be in an amount which  
17.32 is not less than 110 percent of the remaining principal balance of every indebtedness or  
17.33 obligation secured by a blanket encumbrance affecting the campground. The bond or  
17.34 agreement accompanying the cash, certified check, or irrevocable bank letter of credit shall

18.1 provide for the payment of all amounts secured by the blanket encumbrance, including  
18.2 costs, expenses, and legal fees of the lienholder, if for any reason the blanket encumbrance  
18.3 is enforced. The bond, cash, certified check, or letter of credit may be reduced periodically  
18.4 in proportion to the reductions in the amount secured by the blanket encumbrance; or  
18.5 (iii) the lender providing the major hypothecation loan to the membership camping  
18.6 operator (the "hypothecation lender"), and having a lien on or security interest in the  
18.7 membership camping operator's interest in the campground, shall have executed and  
18.8 delivered a nondisturbance agreement and recorded the agreement in the real estate records  
18.9 of the county in which the campground is located in this state. Each person holding an  
18.10 interest in a blanket encumbrance superior to the interest held by the hypothecation lender  
18.11 shall have executed, delivered, and recorded an instrument stating that the person shall  
18.12 give the hypothecation lender notice of, and at least 30 days' opportunity to cure, any  
18.13 default under the blanket encumbrance which entitles the person to foreclose upon the  
18.14 campground. The instrument shall state that the notice and opportunity to cure shall be  
18.15 given before the person commences any foreclosure action affecting the campground and  
18.16 in accordance with the instrument. The hypothecation lender shall have guaranteed that  
18.17 it will cure or arrange for the cure of the default. Any holder of a blanket encumbrance  
18.18 inferior to the hypothecation lender who acquires the campground in foreclosure shall  
18.19 take the campground subject to the hypothecation lender's nondisturbance agreement.  
18.20 For purposes of this provision, a "hypothecation lender" is any lender extending a loan  
18.21 or line of credit to a membership camping operator secured by all or substantially all  
18.22 of the contract receivables arising from the membership camping operator's sale of  
18.23 membership camping contracts in this state. For purposes of this provision, "lender"  
18.24 means an insurance company or a federally or state chartered bank, savings association,  
18.25 any other lending institution, the deposits of which are guaranteed or insured, by a federal  
18.26 agency, or any other person which has sufficient net worth to pay the obligations pursuant  
18.27 to this section if there are no reasonable grounds to believe that the lender will not be able  
18.28 to pay these obligations in the future; or  
18.29 ~~(iv) the operator can provide an alternative plan acceptable to the commissioner;~~  
18.30 (2) sell any campground which is located in this state and available for use by  
18.31 purchasers, unless:  
18.32 (i) the membership camping operator sells the campground to a person who takes  
18.33 the campground subject to all rights and interests of purchasers, and contractually agrees  
18.34 not to compromise the rights and interests of purchasers in regard to future conveyances  
18.35 of, or encumbrances placed on the campground;

19.1 (ii) the membership camping operator immediately substitutes for the use of  
19.2 purchasers another campground which is in the same general area and is at least as  
19.3 desirable for the purpose of camping and outdoor recreation as the previous campground.

19.4 For purposes of this provision, "same general area" means a location within a 50-mile  
19.5 radius of the previous campground; or

19.6 (iii) the membership camping operator immediately substitutes for the use of  
19.7 purchasers another campground and the substitution is approved by two-thirds of all  
19.8 existing purchasers;

19.9 (3) substitute any campground located in this state and available for use by  
19.10 purchasers with a different campground, unless the substituted campground is in the same  
19.11 general area and is at least as desirable for the purpose of camping and outdoor recreation  
19.12 as the previous campground. For purposes of this provision, "same general area" means a  
19.13 location within a 50-mile radius of the previous campground;

19.14 (4) sell membership camping contracts with respect to any campground located  
19.15 in this state that is not owned by the membership camping operator or leased by the  
19.16 membership camping operator for a lease term at least equal to the term of the membership  
19.17 camping contract with respect to the campground;

19.18 (5) fail to disclose the circumstances, if any, under which any reciprocal program  
19.19 that has been offered as an inducement to purchasers may be terminated;

19.20 (6) materially modify any campground rules or regulations or modify purchasers'  
19.21 rights to or the scope and nature of an amenity in a manner which significantly degrades or  
19.22 diminishes the material rights of any purchaser without prior notice to purchasers resident  
19.23 in this state; or materially adversely modify any material campground rules or regulations  
19.24 or materially adversely modify purchaser's rights to or the scope and nature of an amenity  
19.25 in a manner which the purchaser proves:

19.26 (i) significantly degrades or diminishes any material rights of that purchaser; and

19.27 (ii) has no compensating benefit to any other purchaser or groups of purchasers;

19.28 (7) terminate or provide for termination of a membership camping contract, except  
19.29 for good cause. "Good cause" shall mean failure of the purchaser to substantially or  
19.30 consistently comply with reasonable requirements imposed by the membership camping  
19.31 contract and campground rules and regulations;

19.32 (8) terminate a membership camping contract without first giving written notice  
19.33 setting forth all reasons for the termination to the purchaser at least 30 days prior to the  
19.34 termination becoming effective;

20.1 (9) increase a purchaser's membership dues after the sale of a contract in such  
 20.2 a manner as to result in an increase thereof greater than whichever of the following  
 20.3 increases is higher:

20.4 (i) the actual increase in costs of services or improvements for which the membership  
 20.5 dues are imposed; or

20.6 (ii) the increase in the United States city average Consumer Price Index for all  
 20.7 urban consumers issued by the United States Bureau of Labor Statistics or such other  
 20.8 federally prepared Consumer Price Index or Wage Earner Index as reasonably selected  
 20.9 by the operator in its discretion;

20.10 (10) require purchaser to certify the absence of any misrepresentation or other  
 20.11 violation of this chapter provided, however, that a purchaser's acknowledgment of receipt  
 20.12 of a copy of the membership camping contract shall not be deemed to constitute such  
 20.13 a certification;

20.14 (11) require the purchaser to waive the right to assert against the membership  
 20.15 camping operator or any assignee any claim or defense the purchaser may have against the  
 20.16 membership camping operator under the membership camping contract; or

20.17 (12) materially and repeatedly fail to maintain a campground in this state in the  
 20.18 manner contractually agreed upon.

20.19 Sec. 24. Minnesota Statutes 2012, section 82A.22, subdivision 2, is amended to read:

20.20 Subd. 2. **Appointment of commissioner.** When any person, including any  
 20.21 nonresident of this state, engages in conduct prohibited or made actionable by this chapter,  
 20.22 or any rule or order thereunder, ~~and the person has not filed a consent to service of process~~  
 20.23 ~~under subdivision 1~~ and personal jurisdiction over this person cannot otherwise be obtained  
 20.24 in this state, that conduct shall be considered equivalent to the person's appointment of  
 20.25 the commissioner or the commissioner's successor to be the person's attorney to receive  
 20.26 service of any lawful process in any noncriminal suit, action, or proceeding against the  
 20.27 person which grows out of that conduct and which is brought under this chapter or any rule  
 20.28 or order thereunder, with the same force and validity as if served on the person personally.  
 20.29 Service under this section shall be made in compliance with section 45.028, subdivision 2.

20.30 Sec. 25. Minnesota Statutes 2012, section 82A.25, is amended to read:

20.31 **82A.25 CRIMINAL PENALTIES.**

20.32 Any person who willfully violates ~~section 82A.03 by offering or selling unregistered,~~  
 20.33 ~~nonexempt membership camping contracts~~ or section 82A.13 or any order of the  
 20.34 commissioner pursuant thereto of which that person has notice, may be fined not more

21.1 than \$5,000 or imprisoned not more than five years or both. Each of the acts specified  
21.2 shall constitute a separate offense and a prosecution or conviction for any one of the  
21.3 offenses shall not bar prosecution or conviction for any other offense.

21.4 Sec. 26. Minnesota Statutes 2012, section 82A.26, is amended to read:

21.5 **82A.26 NONAPPLICABILITY OF CERTAIN LAW.**

21.6 Membership camping contracts registered pursuant to this chapter are exempt  
21.7 from the provisions of chapter 83. To the extent that licensed salespersons and licensed  
21.8 brokers engage in the offer or sale of membership camping contracts, those brokers and  
21.9 salespersons are exempt from the licensing requirements of chapter 82.

21.10 Sec. 27. Minnesota Statutes 2012, section 83.26, subdivision 2, is amended to read:

21.11 Subd. 2. **Generally; transactions.** Unless the method of offer or sale is adopted  
21.12 for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, the following  
21.13 transactions are exempt from sections 83.23, 83.24, 83.25, 83.28, 83.29, and 83.30:

21.14 (a) the offer or sale of an interest in subdivided land by an owner, other than the  
21.15 subdivider, acting as principal in a single or isolated transaction;

21.16 (b) the offer or sale of all of the subdivided lands within a subdivision in a single  
21.17 transaction to any person;

21.18 (c) the offer or sale of subdivided land pursuant to an order of competent jurisdiction,  
21.19 other than a court of bankruptcy;

21.20 (d) the offer or sale of subdivided land consisting of not more than ten separate lots,  
21.21 units, parcels, or interests in the aggregate, provided that no subdivider may make an  
21.22 offer or sale of subdivided land pursuant to this exemption more than once during any  
21.23 period of 12 consecutive months;

21.24 (e) the offer or sale of subdivided lands which have been registered under section  
21.25 83.23, subdivision 2, if there are no more than ten separate lots, units, parcels, or interests  
21.26 remaining to be sold and no material change has occurred in the information on file with  
21.27 the commissioner;

21.28 (f) the offer and sale of subdivided land located within the corporate limits of a  
21.29 municipality as defined in section 462.352, subdivision 2, which municipality has adopted  
21.30 subdivision regulations as defined in section 462.352, except those lands described in  
21.31 section 83.20, subdivision 13;

21.32 (g) the offer and sale of apartments or condominium units as defined in chapters 515  
21.33 and 515A, and units in common interest communities as defined in chapter 515B;

22.1 (h) the offer and sale of subdivided lands used primarily for agricultural purposes  
22.2 provided each parcel is at least ten acres in size;

22.3 (i) the offer or sale of improved lots if:

22.4 (1) the subdivider has filed with the commissioner, no later than ten business days  
22.5 prior to the date of the first sale, a written notice of its intention to offer or sell improved  
22.6 lots, which notice shall be accompanied by a fee of \$50, together with a copy of the public  
22.7 offering statement accepted by the situs state and the standard purchase agreement which  
22.8 documents are required to be supplied by the subdivider to the purchaser; and

22.9 (2) the subdivider deposits all downpayments in an escrow account until all  
22.10 obligations of the subdivider to the purchaser, which are pursuant to the terms of the  
22.11 purchase agreement to be performed prior to the closing, have been performed. The  
22.12 subdivider shall provide the purchaser with a purchase receipt for the downpayment paid,  
22.13 a copy of the escrow agreement and the name, address, and telephone number of the  
22.14 escrow agent. The escrow agent shall be a bank located in Minnesota. All downpayments  
22.15 shall be deposited in the escrow account within two business days after receipt; and

22.16 (j) the offer of sale of subdivided lands by a subdivider that has been granted  
22.17 an exemption from registration by the federal Department of Housing and Urban  
22.18 Development under the multiple site subdivision exemption, if the subdivider provides a  
22.19 written notice of the offer of sale to the commissioner before any offers or sale commence.

22.20 The written notice must include the name of the subdivision, the county and state  
22.21 in which the subdivision is located, and the number of lots in the subdivision, and a  
22.22 notarized affidavit that all proposed improvements have been completed and the costs of  
22.23 all the improvements have been fully paid, or that the cost of any uncompleted road  
22.24 construction or survey expenses are covered by a bond or escrow account payable to the  
22.25 entities responsible for providing or completing the roads or surveys. The escrow account  
22.26 must be with an independent escrow agent.

22.27 The subdivider must also provide to the commissioner a copy of the federal Housing  
22.28 and Urban Development exemption order and the most recent annual confirmation letter  
22.29 which indicates that the order is still in effect.

22.30 If the closing services are provided by the subdivider or an affiliate of the subdivider,  
22.31 purchasers must manually initial in the Housing and Urban Development Lot Information  
22.32 Statement both the disclosure on all the liens, reservations, taxes, assessments, easements,  
22.33 and restrictions applicable to the lot purchased and the disclosure on the risks of not  
22.34 obtaining clear title.

23.1 The commissioner may, by rule or order, suspend, revoke, or further condition the  
 23.2 exemptions contained in clauses (f), (g), (h), (i), and (j), or may require such further  
 23.3 information as may be necessary for the protection of purchasers.

23.4 ~~The commissioner may by rule or order suspend, revoke, or further condition~~  
 23.5 ~~the exemptions contained in clauses (f), (g), (h), and (i) or may require such further~~  
 23.6 ~~information as may be necessary for the protection of purchasers.~~

23.7 Sec. 28. Minnesota Statutes 2012, section 83.30, subdivision 1, is amended to read:

23.8 Subdivision 1. **Form; due date.** During the period a registration is effective, the  
 23.9 subdivider shall file an annual report in a format the commissioner may by rule prescribe  
 23.10 for subdivisions under section 83.23, subdivision 3. Subdividers under section 83.23,  
 23.11 subdivision 2, shall not be required to file the annual report form except by order of the  
 23.12 commissioner but are required to submit the fee under section 83.30, subdivision 2. The  
 23.13 ~~report must include a financial statement of the subdivider's most recent fiscal year,~~  
 23.14 ~~prepared by an accountant and certified by the subdivider. An audited financial statement~~  
 23.15 ~~shall not be required.~~ Every annual report shall be due by the 120th day following the end of  
 23.16 the subdivider's fiscal year, unless extended in writing by the commissioner for good cause.

23.17 Sec. 29. Minnesota Statutes 2012, section 216C.03, is amended to read:

23.18 **216C.03 STATE GOVERNMENT ENERGY-SAVINGS PLAN.**

23.19 The commissioner of commerce, in coordination with the commissioners of the  
 23.20 agencies listed in section 15.01, the chancellor of the Minnesota State Colleges and  
 23.21 Universities, and the president of the University of Minnesota, shall identify policy options,  
 23.22 barriers, and economic benefits and costs for state government operations to achieve the  
 23.23 energy-savings goals in section 216B.2401 and the resulting carbon emissions reductions.  
 23.24 ~~The commissioner of commerce must issue a report to the legislature by February 1, 2008.~~

23.25 Sec. 30. Minnesota Statutes 2013 Supplement, section 237.036, is amended to read:

23.26 **237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.**

23.27 (a) Neither commission approval nor a commission certificate is required to:

23.28 (1) site a coin-operated or public pay telephone in the state; or

23.29 (2) implement changes in service, services offered, rates, or location regarding a  
 23.30 coin-operated or public pay telephone. Registration under section 237.64 is required to  
 23.31 own or operate a coin-operated or public pay telephone in the state.

23.32 (b) This section does not change the authority of other state or local government  
 23.33 entities to regulate aspects of coin-operated or public pay telephone ownership, location,

24.1 or operation; however, an entity may not regulate aspects of these services that it did not  
 24.2 regulate prior to May 26, 1999. The commission shall retain the authority delegated to  
 24.3 it under federal and state law to protect the public interest with regard to coin-operated  
 24.4 or public pay telephones.

24.5 (c) Owners and operators of coin-operated or public pay telephones are exempt from  
 24.6 sections 237.06, 237.07, 237.075, 237.09, 237.23, 237.295, ~~and 237.39~~ and the annual  
 24.7 reporting requirement of section 237.11.

24.8 (d) Owners of coin-operated or public pay telephones shall:

24.9 (1) provide immediate coin-free access, to the extent technically feasible, to 911  
 24.10 emergency service or to another approved emergency service; and

24.11 (2) provide free access to the telecommunications relay service for people with  
 24.12 communication disabilities.

24.13 (e) Owners of coin-operated or public pay telephones must post at each coin-operated  
 24.14 or public pay telephone location:

24.15 (1) customer service and complaint information, including the name, address, and  
 24.16 telephone number of the owner of the coin-operated or public pay telephone and the  
 24.17 operator service handling calls from the coin-operated or public pay telephone; a toll-free  
 24.18 number of the appropriate telephone company for the resolution of complaints; and the  
 24.19 toll-free number of the public utilities commission; and

24.20 (2) a toll-free number at which consumers can obtain pricing information regarding  
 24.21 rates, charges, terms, and conditions of local and long-distance calls.

24.22 Sec. 31. Minnesota Statutes 2012, section 237.04, is amended to read:

24.23 **237.04 WIRE CROSSING OR PARALLELING UTILITY LINE; RULES.**

24.24 (a) ~~The department shall determine and promulgate reasonable rules covering the~~  
 24.25 ~~maintenance and operation, also the nature, location, and character of the construction to~~  
 24.26 ~~be used, where telephone, telegraph, electric light, power, or other electric wires of any~~  
 24.27 ~~kind, or any natural gas pipelines, cross, or more or less parallel the lines of any railroad,~~  
 24.28 ~~or any other similar public service corporation; and, to this end, shall formulate and from~~  
 24.29 ~~time to time, issue general rules covering each class of construction, maintenance, and~~  
 24.30 ~~operation of such telephone, telegraph, telecommunications, cable, fiber optic, electric~~  
 24.31 ~~wire, or natural gas pipeline crossing, or paralleling, under the various conditions existing;~~  
 24.32 ~~and the department, upon the complaint of any person, railroad, municipal utility,~~  
 24.33 ~~cooperative electric association, telephone company, telecommunications carrier, cable~~  
 24.34 ~~company, fiber optic carrier, or other public utility claiming to be injuriously affected or~~  
 24.35 ~~subjected to hazard by any such crossing or paralleling of the lines of any railroad or other~~

25.1 similar public service corporation, constructed or about to be constructed, shall, after a  
 25.2 hearing, make such order and prescribe such terms and conditions for the construction,  
 25.3 maintenance, and operation of the lines in question as may be just and reasonable.

25.4 (b) The department may, upon request of any municipal utility, electric cooperative  
 25.5 association, public utility, telephone company, telecommunications carrier, cable  
 25.6 company, or fiber optic carrier determine the just and reasonable charge which a railroad,  
 25.7 or owner of an abandoned railroad right-of-way, other than the state or a regional railroad  
 25.8 authority, can prescribe for a new or existing crossing of a railroad right-of-way by any  
 25.9 telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line, or new  
 25.10 or existing telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas  
 25.11 line more or less paralleling a railroad right-of-way, based on the diminution in value  
 25.12 caused by the crossing or paralleling of the right-of-way by the telephone, telegraph,  
 25.13 telecommunications, cable, fiber optic, electric, or gas line. This section shall not be  
 25.14 construed to eliminate the right of a public utility, municipal utility, or electric cooperative  
 25.15 association to have any of the foregoing issues determined pursuant to an eminent domain  
 25.16 proceeding commenced under chapter 117. Unless the railroad, or owner of an abandoned  
 25.17 railroad right-of-way, other than the state or a regional railroad authority, asserts in writing  
 25.18 that the proposed crossing or paralleling is a serious threat to the safe operations of the  
 25.19 railroad or to the current use of the railroad right-of-way, a crossing can be constructed  
 25.20 following filing of the requested action with the department, pending review of the  
 25.21 requested action by the department.

25.22 (c) The department shall assess the cost of reviewing the requested action, and of  
 25.23 determining a just and reasonable charge, equally among the parties.

25.24 (d) For the purposes of this section, "parallel" or "paralleling" means that the  
 25.25 relevant utility facilities run adjacent to and alongside the lines of a railroad for no more  
 25.26 than one mile, or another distance agreed to by the parties, before the utility facilities cross  
 25.27 the railroad lines, terminate, or exit the railroad right-of-way.

25.28 Sec. 32. Minnesota Statutes 2012, section 237.14, is amended to read:

25.29 **237.14 RATE FOR SERVICE TO OFFICER.**

25.30 A telephone company may furnish service free or at reduced rates to its officers,  
 25.31 agents, or employees in furtherance of their employment, but it shall charge full schedule  
 25.32 rates without discrimination for all other services. ~~Nothing herein shall release any~~  
 25.33 ~~telephone company from carrying out any contract now existing between it and any~~  
 25.34 ~~municipality for the furnishing of any service free or at reduced rates. Any contract for~~

26.1 ~~telephone service, at discriminatory rates, other than those with municipalities, shall be~~  
26.2 ~~terminated by the company as soon as the same becomes terminable by its terms.~~

26.3 Sec. 33. Minnesota Statutes 2012, section 237.16, subdivision 8, is amended to read:

26.4 Subd. 8. **Rules.** (a) ~~Before August 1, 1997,~~ The commission shall adopt rules  
26.5 applicable to all telephone companies and telecommunications carriers required to obtain  
26.6 or having obtained a certificate for provision of telephone service using any existing  
26.7 federal standards as minimum standards and incorporating any additional standards  
26.8 or requirements necessary to ensure the provision of high-quality telephone services  
26.9 throughout the state. The rules must, at a minimum:

26.10 (1) define procedures for competitive entry and exit;

26.11 (2) require the provisions of equal access and interconnection with the company's  
26.12 network and other features, functions, and services which the commission considers  
26.13 necessary to promote fair and reasonable competition;

26.14 (3) require unbundling of network services and functions to at least the level required  
26.15 by existing federal standards;

26.16 (4) prescribe, if necessary, methods of reciprocal compensation between telephone  
26.17 companies;

26.18 (5) provide for local telephone number portability;

26.19 (6) prescribe appropriate regulatory standards for new local telephone service  
26.20 providers, that facilitate and support the development of competitive services;

26.21 (7) protect against cross-subsidization, unfair competition, and other practices  
26.22 harmful to promoting fair and reasonable competition;

26.23 (8) prescribe methods for the preservation of universal and affordable local  
26.24 telephone services;

26.25 (9) prescribe standards for quality of service;

26.26 (10) provide for the continued provision of local emergency telephone services  
26.27 under chapter 403; and

26.28 (11) protect residential and commercial customers from unauthorized changes in  
26.29 service providers in a competitively neutral manner.

26.30 (b) ~~Before January 1, 1998, in a separate rulemaking,~~ The commission shall adopt  
26.31 separate rules regarding the issues described in paragraph (a), clauses (1) to (11), as may  
26.32 be appropriate to provision of competitive local telephone service in areas served by  
26.33 telephone companies with less than 50,000 subscribers ~~originally certified to provide local~~  
26.34 ~~telephone services before January 1, 1988.~~

27.1 Sec. 34. Minnesota Statutes 2013 Supplement, section 237.16, subdivision 9, is  
27.2 amended to read:

27.3 Subd. 9. **Universal service fund.** The commission shall establish and require  
27.4 contributions to a universal service fund, to be supported by all providers of telephone  
27.5 services, whether or not they are telephone companies under section 237.01, including, but  
27.6 not limited to, local telephone companies, independent telephone companies, cooperative  
27.7 telephone companies, municipal telephone companies, telecommunications carriers,  
27.8 radio common carriers, personal communication service providers, and cellular carriers.  
27.9 Services that should be considered for inclusion as universal include, at a minimum,  
27.10 single-party service including access, usage and touch-tone capability; line quality  
27.11 capable of carrying facsimile and data transmissions; equal access; emergency services  
27.12 number capability; statewide telecommunications relay service for people with hearing  
27.13 loss; and blocking of long-distance toll services. The fund must be administered and  
27.14 distributed in accordance with rules adopted by the commission and designed to preserve  
27.15 the availability of universal service throughout the state. Any state universal service fund  
27.16 must be coordinated with any federal universal service fund and be consistent with section  
27.17 254(b)(1) to (5) of the federal Telecommunications Act of 1996, Public Law 104-104. The  
27.18 ~~department shall make recommendations to the legislature by January 1, 1996, regarding a~~  
27.19 ~~plan for contributions to and expenditures from the universal service fund. In particular,~~  
27.20 ~~the department shall address the following issues:~~

27.21 ~~(1) what additional services should be included in the basic set of essential telephone~~  
27.22 ~~services which the state should encourage in its mandate to ensure universal service;~~

27.23 ~~(2) whether and how expenditures from the fund should be used to ensure citizens~~  
27.24 ~~access to local government and other public access programming; and~~

27.25 ~~(3) whether expenditures from the fund should be used to encourage construction~~  
27.26 ~~of infrastructure for, and access to, advanced services, especially in high-cost areas of~~  
27.27 ~~the state, and, if the commission determines the fund should be used for this purpose, a~~  
27.28 ~~plan to accomplish these goals.~~

27.29 Sec. 35. Minnesota Statutes 2012, section 237.16, subdivision 12, is amended to read:

27.30 Subd. 12. **Extension of interexchange facility.** In order to promote the  
27.31 development of competitive interexchange services and facilities, any interexchange  
27.32 facility that is owned by a certified telephone company, independent telephone company,  
27.33 telecommunications carrier or an affiliate and that is used to provide service to customers  
27.34 located in areas for which it has been previously certified to provide service may be  
27.35 extended to meet and interconnect with the facility of another telephone company, small

28.1 telephone company, or telecommunications carrier, whether at a point inside or outside  
28.2 of its territories, without further proceeding, order, or determination of current or future  
28.3 public convenience and necessity, upon mutual consent with the other telephone company,  
28.4 small telephone company, or telecommunications carrier whose facilities will be met and  
28.5 interconnected. Written notice of the extension and interconnection must be provided to  
28.6 the Public Utilities Commission and Department of Public Safety within 30 days after  
28.7 completion. The written notice must be served on all incumbent local exchange companies  
28.8 ~~certified before January 1, 1988~~, in all areas where the facilities are located.

28.9 Sec. 36. Minnesota Statutes 2012, section 237.164, is amended to read:

28.10 **237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.**

28.11 The commission shall establish intrastate service discounts for schools and libraries  
28.12 by order to the extent ~~and within the time frame~~ necessary to enable schools and libraries  
28.13 to ~~begin receiving~~ receive federally supported discounts ~~at the earliest date permitted by~~  
28.14 ~~the Federal Communications Commission.~~

28.15 Sec. 37. Minnesota Statutes 2012, section 237.17, is amended to read:

28.16 **237.17 EXTENSION OF LONG-DISTANCE LINE.**

28.17 Any telephone company may extend its long-distance lines into or through any city  
28.18 of this state for the furnishing of long-distance service only, subject to ~~the regulation of~~  
28.19 ~~the governing body of such city relative to the location of the poles and wires and the~~  
28.20 ~~preservation of the safe and convenient use of such streets and alleys to the public~~ sections  
28.21 237.162 and 237.163.

28.22 Sec. 38. Minnesota Statutes 2012, section 237.30, is amended to read:

28.23 **237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.**

28.24 The sum of \$25,000 is hereby ~~appropriated out of any moneys in the state treasury~~  
28.25 ~~not otherwise appropriated, to establish and provide a revolving fund to be known as the~~  
28.26 A Minnesota Telephone Investigation Fund shall exist for the use of the Department of  
28.27 Commerce and of the attorney general in investigations, valuations, and revaluations  
28.28 under section 237.295. All sums paid by the telephone companies to reimburse the  
28.29 department for its expenses pursuant to section 237.295 shall be credited to the revolving  
28.30 fund and shall be deposited in a separate bank account and not commingled with any other  
28.31 state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the  
28.32 end of each fiscal year shall be paid into the state treasury and credited to the general fund.

29.1 ~~The sum of \$25,000 herein appropriated and~~ All subsequent credits to said revolving fund  
29.2 shall be paid upon the warrant of the commissioner of management and budget upon  
29.3 application of the department or of the attorney general to an aggregate amount of not  
29.4 more than one-half of such sums to each of them, which proportion shall be constantly  
29.5 maintained in all credits and withdrawals from the revolving fund.

29.6 Sec. 39. Minnesota Statutes 2012, section 237.46, is amended to read:

29.7 **237.46 GROSS MISDEMEANOR VIOLATION.**

29.8 Any telephone company or telecommunications carrier and, if it be a corporation,  
29.9 the officers thereof, violating any provisions of ~~sections 237.01 to 237.27,~~ this chapter  
29.10 shall be guilty of a gross misdemeanor.

29.11 Sec. 40. Minnesota Statutes 2012, section 237.491, is amended to read:

29.12 **237.491 COMBINED PER NUMBER FEE.**

29.13 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
29.14 section.

29.15 (b) "911 emergency and public safety communications program" means the program  
29.16 governed by chapter 403.

29.17 (c) "Minnesota telephone number" means a ten-digit telephone number being used  
29.18 to connect to the public switched telephone network and starting with area code 218, 320,  
29.19 507, 612, 651, 763, or 952, or any subsequent area code assigned to this state.

29.20 (d) "Service provider" means a provider doing business in this state who provides  
29.21 real-time, two-way voice service with a Minnesota telephone number.

29.22 (e) "Telecommunications access Minnesota program" means the program governed  
29.23 by sections 237.50 to 237.55.

29.24 (f) "Telephone assistance program" means the program governed by sections 237.69  
29.25 to ~~237.711~~ 237.71.

29.26 Subd. 2. **Per number fee.** (a) ~~By January 15, 2006, the commissioner of commerce~~  
29.27 ~~shall report to the legislature and to the senate Committee on Jobs, Energy and Community~~  
29.28 ~~Development and the house of representatives Committee on Regulated Industries,~~  
29.29 ~~recommendations for the amount of and method for assessing a fee that would apply to~~  
29.30 ~~each service provider based upon the number of Minnesota telephone numbers in use by~~  
29.31 ~~current customers of the service provider. The fee would~~ shall be set at a level calculated  
29.32 to generate only the amount of revenue necessary to fund:

30.1 (1) the telephone assistance program and the telecommunications access Minnesota  
30.2 program at the levels established by the commission under sections 237.52, subdivision  
30.3 2, and 237.70; and

30.4 (2) the 911 emergency and public safety communications program at the levels  
30.5 appropriated by law to the commissioner of public safety and the commissioner of  
30.6 management and budget for purposes of sections 403.11, 403.113, 403.27, 403.30, and  
30.7 403.31 for each fiscal year.

30.8 (b) The recommendations must include any changes to Minnesota Statutes necessary  
30.9 to establish the procedures whereby each service provider, to the extent allowed under  
30.10 federal law, would collect and remit the fee proceeds to the commissioner of revenue. The  
30.11 commissioner of revenue would allocate the fee proceeds to the three funding areas in  
30.12 paragraph (a) and credit the allocations to the appropriate accounts.

30.13 ~~(c) The recommendations must be designed to allow the combined per telephone~~  
30.14 ~~number fee to be collected beginning July 1, 2006. The per access line fee used to collect~~  
30.15 ~~revenues to support the TAP, TAM, and 911 programs remains in effect until the statutory~~  
30.16 ~~changes necessary to implement the per telephone number fee have been enacted into~~  
30.17 ~~law and taken effect.~~

30.18 ~~(d) As part of the process of developing the recommendations and preparing the~~  
30.19 ~~report to the legislature required under paragraph (a), the commissioner of commerce~~  
30.20 ~~must, at a minimum, consult regularly with the Departments of Public Safety, Management~~  
30.21 ~~and Budget, and Administration, the Public Utilities Commission, service providers,~~  
30.22 ~~the chairs and ranking minority members of the senate and house of representatives~~  
30.23 ~~committees, subcommittees, and divisions having jurisdiction over telecommunications~~  
30.24 ~~and public safety, and other affected parties.~~

30.25 Sec. 41. Minnesota Statutes 2012, section 237.69, subdivision 1, is amended to read:

30.26 Subdivision 1. **Scope.** The terms used in sections 237.69 to ~~237.71~~ 237.71 have  
30.27 the meanings given them in this section.

30.28 Sec. 42. Minnesota Statutes 2012, section 237.69, subdivision 15, is amended to read:

30.29 Subd. 15. **Income.** For purposes of sections 237.69 to ~~237.71~~ 237.71, "income"  
30.30 has the meaning given it in section 290A.03, subdivision 3.

30.31 Sec. 43. Minnesota Statutes 2012, section 237.69, subdivision 16, is amended to read:

30.32 Subd. 16. **Telephone assistance plan.** "Telephone assistance plan" means the plan  
30.33 to be adopted by the commission and to be jointly administered by the commission, the

31.1 Department of Human Services, and the telephone companies, as required by sections  
31.2 237.69 to ~~237.71~~ 237.71.

31.3 Sec. 44. Minnesota Statutes 2012, section 237.71, is amended to read:

31.4 **237.71 TAP RULES.**

31.5 The commission shall adopt rules under the Administrative Procedure Act necessary  
31.6 or appropriate to ~~establish~~ administer the telephone assistance plan in accordance with  
31.7 this chapter ~~so that the telephone assistance plan is effective as of January 1, 1988, or as~~  
31.8 ~~soon after that date as Federal Communications Commission approval of the telephone~~  
31.9 ~~assistance plan is obtained.~~

31.10 Sec. 45. Minnesota Statutes 2012, section 239.011, subdivision 2, is amended to read:

31.11 Subd. 2. **Duties and powers.** To carry out the responsibilities in section 239.01  
31.12 and subdivision 1, the director:

31.13 (1) shall take charge of, keep, and maintain in good order the standard of weights  
31.14 and measures of the state and keep a seal so formed as to impress, when appropriate, the  
31.15 letters "MINN" and the date of sealing upon the weights and measures that are sealed;

31.16 (2) has general supervision of the weights, measures, and weighing and measuring  
31.17 devices offered for sale, sold, or in use in the state;

31.18 (3) shall maintain traceability of the state standards to the national standards of the  
31.19 National Institute of Standards and Technology;

31.20 (4) shall enforce this chapter;

31.21 (5) shall grant variances from department rules, within the limits set by rule, when  
31.22 appropriate to maintain good commercial practices or when enforcement of the rules  
31.23 would cause undue hardship;

31.24 (6) shall conduct investigations to ensure compliance with this chapter;

31.25 (7) may delegate to division personnel the responsibilities, duties, and powers  
31.26 contained in this section;

31.27 (8) shall test annually, and approve when found to be correct, the standards of  
31.28 weights and measures used by the division, by a town, statutory or home rule charter city,  
31.29 or county within the state, or by a person using standards to repair, adjust, or calibrate  
31.30 commercial weights and measures;

31.31 (9) shall inspect and test weights and measures kept, offered, or exposed for sale;

31.32 (10) shall inspect and test, to ascertain if they are correct, weights and measures  
31.33 commercially used to:

32.1 (i) determine the weight, measure, or count of commodities or things sold, offered,  
32.2 or exposed for sale, on the basis of weight, measure, or count; and

32.3 (ii) compute the basic charge or payment for services rendered on the basis of  
32.4 weight, measure, or count;

32.5 (11) shall approve for use and mark weights and measures that are found to be correct;

32.6 (12) shall reject, and mark as rejected, weights and measures that are found to be  
32.7 incorrect and may seize them if those weights and measures:

32.8 (i) are not corrected within the time specified by the director;

32.9 (ii) are used or disposed of in a manner not specifically authorized by the director; or

32.10 (iii) are found to be both incorrect and not capable of being made correct, in which  
32.11 case the director shall condemn those weights and measures;

32.12 (13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed  
32.13 for sale, sold, or in the process of delivery, to determine whether they contain the amount  
32.14 represented and whether they are kept, offered, or exposed for sale in accordance with  
32.15 this chapter and department rules. In carrying out this section, the director must employ  
32.16 recognized sampling procedures, such as those contained in National Institute of Standards  
32.17 and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

32.18 (14) shall prescribe the appropriate term or unit of weight or measure to be used for  
32.19 a specific commodity when an existing term or declaration of quantity does not facilitate  
32.20 value comparisons by consumers, or creates an opportunity for consumer confusion;

32.21 (15) shall allow reasonable variations from the stated quantity of contents, including  
32.22 variations caused by loss or gain of moisture during the course of good distribution  
32.23 practice or by unavoidable deviations in good manufacturing practice, only after the  
32.24 commodity has entered commerce within the state;

32.25 (16) shall inspect and test petroleum products in accordance with this chapter and  
32.26 chapter 296A;

32.27 ~~(17) shall distribute and post notices for used motor oil and used motor oil filters and~~  
32.28 ~~lead-acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115;~~

32.29 ~~(18)~~ shall collect inspection fees in accordance with sections 239.10 and 239.101; and

32.30 ~~(19)~~ (18) shall provide metrological services and support to businesses and

32.31 individuals in the United States who wish to market products and services in the member  
32.32 nations of the European Economic Community, and other nations outside of the United  
32.33 States by:

32.34 (i) meeting, to the extent practicable, the measurement quality assurance standards  
32.35 described in the International Standards Organization ISO 17025;

33.1 (ii) maintaining, to the extent practicable, certification of the metrology laboratory  
33.2 by an internationally accepted accrediting body such as the National Voluntary Laboratory  
33.3 Accreditation Program (NVLAP); and

33.4 (iii) providing calibration and consultation services to metrology laboratories in  
33.5 government and private industry in the United States.

33.6 Sec. 46. Minnesota Statutes 2012, section 239.06, is amended to read:

33.7 **239.06 RULES.**

33.8 The department shall prescribe and adopt such rules as it may deem necessary to  
33.9 carry out the provisions of this chapter, ~~and it including but not limited to the adoption of~~  
33.10 definitions of basic units of weights and measures, tables of weights and measures, and  
33.11 weights and measures equivalents to govern weighing and measuring equipment and  
33.12 transactions in Minnesota. The division may change, modify, or amend any or all rules  
33.13 when deemed necessary and the rules ~~so made~~ shall have the force and effect of law.

33.14 Sec. 47. Minnesota Statutes 2012, section 239.081, is amended to read:

33.15 **239.081 INSPECTING TRACK SCALE.**

33.16 The ~~department~~ division shall supervise and inspect all track scales, and may direct  
33.17 any carrier to transport, move, and switch to any track scale free of charge any car used in  
33.18 the inspection and testing of scales. The ~~department~~ division shall require the installation  
33.19 and maintenance of track scales at terminals, warehouses, and at other points in the state  
33.20 where scales are deemed necessary. The ~~department~~ division shall prescribe reasonable  
33.21 rules for the weighing of railroad cars and of freight. ~~Rules of the department promulgated~~  
33.22 ~~under chapter 218 and in effect on January 1, 1976, which pertain to installation or~~  
33.23 ~~inspection of track scales or the weighing of railroad cars and freight shall continue in~~  
33.24 ~~effect until amended or repealed by the department.~~

33.25 Sec. 48. Minnesota Statutes 2012, section 239.09, is amended to read:

33.26 **239.09 SPECIAL POLICE POWERS.**

33.27 When necessary to enforce this chapter or rules adopted under the authority granted  
33.28 by section 239.06, the director is:

33.29 (1) ~~authorized and empowered to arrest, without formal warrant, any violator of~~  
33.30 ~~sections 325E.11 and 325E.115 or of the statute in relation to weights and measures;~~

34.1 (2) empowered to seize for use as evidence and without formal warrant, any false  
 34.2 weight, measure, weighing or measuring device, package, or commodity found to be used,  
 34.3 retained, or offered or exposed for sale or sold in violation of law;

34.4 (3) (2) during normal business hours, authorized to enter commercial premises;

34.5 (4) (3) if the premises are not open to the public, authorized to enter commercial  
 34.6 premises only after presenting credentials and obtaining consent or after obtaining a  
 34.7 search warrant;

34.8 (5) (4) empowered to issue stop-use, hold, and removal orders with respect to  
 34.9 weights and measures commercially used, and packaged commodities or bulk commodities  
 34.10 kept, offered, or exposed for sale, that do not comply with the weights and measures laws;

34.11 (6) (5) empowered, upon reasonable suspicion of a violation of the weights and  
 34.12 measures laws, to stop a commercial vehicle and, after presentation of credentials, inspect  
 34.13 the contents of the vehicle, require that the person in charge of the vehicle produce  
 34.14 documents concerning the contents, and require the person to proceed with the vehicle to  
 34.15 some specified place for inspection; and

34.16 (7) (6) empowered, after written warning, to issue citations of not less than \$100 and  
 34.17 not more than \$500 to a person who violates any provision of this chapter, any provision  
 34.18 of the rules adopted under the authority contained in this chapter, or any provision of  
 34.19 statutes enforced by the Division of Weights and Measures.

34.20 Sec. 49. Minnesota Statutes 2012, section 239.091, is amended to read:

34.21 **239.091 METHOD OF SALE.**

34.22 The method of sale for a commodity must provide an accurate and adequate quantity  
 34.23 of information that will allow the buyer to make price and quantity comparisons. ~~The~~  
 34.24 ~~department may adopt rules to administer this section.~~

34.25 Sec. 50. Minnesota Statutes 2013 Supplement, section 239.101, subdivision 3, is  
 34.26 amended to read:

34.27 Subd. 3. **Petroleum inspection fee; appropriation, uses.** (a) An inspection fee  
 34.28 is imposed (1) on petroleum products when received by the first licensed distributor,  
 34.29 and (2) on petroleum products received and held for sale or use by any person when the  
 34.30 petroleum products have not previously been received by a licensed distributor. The  
 34.31 petroleum inspection fee is \$1 for every 1,000 gallons received. The commissioner of  
 34.32 revenue shall collect the fee. The revenue from 89 cents of the fee is appropriated to  
 34.33 the commissioner of commerce for the cost of operations of the Division of Weights  
 34.34 and Measures; and petroleum supply monitoring; ~~and to make grants to providers of~~

35.1 ~~low-income weatherization services to install renewable energy equipment in households~~  
35.2 ~~that are eligible for weatherization assistance under Minnesota's weatherization assistance~~  
35.3 ~~program state plan.~~ The remainder of the fee must be deposited in the general fund.

35.4 (b) The commissioner of revenue shall credit a person for inspection fees previously  
35.5 paid in error or for any material exported or sold for export from the state upon filing of a  
35.6 report as prescribed by the commissioner of revenue.

35.7 (c) The commissioner of revenue may collect the inspection fee along with any  
35.8 taxes due under chapter 296A.

35.9 Sec. 51. Minnesota Statutes 2012, section 239.44, is amended to read:

35.10 **239.44 MISDEMEANOR VIOLATION.**

35.11 Whoever in selling gives a lower number or, in buying shall take any, takes a greater  
35.12 number of pounds or cubic feet to the bushel, barrel, ton, or cord, as the case may be, than  
35.13 is allowed and provided in sections ~~239.28 to 239.36~~ 239.32 and 239.33, or in selling,  
35.14 ~~shall give any less~~ gives a lower number, ~~shall be~~ is guilty of a misdemeanor.

35.15 Sec. 52. Minnesota Statutes 2012, section 239.46, is amended to read:

35.16 **239.46 FINES CREDITED TO SCHOOL FUNDS.**

35.17 All fines collected under the provisions of sections ~~239.28 to 239.38~~ 239.32 and  
35.18 239.33 shall be paid to the county treasurer for the benefit of the school fund of the county  
35.19 where the action is brought.

35.20 Sec. 53. Minnesota Statutes 2012, section 239.753, is amended to read:

35.21 **239.753 ENTRY UPON PREMISES AND ACCESS TO RECORDS.**

35.22 (a) The director, or a delegated employee of the department, may enter the premises  
35.23 of a person who processes, holds, stores, imports, transfers, offers for sale or use, or  
35.24 sells petroleum products in Minnesota to:

35.25 (1) inspect the product in storage tanks and take samples from the storage tanks and  
35.26 dispensing equipment connected to the storage tanks;

35.27 (2) inspect petroleum product dispensers and related signs and equipment,  
35.28 advertising signs, price displays, oxygenate labels, and octane labels; and

35.29 (3) audit and make copies of petroleum product shipping, receiving, and invoice  
35.30 documents and records to determine compliance with sections 239.75 to 239.792.

36.1 (b) The director shall limit inspection to information and data relating to product  
36.2 quantity, quality, ~~oxygen~~ biofuel content, and octane. The director shall maintain the  
36.3 confidentiality of certain records as required by section 239.791.

36.4 Sec. 54. Minnesota Statutes 2012, section 270B.14, subdivision 1, is amended to read:

36.5 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request  
36.6 of the commissioner of human services, the commissioner shall disclose return information  
36.7 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to  
36.8 the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

36.9 (b) Data that may be disclosed are limited to data relating to the identity,  
36.10 whereabouts, employment, income, and property of a person owing or alleged to be owing  
36.11 an obligation of child support.

36.12 (c) The commissioner of human services may request data only for the purposes of  
36.13 carrying out the child support enforcement program and to assist in the location of parents  
36.14 who have, or appear to have, deserted their children. Data received may be used only  
36.15 as set forth in section 256.978.

36.16 (d) The commissioner shall provide the records and information necessary to  
36.17 administer the supplemental housing allowance to the commissioner of human services.

36.18 (e) At the request of the commissioner of human services, the commissioner of  
36.19 revenue shall electronically match the Social Security numbers and names of participants  
36.20 in the telephone assistance plan operated under sections 237.69 to ~~237.71~~ 237.71, with  
36.21 those of property tax refund filers, and determine whether each participant's household  
36.22 income is within the eligibility standards for the telephone assistance plan.

36.23 (f) The commissioner may provide records and information collected under sections  
36.24 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid  
36.25 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law  
36.26 102-234. Upon the written agreement by the United States Department of Health and  
36.27 Human Services to maintain the confidentiality of the data, the commissioner may provide  
36.28 records and information collected under sections 295.50 to 295.59 to the Centers for  
36.29 Medicare and Medicaid Services section of the United States Department of Health and  
36.30 Human Services for purposes of meeting federal reporting requirements.

36.31 (g) The commissioner may provide records and information to the commissioner of  
36.32 human services as necessary to administer the early refund of refundable tax credits.

36.33 (h) The commissioner may disclose information to the commissioner of human  
36.34 services necessary to verify income for eligibility and premium payment under the  
36.35 MinnesotaCare program, under section 256L.05, subdivision 2.

37.1 (i) The commissioner may disclose information to the commissioner of human  
37.2 services necessary to verify whether applicants or recipients for the Minnesota family  
37.3 investment program, general assistance, food support, Minnesota supplemental aid  
37.4 program, and child care assistance have claimed refundable tax credits under chapter 290  
37.5 and the property tax refund under chapter 290A, and the amounts of the credits.

37.6 (j) The commissioner may disclose information to the commissioner of human  
37.7 services necessary to verify income for purposes of calculating parental contribution  
37.8 amounts under section 252.27, subdivision 2a.

37.9 Sec. 55. Minnesota Statutes 2012, section 332.33, subdivision 5, is amended to read:

37.10 Subd. 5. **Collection agency license issuance.** ~~Every application for a collection~~  
37.11 ~~agency license or renewal shall be acted upon promptly by the commissioner but in no~~  
37.12 ~~event more than 45 days after receipt of the application. Each applicant may be issued a~~  
37.13 ~~temporary license after submitting a complete application which meets all requirements~~  
37.14 ~~for licensure. This license shall be effective until a permanent license is issued by the~~  
37.15 ~~commissioner. If the application complies in form and substance with sections 332.31~~  
37.16 ~~to 332.45 and the rules adopted under those sections and the commissioner finds that~~  
37.17 ~~the applicant is qualified under sections 332.31 to 332.45, the commissioner shall issue~~  
37.18 ~~a license immediately. If the application is not sufficient in form or substance, the~~  
37.19 ~~commissioner shall reject it and notify the applicant of the manner in which it is deficient.~~  
37.20 ~~The rejection is without prejudice to the filing of a new application. On finding that the an~~  
37.21 ~~applicant for a collection agency license is not qualified under sections 332.31 to 332.45,~~  
37.22 ~~the commissioner shall reject the application and shall give the applicant written notice of~~  
37.23 ~~the rejection and the reasons for the rejection.~~

37.24 Sec. 56. Minnesota Statutes 2012, section 332.33, subdivision 5a, is amended to read:

37.25 Subd. 5a. **Individual collector registration.** A licensed collection agency, on behalf  
37.26 of an individual collector, must register with the state all individuals in the collection  
37.27 agency's employ who are performing the duties of a collector as defined in sections 332.31  
37.28 to 332.45. The collection agency must apply for an individual collection registration ~~on~~ in  
37.29 ~~a form provided prescribed~~ by the commissioner, or electronically when available. The  
37.30 collection agency shall verify on the form that the applicant has confirmed that the applicant  
37.31 meets the requirements to perform the duties of a collector as defined in sections 332.31 to  
37.32 332.45. Upon submission of the ~~form~~ application to the department, the individual may  
37.33 begin to perform the duties of a collector and may continue to do so unless the licensed  
37.34 collection agency is informed by the commissioner that the individual is ineligible.

38.1 Sec. 57. Minnesota Statutes 2012, section 332.33, subdivision 7, is amended to read:

38.2 Subd. 7. **Changes; notice to commissioner.** (a) A licensed collection agency must  
38.3 give the commissioner written notice of a change in company name, address, or ownership  
38.4 not later than ~~15~~ ten days after the change occurs. A registered individual collector must  
38.5 give written notice of a change of address, name, or assumed name no later than ~~30~~ ten  
38.6 days after the change occurs.

38.7 (b) Upon the death of any collection agency licensee, the license of the decedent  
38.8 may be transferred to the executor or administrator of the estate for the unexpired term of  
38.9 the license. The executor or administrator may be authorized to continue or discontinue  
38.10 the collection business of the decedent under the direction of the court having jurisdiction  
38.11 of the probate.

38.12 Sec. 58. **REPEALER.**

38.13 Subdivision 1. **Statutory repeals.** (a) Minnesota Statutes 2012, sections 45.0111;  
38.14 45.42, subdivision 1; 46.045, subdivision 2; 46.047; 48.34; 53A.081; 56.001, subdivisions  
38.15 5 and 6; 60A.18; 62A.319; 72B.02, subdivision 8; 80C.30; 81A.08; 81A.18; 82.63,  
38.16 subdivisions 7, 9, and 10; 82A.04; 82A.07; 82A.08; 82A.11, subdivision 2; 82A.111,  
38.17 subdivision 5; 82A.13, subdivision 3; 82A.18, subdivision 3; 82A.22, subdivisions 1  
38.18 and 3; 82A.24, subdivision 5; 115C.111; 237.068; 237.16, subdivisions 10, 11, and 13;  
38.19 237.18; 237.33; 237.34; 237.35; 237.36; 237.37; 237.38; 237.39; 237.40; 237.44; 237.45;  
38.20 237.47; 237.67; 237.711; and 237.80, subdivision 1; 239.002; 239.003; 239.012; 239.101,  
38.21 subdivision 4; 239.28; 239.29; 239.30; 239.31; 239.35; 239.36; 239.51; 239.511; 239.53;  
38.22 239.54; 332.45; 386.61, subdivisions 1, 2, and 4, are repealed.

38.23 (b) Minnesota Statutes 2012, sections 216C.14; 216C.262; 216C.263; 216C.373;  
38.24 216C.38; and 216C.44, are repealed.

38.25 (c) Minnesota Statutes 2013 Supplement, sections 82.63, subdivision 8; and 82A.06,  
38.26 subdivision 2, are repealed.

38.27 Subd. 2. **Administrative rules repeals.** (a) Minnesota Rules, parts 2782.0200;  
38.28 2782.0300; 2782.0400; 2782.0500; 2782.0600; 2782.0700; 2782.0800; 2795.2000;  
38.29 2830.0010; 2830.0020; 2830.0030; 2830.0040; 2830.0050; 2830.0060; 2830.0070;  
38.30 2830.0080; 2830.0090; 2830.0100; 2870.0100; 2870.1100; 2870.1200; 2870.1400;  
38.31 2870.1700; 2870.1800; 2870.1900; 2870.2000; 2870.2100; 2870.2200; 2870.2300;  
38.32 2870.3100; 2870.3200; 2870.3300; 2870.3400; 2870.3500; 2870.3600; 2870.3700;  
38.33 2870.3800; 2870.3900; 2870.4000; 2870.4100; 2870.5100; 7601.7010; 7601.7090,  
38.34 subpart 3; and 7602.0100, are repealed.

39.1 (b) Minnesota Rules, parts 7606.0010; 7606.0020, subparts 1, 2, 3, 4, 5, 5a, 6,  
 39.2 8, 9, and 10; 7606.0030; 7606.0040; 7606.0050; 7606.0060; 7606.0070; 7606.0080;  
 39.3 7630.0110; 7630.0120; 7630.0200; 7630.0210; 7630.0220; 7630.0300; 7630.0310;  
 39.4 7630.0320; 7630.0330; 7630.0340; 7630.0350; and 7630.0360, are repealed.

## 39.5 ARTICLE 2

### 39.6 CONFORMING CHANGES

39.7 Section 1. Minnesota Statutes 2012, section 16D.04, subdivision 1, is amended to read:

39.8 Subdivision 1. **Duties.** The commissioner shall provide services to the state  
 39.9 and referring agencies to collect debts referred for collection under this chapter. The  
 39.10 commissioner is not a collection agency as defined by section 332.31, subdivision 3, and  
 39.11 is not licensed, bonded, or regulated by the commissioner of commerce under sections  
 39.12 332.31 to 332.35 or 332.38 to ~~332.45~~ 332.44. The commissioner is subject to section  
 39.13 332.37, except clause (9), (10), (12), or (19). Debts referred to the commissioner for  
 39.14 collection under section 256.9792 may in turn be referred by the commissioner to the  
 39.15 enterprise. An audited financial statement may not be required as a condition of debt  
 39.16 placement with a private agency if the private agency: (1) has errors and omissions  
 39.17 coverage under a professional liability policy in an amount of at least \$1,000,000; or (2)  
 39.18 has a fidelity bond to cover actions of its employees, in an amount of at least \$100,000. In  
 39.19 cases of debts referred under section 256.9792, the provisions of this chapter and section  
 39.20 256.9792 apply to the extent they are not in conflict. If they are in conflict, the provisions  
 39.21 of section 256.9792 control. For purposes of this chapter, the referring agency for such  
 39.22 debts remains the Department of Human Services.

39.23 Sec. 2. Minnesota Statutes 2012, section 16D.04, subdivision 4, is amended to read:

39.24 Subd. 4. **Authority to contract.** The commissioners of revenue and management  
 39.25 and budget may contract with credit bureaus, private collection agencies, and other  
 39.26 entities as necessary for the collection of debts. A private collection agency acting under  
 39.27 a contract with the commissioner of revenue or management and budget is subject to  
 39.28 sections 332.31 to ~~332.45~~ 332.44, except that the private collection agency may indicate  
 39.29 that it is acting under a contract with the state. The commissioner may not delegate the  
 39.30 powers provided under section 16D.08 to any nongovernmental entity.

39.31 Sec. 3. Minnesota Statutes 2012, section 45.0111, subdivision 2, is amended to read:

39.32 Subd. 2. **Nonapplication.** A temporary license as described in this section may not  
 39.33 be issued to an applicant for licensure as a:

- 40.1 (1) currency exchange regulated under chapter 53A;
- 40.2 (2) collection agency regulated under sections 332.31 to ~~332.45~~ 332.44;
- 40.3 (3) credit service organization regulated under sections 332.52 to 332.60; or
- 40.4 (4) broker-dealer, investment advisor, or agent regulated under chapter 80A.

40.5 Sec. 4. Minnesota Statutes 2012, section 47.78, is amended to read:

40.6 **47.78 CONTRACTS TO PROVIDE SERVICES.**

40.7 (a) Notwithstanding any other law to the contrary, a financial institution, the

40.8 "customer institution," may contract with another financial institution, the "service

40.9 institution," to grant the service institution the authority to render services to the customer

40.10 institution's depositors, borrowers or other customers, provided notice of the proposed

40.11 contract is given to the commissioner and the commissioner does not object to the contract

40.12 within 30 days of the notice.

40.13 (b) For purposes of this section: "Financial institution" means a national banking

40.14 association, federal savings association, or federal credit union having its main office in

40.15 this state, or a bank, savings bank, savings association, or credit union established and

40.16 operating under the laws of this state; and "services" means accepting and receiving

40.17 deposits, honoring and paying withdrawals, issuing money orders, cashiers' checks, and

40.18 travelers' checks or similar instruments, cashing checks or drafts, receiving loan payments,

40.19 receiving or delivering cash and instruments and securities, disbursing loan proceeds by

40.20 machine, and any other transactions authorized by section 47.63.

40.21 The term also includes a bank subsidiary of a bank holding company or affiliated

40.22 savings association to the extent agency activities are permitted under section 18 of the

40.23 Federal Deposit Insurance Act, United States Code, title 12, section 1828, as amended,

40.24 effective September 29, 1995, and title I, Riegle-Neal Interstate Banking and Branching

40.25 Efficiency Act of 1994.

40.26 (c) A contract entered into pursuant to this section may include authority to conduct

40.27 transactions at or through any principal office, branch, or detached facility of either

40.28 financial institution which is a party to the contract, ~~and the service institution is not~~

40.29 ~~considered a branch of the customer institution for purposes of section 48.34.~~

40.30 Sec. 5. Minnesota Statutes 2012, section 48.93, subdivision 1, is amended to read:

40.31 Subdivision 1. **Application.** An out-of-state bank holding company may, through a

40.32 purchase of stock or assets of a bank, or through a purchase of stock or assets of or merger

40.33 with a bank holding company, acquire control in an existing bank or banks whose home

40.34 state is Minnesota if it meets the conditions in this section, ~~sections 46.047 and section~~

41.1 46.048 and it files an application in writing with the commissioner on forms provided by  
41.2 the department. The commissioner, upon receipt of the application, shall act upon it in the  
41.3 manner provided for in ~~sections 46.047 and~~ section 46.048, except that the commissioner  
41.4 may extend the 60-day period an additional 30 days if in the commissioner's judgment any  
41.5 material information submitted is substantially inaccurate or the acquiring party has not  
41.6 furnished all the information required by statute, rule, or the commissioner. Within three  
41.7 days after making the decision to disapprove any proposed acquisition, the commissioner  
41.8 shall notify the acquiring party in writing of the disapproval. The notice must provide a  
41.9 statement of the basis for the disapproval.

41.10 Sec. 6. Minnesota Statutes 2012, section 48.93, subdivision 3, is amended to read:

41.11 Subd. 3. **Criteria for approval.** Except as otherwise provided by rule of the  
41.12 department, an application filed pursuant to subdivision 1 must contain the information  
41.13 required by ~~sections 46.047 and~~ section 46.048.

41.14 Sec. 7. Minnesota Statutes 2012, section 82A.05, subdivision 6, is amended to read:

41.15 Subd. 6. **Separate disclosure.** If the membership camping operator or that person's  
41.16 salespeople represents to a prospective purchaser that the operator plans to construct or  
41.17 install any amenities in the future, but the operator has not guaranteed to do so ~~and has~~  
41.18 ~~not provided assurances that the amenities will be installed pursuant to section 82A.04,~~  
41.19 ~~subdivision 2, clause (13)(iv),~~ the operator shall furnish a separate disclosure to the  
41.20 prospective purchaser. The separate disclosure shall be in 10-point bold type and shall  
41.21 state: NOTICE: PURCHASE THIS MEMBERSHIP CAMPING CONTRACT ONLY  
41.22 ON THE BASIS OF EXISTING AMENITIES. CONSTRUCTION OF PLANNED  
41.23 AMENITIES IS NOT GUARANTEED. CONSTRUCTION MAY BE DEFERRED,  
41.24 REVISED, OR CANCELED FOR A VARIETY OF REASONS. THE PLANNED  
41.25 AMENITIES FOR THIS CAMPGROUND ARE (Insert list of amenities, including  
41.26 estimated year of completion of each). IF THE SALESPERSON DESCRIBES A  
41.27 SIGNIFICANT AMENITY WHICH IS NOT ON THIS LIST, TELEPHONE COLLECT  
41.28 OR TOLL FREE TO (Insert headquarters telephone number) TO VERIFY THE  
41.29 OPERATOR'S PLAN FOR SUCH A FACILITY.

41.30 The separate disclosure shall be delivered to each person to whom an offer is made  
41.31 before or concurrently with:

41.32 (1) the first written offer other than offer by means of an advertisement; or

41.33 (2) any payment pursuant to a sale, whichever is first.

42.1 The seller shall obtain a receipt, signed by the person, acknowledging that the person  
42.2 has received a copy of the separate disclosure required herein prior to the execution by the  
42.3 purchaser of any membership camping contract. All receipts shall be kept in files which  
42.4 are in the possession of the membership camping operator or broker subject to inspection  
42.5 by the commissioner for a period of three years from the date of the receipt.

42.6 Sec. 8. Minnesota Statutes 2013 Supplement, section 82A.06, subdivision 2, is  
42.7 amended to read:

42.8 Subd. 2. **Partial transactional exemptions.** The following transactions are exempt  
42.9 from the provisions of sections 82A.03; ~~82A.04~~; 82A.05; 82A.07; ~~82A.08~~; 82A.11,  
42.10 ~~subdivisions 2 and~~ subdivision 4; and 82A.14: any sale which is made to a person who is  
42.11 not then physically present in this state, and any offer which invites an offeree to attend a  
42.12 sales presentation in another state if:

42.13 (1) the offeror has given at least ten days prior written notice to the commissioner  
42.14 of its intention to offer or sell membership camping contracts to residents of this state  
42.15 pursuant to this exemption and paid a fee of \$50;

42.16 (2) the offeror has demonstrated that the sales presentation will be made, and the  
42.17 sale will be consummated, in a state which specifically regulates the offer and sale of  
42.18 membership camping contracts;

42.19 (3) the offeror has demonstrated that it will deliver a disclosure statement to offerees  
42.20 who are residents of this state which contains substantially the same or greater disclosure  
42.21 as is required by section 82A.05; and

42.22 (4) the offeror has filed a consent to service of process pursuant to section 82A.22.

42.23 Sec. 9. Minnesota Statutes 2012, section 82A.08, subdivision 1, is amended to read:

42.24 Subdivision 1. **Requirement.** During the period a registration is effective, the  
42.25 membership camping operator shall file an annual report in a format the commissioner  
42.26 may reasonably prescribe. Every annual report shall be due by the 120th day following  
42.27 the end of the operator's fiscal year, unless extended in writing by the commissioner  
42.28 for good cause. The annual report shall:

42.29 (1) specify the aggregate number of membership camping contracts sold in this state  
42.30 pursuant to the registration or any amendment thereof;

42.31 (2) specify the number of membership camping contracts and aggregate dollar  
42.32 amount of all sales of membership camping contracts in this state by the membership  
42.33 camping operator since the date the registration became effective, or since the last annual  
42.34 report was filed with the commissioner, whatever date is later;

43.1 (3) specify any exemption from registration claimed for any sale described in  
43.2 clause (2);

43.3 ~~(4) list any changes in the information required to be filed under section 82A.04,~~  
43.4 ~~subdivision 2, clause (4);~~

43.5 ~~(5)~~ (4) include an audited or unaudited financial statement consisting of a balance  
43.6 sheet for the membership camping operator's last fiscal year end and an income statement  
43.7 for the 12 months next preceding the date of the balance sheet, both prepared by an  
43.8 independent certified public accountant; and

43.9 ~~(6)~~ (5) provide such other information as the commissioner may by rule or order  
43.10 reasonably require to administer the provisions of this chapter, including but not limited  
43.11 to, audited financial statements.

43.12 Sec. 10. Minnesota Statutes 2012, section 82A.09, subdivision 2, is amended to read:

43.13 Subd. 2. **Restrictions.** No person shall publish or cause to be published in this state  
43.14 any advertisement concerning any membership camping contract which is required to be  
43.15 registered pursuant to this chapter, ~~or which is exempt from registration under section~~  
43.16 ~~82A.06, subdivision 2,~~ after the commissioner has found that the advertisement contains  
43.17 any statement that is false or misleading, or omits to make any statement necessary in  
43.18 order to make the statements made, in light of the circumstances under which they were  
43.19 made, not misleading, and has so notified the person by written order. The order may be  
43.20 issued without prior notice or hearing. Up to 30 days after the issuance of the order, the  
43.21 person desiring to use the advertisement may in writing request a hearing on the order.  
43.22 Upon receipt of a written request, the matter shall be set for hearing to commence within  
43.23 15 days after the receipt unless the person making the request consents to a later date.  
43.24 After the hearing, which shall be conducted in accordance with the provisions of chapter  
43.25 14, the commissioner shall, by written order, either affirm, modify, or vacate the order.

43.26 Sec. 11. Minnesota Statutes 2012, section 115C.113, is amended to read:

43.27 **115C.113 ORDERS.**

43.28 The commissioner of commerce may issue an order requiring a registrant or  
43.29 applicant for registration to show cause why the registration should not be revoked or  
43.30 suspended, the registrant censured, the application denied, or other sanction imposed  
43.31 under section ~~115C.111~~ or 115C.112. The order must be calculated to give reasonable  
43.32 notice of the time and place for hearing on the matter, and must state the reasons for the  
43.33 entry of the order. The commissioner of commerce may by order summarily suspend a  
43.34 registration pending final determination of an order to show cause. A hearing on the

44.1 merits must be held within 30 days of the issuance of the order of summary suspension.  
44.2 All hearings must be conducted under chapter 14. After the hearing, the commissioner of  
44.3 commerce shall enter an order disposing of the matter as the facts require. If the registrant  
44.4 or applicant for registration fails to appear at a hearing after having been duly notified of  
44.5 it, the person shall be considered in default, and the proceeding may be determined against  
44.6 the registrant or applicant for registration upon consideration of the order to show cause,  
44.7 the allegations of which may be considered to be true.

44.8 Sec. 12. Minnesota Statutes 2012, section 115C.13, is amended to read:

44.9 **115C.13 REPEALER.**

44.10 Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05,  
44.11 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11,  
44.12 ~~115C.11~~, 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30,  
44.13 2017.

44.14 Sec. 13. Minnesota Statutes 2012, section 239.011, subdivision 2, is amended to read:

44.15 Subd. 2. **Duties and powers.** To carry out the responsibilities in section 239.01  
44.16 and subdivision 1, the director:

44.17 (1) shall take charge of, keep, and maintain in good order the standard of weights  
44.18 and measures of the state and keep a seal so formed as to impress, when appropriate, the  
44.19 letters "MINN" and the date of sealing upon the weights and measures that are sealed;

44.20 (2) has general supervision of the weights, measures, and weighing and measuring  
44.21 devices offered for sale, sold, or in use in the state;

44.22 (3) shall maintain traceability of the state standards to the national standards of the  
44.23 National Institute of Standards and Technology;

44.24 (4) shall enforce this chapter;

44.25 (5) shall grant variances from department rules, within the limits set by rule, when  
44.26 appropriate to maintain good commercial practices or when enforcement of the rules  
44.27 would cause undue hardship;

44.28 (6) shall conduct investigations to ensure compliance with this chapter;

44.29 (7) may delegate to division personnel the responsibilities, duties, and powers  
44.30 contained in this section;

44.31 (8) shall test annually, and approve when found to be correct, the standards of  
44.32 weights and measures used by the division, by a town, statutory or home rule charter city,  
44.33 or county within the state, or by a person using standards to repair, adjust, or calibrate  
44.34 commercial weights and measures;

45.1 (9) shall inspect and test weights and measures kept, offered, or exposed for sale;

45.2 (10) shall inspect and test, to ascertain if they are correct, weights and measures  
45.3 commercially used to:

45.4 (i) determine the weight, measure, or count of commodities or things sold, offered,  
45.5 or exposed for sale, on the basis of weight, measure, or count; and

45.6 (ii) compute the basic charge or payment for services rendered on the basis of  
45.7 weight, measure, or count;

45.8 (11) shall approve for use and mark weights and measures that are found to be correct;

45.9 (12) shall reject, and mark as rejected, weights and measures that are found to be  
45.10 incorrect and may seize them if those weights and measures:

45.11 (i) are not corrected within the time specified by the director;

45.12 (ii) are used or disposed of in a manner not specifically authorized by the director; or

45.13 (iii) are found to be both incorrect and not capable of being made correct, in which  
45.14 case the director shall condemn those weights and measures;

45.15 (13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed  
45.16 for sale, sold, or in the process of delivery, to determine whether they contain the amount  
45.17 represented and whether they are kept, offered, or exposed for sale in accordance with  
45.18 this chapter and department rules. In carrying out this section, the director must employ  
45.19 recognized sampling procedures, such as those contained in National Institute of Standards  
45.20 and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

45.21 (14) shall prescribe the appropriate term or unit of weight or measure to be used for  
45.22 a specific commodity when an existing term or declaration of quantity does not facilitate  
45.23 value comparisons by consumers, or creates an opportunity for consumer confusion;

45.24 (15) shall allow reasonable variations from the stated quantity of contents, including  
45.25 variations caused by loss or gain of moisture during the course of good distribution  
45.26 practice or by unavoidable deviations in good manufacturing practice, only after the  
45.27 commodity has entered commerce within the state;

45.28 (16) shall inspect and test petroleum products in accordance with this chapter and  
45.29 chapter 296A;

45.30 (17) shall distribute and post notices for used motor oil and used motor oil filters and  
45.31 lead acid battery recycling in accordance with sections ~~239.54~~, 325E.11; and 325E.115;

45.32 (18) shall collect inspection fees in accordance with sections 239.10 and 239.101; and

45.33 (19) shall provide metrological services and support to businesses and individuals in  
45.34 the United States who wish to market products and services in the member nations of the  
45.35 European Economic Community, and other nations outside of the United States by:

46.1 (i) meeting, to the extent practicable, the measurement quality assurance standards  
46.2 described in the International Standards Organization ISO 17025;

46.3 (ii) maintaining, to the extent practicable, certification of the metrology laboratory  
46.4 by an internationally accepted accrediting body such as the National Voluntary Laboratory  
46.5 Accreditation Program (NVLAP); and

46.6 (iii) providing calibration and consultation services to metrology laboratories in  
46.7 government and private industry in the United States.

46.8 Sec. 14. Minnesota Statutes 2012, section 239.46, is amended to read:

46.9 **239.46 FINES CREDITED TO SCHOOL FUNDS.**

46.10 All fines collected under ~~the provisions of sections 239.28 to section~~ section 239.38 shall  
46.11 be paid to the county treasurer for the benefit of the school fund of the county where  
46.12 the action is brought.

46.13 Sec. 15. Minnesota Statutes 2012, section 256E.25, subdivision 5a, is amended to read:

46.14 Subd. 5a. **Excluded programs.** Programs transferred to the Department of  
46.15 Education from the Department of Employment and Economic Development may not be  
46.16 included in the consolidated funding account and are ineligible for local consolidation.  
46.17 The commissioner may not apply for federal waivers to include these programs in funding  
46.18 consolidation initiatives. The programs include the following:

46.19 (1) programs for the homeless under sections 116L.365 and 256E.33;

46.20 (2) emergency energy assistance ~~and energy conservation programs~~ under sections  
46.21 ~~216C.263 and~~ section 216C.265;

46.22 (3) weatherization programs under section 216C.264;

46.23 (4) food shelf programs under section 256E.34 and the emergency food assistance  
46.24 program; and

46.25 (5) lead abatement programs under section 256E.37.

46.26 Sec. 16. Minnesota Statutes 2012, section 325E.11, is amended to read:

46.27 **325E.11 COLLECTION FACILITIES; NOTICE.**

46.28 (a) Any person selling at retail or offering motor oil or motor oil filters for retail  
46.29 sale in this state shall:

46.30 (1) post a notice indicating the nearest location where used motor oil and used motor  
46.31 oil filters may be returned at no cost for recycling or reuse, post a toll-free telephone  
46.32 number that may be called by the public to determine a convenient location, or post a

47.1 listing of locations where used motor oil and used motor oil filters may be returned at  
 47.2 no cost for recycling or reuse; or

47.3 (2) if the person is subject to section 325E.112, subdivision 1, paragraph (b), post  
 47.4 a notice informing customers purchasing motor oil or motor oil filters of the location of  
 47.5 the used motor oil and used motor oil filter collection site established by the retailer in  
 47.6 accordance with section 325E.112, subdivision 1, paragraph (b), where used motor oil and  
 47.7 used motor oil filters may be returned at no cost.

47.8 (b) A notice under paragraph (a) shall be posted on or adjacent to the motor oil and  
 47.9 motor oil filter displays, be at least 8-1/2 inches by 11 inches in size, contain the universal  
 47.10 recycling symbol with the following language:

47.11 (1) "It is illegal to put used oil and used motor oil filters in the garbage.";

47.12 (2) "Recycle your used oil and used motor oil filters."; and

47.13 (3)(i) "There is a free collection site here for your used oil and used motor oil filters.";

47.14 (ii) "There is a free collection site for used oil and used motor oil filters located at  
 47.15 (name of business and street address).";

47.16 (iii) "For the location of a free collection site for used oil and used motor oil filters  
 47.17 call (toll-free phone number)."; or

47.18 (iv) "Here is a list of free collection sites for used oil and used motor oil filters."

47.19 (c) ~~The Division of Weights and Measures in the Department of Commerce shall~~  
 47.20 ~~enforce compliance with this section as provided in section 239.54.~~ The Pollution Control  
 47.21 Agency shall enforce compliance with this section under sections 115.071 and 116.072 in  
 47.22 coordination with the Division of Weights and Measures.

47.23 Sec. 17. Minnesota Statutes 2012, section 325E.115, subdivision 2, is amended to read:

47.24 Subd. 2. **Compliance; management.** ~~The Division of Weights and Measures in~~  
 47.25 ~~the Department of Commerce shall enforce compliance of subdivision 1 as provided in~~  
 47.26 ~~section 239.54.~~ The commissioner of the Pollution Control Agency shall inform persons  
 47.27 governed by subdivision 1 of requirements for managing lead acid batteries.

47.28 Sec. 18. Minnesota Statutes 2012, section 332.31, subdivision 1, is amended to read:

47.29 Subdivision 1. **Terms.** The terms in this section for the purposes of sections 332.31  
 47.30 to ~~332.45~~ 332.44 shall have the meanings given them.

47.31 Sec. 19. Minnesota Statutes 2012, section 332.311, is amended to read:

47.32 **332.311 TRANSFER OF ADMINISTRATIVE FUNCTIONS.**

48.1 The powers, duties, and responsibilities of the consumer services section under  
48.2 sections 332.31 to ~~332.45~~ 332.44 relating to collection agencies are hereby transferred to  
48.3 and imposed upon the commissioner of commerce.

48.4 Sec. 20. Minnesota Statutes 2012, section 332.33, subdivision 1, is amended to read:

48.5 Subdivision 1. **Requirement.** Except as otherwise provided in this chapter, no  
48.6 person shall conduct within this state a collection agency or engage within this state  
48.7 in the business of collecting claims for others as defined in sections 332.31 to ~~332.45~~  
48.8 332.44, without having first applied for and obtained a collection agency license. A person  
48.9 acting under the authority of a collection agency, as a collector, must first register with the  
48.10 commissioner under this section. A registered collector may use one additional assumed  
48.11 name only if the assumed name is registered with and approved by the commissioner.

48.12 Sec. 21. Minnesota Statutes 2012, section 332.33, subdivision 2, is amended to read:

48.13 Subd. 2. **Penalty.** A person who carries on business as a collection agency without  
48.14 first having obtained a license or acts as a collector without first having registered with  
48.15 the commissioner pursuant to sections 332.31 to ~~332.45~~ 332.44, or who carries on this  
48.16 business after the revocation, suspension, or expiration of a license or registration is  
48.17 guilty of a misdemeanor.

48.18 Sec. 22. Minnesota Statutes 2012, section 332.33, subdivision 3, is amended to read:

48.19 Subd. 3. **Term.** Licenses issued or renewed and registrations received by the  
48.20 commissioner of commerce under sections 332.31 to ~~332.45~~ 332.44 shall expire on June  
48.21 30. Each collection agency license shall plainly state the name and business address of  
48.22 the licensee, and shall be posted in a conspicuous place in the office where the business  
48.23 is transacted. The fee for each collection agency license is \$500, and renewal is \$400.  
48.24 The fee for each collector registration and renewal is \$10. A collection agency licensee  
48.25 who desires to carry on business in more than one place shall procure a license for each  
48.26 place where the business is to be conducted.

48.27 Sec. 23. Minnesota Statutes 2012, section 332.33, subdivision 5, is amended to read:

48.28 Subd. 5. **Collection agency license issuance.** Every application for a collection  
48.29 agency license or renewal shall be acted upon promptly by the commissioner but in no  
48.30 event more than 45 days after receipt of the application. Each applicant may be issued a  
48.31 temporary license after submitting a complete application which meets all requirements  
48.32 for licensure. This license shall be effective until a permanent license is issued by the

49.1 commissioner. If the application complies in form and substance with sections 332.31 to  
49.2 ~~332.45~~ 332.44 and the rules adopted under those sections and the commissioner finds that  
49.3 the applicant is qualified under sections 332.31 to ~~332.45~~ 332.44, the commissioner shall  
49.4 issue a license immediately. If the application is not sufficient in form or substance, the  
49.5 commissioner shall reject it and notify the applicant of the manner in which it is deficient.  
49.6 The rejection is without prejudice to the filing of a new application. On finding that the  
49.7 applicant is not qualified under sections 332.31 to ~~332.45~~ 332.44, the commissioner shall  
49.8 reject the application and shall give the applicant written notice of the rejection and the  
49.9 reasons for the rejection.

49.10 Sec. 24. Minnesota Statutes 2012, section 332.33, subdivision 5a, is amended to read:

49.11 Subd. 5a. **Individual collector registration.** A licensed collection agency, on behalf  
49.12 of an individual collector, must register with the state all individuals in the collection  
49.13 agency's employ who are performing the duties of a collector as defined in sections  
49.14 332.31 to ~~332.45~~ 332.44. The collection agency must apply for an individual collection  
49.15 registration on a form provided by the commissioner, or electronically when available.  
49.16 The collection agency shall verify on the form that the applicant has confirmed that the  
49.17 applicant meets the requirements to perform the duties of a collector as defined in sections  
49.18 332.31 to ~~332.45~~ 332.44. Upon submission of the form to the department, the individual  
49.19 may begin to perform the duties of a collector and may continue to do so unless the licensed  
49.20 collection agency is informed by the commissioner that the individual is ineligible.

49.21 Sec. 25. Minnesota Statutes 2012, section 332.38, is amended to read:

49.22 **332.38 APPLICATION IN CASE OF PRETENDED PURCHASE,**  
49.23 **ASSIGNMENT OR USE OF A FICTITIOUS NAME.**

49.24 The provisions of sections 332.31 to ~~332.45~~ 332.44 shall apply to any person  
49.25 who, by any device, subterfuge or pretense, makes a pretended purchase or takes a  
49.26 pretended assignment of accounts from another for the purpose of evading provisions of  
49.27 sections 332.31 to ~~332.45~~ 332.44, or, uses a fictitious name or any name other than the  
49.28 person's own name which would indicate to the debtor that a third person is collecting or  
49.29 attempting to collect such account or claim.

49.30 Sec. 26. Minnesota Statutes 2012, section 332.39, is amended to read:

49.31 **332.39 INJUNCTIONS.**

49.32 The attorney general or the county attorney of any county may apply for an  
49.33 injunction in district court to enjoin any violations of sections 332.31 to ~~332.45~~ 332.44, or

50.1 any practices prohibited in section 332.37, and any such court may issue temporary or  
50.2 permanent injunctions as the circumstances shall require. Such injunctive proceedings  
50.3 shall be in addition to and not in lieu of penalties and remedies otherwise provided in  
50.4 sections 332.31 to ~~332.45~~ 332.44.

50.5 Sec. 27. Minnesota Statutes 2012, section 332.40, subdivision 1, is amended to read:

50.6 Subdivision 1. **Examination of licensee's or registered individual collector's**  
50.7 **records.** The commissioner of commerce may make examinations of the collection  
50.8 records of a licensee or registered individual collector at a reasonable time and in a scope  
50.9 as is necessary to enforce the provisions of sections 332.31 to ~~332.45~~ 332.44, and for that  
50.10 purpose the commissioner shall have free access to the books and records of a licensee  
50.11 or registered individual collector relating thereto. If a licensee or registered individual  
50.12 collector violates any provision of sections 332.31 to ~~332.45~~ 332.44, or any administrative  
50.13 rules issued pursuant to sections 332.31 to ~~332.45~~ 332.44, fails to maintain its financial  
50.14 condition sufficient to qualify for licensure or registration on an original application, or,  
50.15 fails to maintain its registration or comply with all of the requirements of chapter 303,  
50.16 the commissioner may, after notice and hearing in accordance with the provisions of the  
50.17 laws of this state governing proceedings before administrative agencies, revoke a license  
50.18 or registration, or suspend a license or registration for a period as the commissioner  
50.19 deems proper.

50.20 Sec. 28. Minnesota Statutes 2012, section 332.40, subdivision 2, is amended to read:

50.21 Subd. 2. **Other examinations.** The commissioner may investigate within or  
50.22 without this state as the commissioner deems necessary to determine whether any person  
50.23 has violated any provision of the Fair Debt Collection Practices Act of 1977, Public  
50.24 Law 95-109 or of sections 332.31 to ~~332.45~~ 332.44, or any rule or order thereunder; to  
50.25 determine whether a license or registration should be issued, renewed, or revoked; to aid  
50.26 in the enforcement of sections 332.31 to ~~332.45~~ 332.44; or in prescribing rules and forms  
50.27 thereunder. The commissioner may publish information concerning any violation of  
50.28 sections 332.31 to ~~332.45~~ 332.44 or any rule or order thereunder.

50.29 Sec. 29. Minnesota Statutes 2012, section 332.40, subdivision 3, is amended to read:

50.30 Subd. 3. **Commissioner's powers.** For the purpose of any investigation or  
50.31 proceeding under sections 332.31 to ~~332.45~~ 332.44, the commissioner or any person  
50.32 designated by the commissioner may administer oaths and affirmations, subpoena  
50.33 collection agencies or collectors and compel their attendance, take evidence and require

51.1 the production of any books, papers, correspondence, memoranda, agreements or other  
51.2 documents or records which the commissioner deems relevant or material to the inquiry.  
51.3 The subpoena shall contain a written statement setting forth the circumstances which have  
51.4 reasonably caused the commissioner to believe that a violation of sections 332.31 to  
51.5 ~~332.45~~ 332.44 may have occurred.

51.6 In the event that the collection agency or collector refuses to obey the subpoena, or  
51.7 should the commissioner, upon completion of the examination of the collection agency  
51.8 or collector, reasonably conclude that a violation has occurred, the commissioner may  
51.9 examine additional witnesses, including third parties, as may be necessary to complete the  
51.10 investigation.

51.11 Any subpoena issued pursuant to this section shall be served by certified mail or by  
51.12 personal service. Service shall be made at least 15 days prior to the date of appearance.

51.13 Sec. 30. Minnesota Statutes 2012, section 332.42, subdivision 1, is amended to read:

51.14 Subdivision 1. **Verified financial statement.** The commissioner of commerce may  
51.15 at any time require a collection agency licensee to submit a verified financial statement for  
51.16 examination by the commissioner to determine whether the collection agency licensee  
51.17 is financially responsible to carry on a collection agency business within the intents and  
51.18 purposes of sections 332.31 to ~~332.45~~ 332.44.

51.19 Sec. 31. Minnesota Statutes 2012, section 332.42, subdivision 2, is amended to read:

51.20 Subd. 2. **Record keeping.** The commissioner shall require the collection agency  
51.21 licensee to keep such books and records in the licensee's place of business in this state as  
51.22 will enable the commissioner to determine whether there has been compliance with the  
51.23 provisions of sections 332.31 to ~~332.45~~ 332.44, unless the agency is a foreign corporation  
51.24 duly authorized, admitted, and licensed to do business in this state and complies with all  
51.25 the requirements of chapter 303 and with all other requirements of sections 332.31 to  
51.26 ~~332.45~~ 332.44. Every collection agency licensee shall preserve the records of final entry  
51.27 used in such business for a period of five years after final remittance is made on any  
51.28 amount placed with the licensee for collection or after any account has been returned to  
51.29 the claimant on which one or more payments have been made.

51.30 Sec. 32. Minnesota Statutes 2012, section 332.44, is amended to read:

51.31 **332.44 RULEMAKING POWER.**

52.1 The commissioner of commerce shall make and file in accordance with the  
52.2 provisions of chapter 14, all reasonable rules as shall be necessary for the administration  
52.3 of sections 332.31 to ~~332.45~~ 332.44.

52.4 Sec. 33. Minnesota Statutes 2012, section 386.015, subdivision 5, is amended to read:

52.5 Subd. 5. **Public and private fees.** The county recorder shall charge and collect all  
52.6 fees as prescribed by law and all such fees collected as county recorder shall be paid to the  
52.7 county in the manner and at the time prescribed by the county board, but not less often  
52.8 than once each month. This subdivision shall apply to the fees collected by the county  
52.9 recorder in performing the duties of the registrar of titles and all such fees shall be paid to  
52.10 the county as herein provided. A county recorder may retain as personal compensation  
52.11 any fees the recorder is permitted to charge by law for services rendered in a private  
52.12 capacity as a registered abstractor ~~as defined in section 386.61, subdivision 2, clause (2).~~

52.13 Sec. 34. Minnesota Statutes 2012, section 386.62, is amended to read:

52.14 **386.62 LICENSE REQUIRED.**

52.15 No official, person, firm, association, or corporation shall engage in the business  
52.16 of making abstracts of title and issuing certificates showing ownership of, or interest in,  
52.17 or liens upon any lands in the state of Minnesota, whether registered or not, without first  
52.18 obtaining a license pursuant to the provisions of sections ~~386.61~~ 386.62 to 386.76.

52.19 Sec. 35. Minnesota Statutes 2012, section 386.65, subdivision 1, is amended to read:

52.20 Subdivision 1. **Procedure; conditions.** Applications for a license shall be made  
52.21 to the commissioner and shall be upon a form to be prepared by the commissioner  
52.22 and contain such information as may be required by it. Each applicant must pass an  
52.23 examination approved for use by the commissioner. The examination must be of sufficient  
52.24 scope to establish the applicant as capable of performing the duties of an abstractor whose  
52.25 work will be for the use and protection of the public. If application is made by a firm or  
52.26 corporation, one of the members or managing officials thereof shall take such examination.  
52.27 If the applicant successfully passes the examination and complies with all the provisions of  
52.28 sections ~~386.61~~ 386.62 to 386.76, the commissioner shall issue a license to the applicant.

52.29 Sec. 36. Minnesota Statutes 2012, section 386.705, is amended to read:

52.30 **386.705 ADMINISTRATIVE ACTIONS AND PENALTIES.**

52.31 An abstractor licensed under sections ~~386.61~~ 386.62 to 386.76 is subject to the  
52.32 penalties imposed pursuant to section 45.027. The commissioner has all the powers

53.1 provided in section 45.027 and shall proceed in the manner provided by that section in  
53.2 actions against abstracters.

53.3 Sec. 37. Minnesota Statutes 2012, section 386.706, is amended to read:

53.4 **386.706 RULES.**

53.5 The commissioner may adopt rules necessary for the administration of sections  
53.6 ~~386.61~~ 386.62 to 386.76.

53.7 Sec. 38. Minnesota Statutes 2012, section 386.73, is amended to read:

53.8 **386.73 COUNTY RECORDERS, MAY EMPLOY LICENSED**  
53.9 **ABSTRACTERS.**

53.10 Nothing herein shall prohibit any county recorder who does not hold a certificate  
53.11 of authority pursuant to the provisions hereof from employing a licensed abstracter and  
53.12 issuing abstracts pursuant to sections ~~386.61~~ 386.62 to 386.76.

53.13 Sec. 39. Minnesota Statutes 2012, section 386.74, is amended to read:

53.14 **386.74 RIGHTS OF COUNTY RECORDERS NOT ABRIDGED.**

53.15 Sections ~~386.61~~ 386.62 to 386.76 shall not apply to nor abridge the rights of county  
53.16 recorders, as set forth in section 386.37.

53.17 Sec. 40. Minnesota Statutes 2012, section 386.76, is amended to read:

53.18 **386.76 VIOLATION A MISDEMEANOR.**

53.19 Any person who violates any of the provisions of sections ~~386.61~~ 386.62 to 386.76  
53.20 shall be guilty of a misdemeanor.

53.21 Sec. 41. **REPEALER.**

53.22 Minnesota Statutes 2012, sections 13.713, subdivision 4; and 72A.53, are repealed.

APPENDIX  
Article locations in H2854-3

ARTICLE 1 OBSOLETE, UNNECESSARY, OR REDUNDANT PROVISIONS... Page.Ln 2.8  
ARTICLE 2 CONFORMING CHANGES ..... Page.Ln 39.5

**13.713 BANKING DATA CODED ELSEWHERE.**

Subd. 4. **Currency exchanges; reports.** Financial information in annual reports submitted to the commissioner of commerce by currency exchanges is classified in section 53A.081, subdivision 4.

**45.0111 TEMPORARY LICENSES.**

Subdivision 1. **Authority.** The commissioner may grant a temporary license to an applicant who can demonstrate successful completion of all requirements for a permanent license. The temporary license will remain in effect until the earliest of:

- (1) receipt by the applicant of the permanent license;
- (2) the expiration of 45 days from the date on which the temporary license was granted; or
- (3) denial by the commissioner of the permanent license.

Subd. 2. **Nonapplication.** A temporary license as described in this section may not be issued to an applicant for licensure as a:

- (1) currency exchange regulated under chapter 53A;
- (2) collection agency regulated under sections 332.31 to 332.45;
- (3) credit service organization regulated under sections 332.52 to 332.60; or
- (4) broker-dealer, investment advisor, or agent regulated under chapter 80A.

**45.42 WAIVERS AND EXTENSIONS.**

Subdivision 1. **Waivers.** When a licensee documents to the commissioner's satisfaction that the person is unable, and will continue to be unable, to attend actual classroom course work or complete a self-study program because of a physical disability, medical condition, or similar reason, attendance at continuing education courses may be waived for a period not to exceed one year. The commissioner may require that the individual read, listen to, or watch a sufficient number of materials related to that industry as would be necessary for the licensee to satisfy educational credit hour needs. The commissioner will award the licensee credit hours by determining how many credit hours would be granted to a classroom course involving the same material.

**46.045 MANDATORY INSURANCE OF ACCOUNTS.**

Subd. 2. **Application for insurance; uninsured banks.** Notwithstanding subdivision 1, a bank which does not have insurance of its deposits or a commitment for insurance of its deposits by the Federal Deposit Insurance Corporation, an agency of this state, or a federal agency established for the purpose of insuring deposits in banks or collateral security deposited under section 48.74 on March 19, 1982, must apply for insurance of deposits not later than July 1, 1983. A bank subject to this subdivision which has been denied a commitment for insurance of its deposits shall either dissolve, merge, or consolidate with another bank which is insured or apply in writing within 30 days of denial to the commissioner of commerce for additional time to obtain an insurance commitment. The commissioner shall grant additional time to obtain the insurance commitment upon satisfactory evidence that the bank has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment. Additional time shall not extend later than July 1, 1984.

**46.047 DEFINITIONS.**

Subdivision 1. **Words, terms, and phrases.** For the purposes of this section and section 46.048, the terms defined in this section have the meanings given them, unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **Banking institution.** The term "banking institution" means a bank, trust company, bank and trust company, savings bank, or industrial loan and thrift operating under section 53.04, subdivision 5, that is organized under the laws of this state, or a holding company which owns or otherwise controls the banking institution.

**48.34 BRANCH BANKS PROHIBITED.**

No bank or trust company organized under the laws of this state shall maintain a branch bank or receive deposits or pay checks within this state, except at its own banking house, and

## APPENDIX

### Repealed Minnesota Statutes: H2854-3

except as authorized by sections 47.51 to 47.57, 47.61 to 47.74, and 49.411. The commissioner shall take possession of and liquidate the business and affairs of any state bank or trust company violating the provisions of this section, in the manner prescribed by law for the liquidation of insolvent state banks and trust companies.

#### **53A.081 ANNUAL REPORT AND INVESTIGATIONS.**

Subdivision 1. **Annual report.** On or before April 30, a licensee shall file an annual report with the commissioner for the previous calendar year. The report must contain information that the commissioner may reasonably require concerning, and for the purpose of examining, the business and operations of each licensed currency exchange.

Subd. 2. **Investigation.** The commissioner may at any time investigate the currency exchange business of any licensee and of every person, partnership, association, and corporation engaged in the business of operating a currency exchange in the manner provided under section 45.027.

Subd. 3. **Fees and expenses.** The licensee shall pay the costs of an examination or investigation in the manner provided under section 60A.03, subdivision 5.

Subd. 4. **Classification of data.** Financial information on individuals and businesses that is submitted to the commissioner in the annual report under subdivision 1 are private data on individuals or nonpublic data.

#### **56.001 DEFINITIONS.**

Subd. 5. **Interest.** "Interest" means all charges payable directly or indirectly by a borrower which are imposed directly or indirectly by the licensee as an incident to the loan, however denominated, including interest, discount, loan fee, or credit or investigation fee, but shall not include permissible default or deferment charges, lawful fees for any security taken, insurance charges or premiums, court costs, or other charges specifically authorized by law.

Subd. 6. **Interest-bearing loan.** "Interest-bearing loan" means a loan in which the debt is expressed as the principal amount and interest is computed, charged, and collected on unpaid principal balances outstanding from time to time, for the time outstanding.

#### **60A.18 SALE BY VENDING MACHINES; SCOPE AND REQUIREMENTS.**

Subdivision 1. **General requirement.** No insurance shall be offered for sale, issued or sold by or from any vending machine or appliance or any other medium, device or object designed or used for vending purposes, herein called a device, except as provided in this section.

Subd. 2. **Conditions.** Resident insurance agents and solicitors licensed under this section to solicit for and to sell policies of personal travel accident insurance providing benefits for accidental bodily injury or accidental death may also solicit applications for and issue or sell such insurance by means of devices supervised by them and placed in locations for convenience of the traveling public, upon the following conditions only:

(1) that each policy to be sold by or from a device is reasonably suited for sale and issuance through a device, and that use of such device therefor in a particular proposed location would be of material convenience to the traveling public;

(2) that the type of device proposed to be used is reasonably suitable and practical for the purpose;

(3) that reasonable means, as determined by the commissioner, are provided for informing the prospective purchaser of any such policy of the benefits, limitations and exclusions of the policy, the premium rates therefor, the name and address of the agent and the name and home office address of the insuring company;

(4) that such device shall be so constructed and operated that it shall retain, or shall be provided with a suitable place for deposit and safe keeping of, a copy of the application, which shall show the date of the application, name and address of the applicant and the beneficiary, and the amount of insurance;

(5) that no policy of insurance sold by or from a device shall be for a period of time longer than the duration of a specified one-way trip or round trip of not to exceed 180 days;

(6) that such device shall have provided on it or immediately adjacent thereto, in a prominent location, adequate envelopes for use of purchasers in mailing policies vended through such device, or that the policy itself, if designed to permit such procedure, may be mailed without an envelope; provided, however, the commissioner may in writing delivered to the agent modify or waive these requirements;

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(7) that each such device shall be supervised, inspected and tested by the agent with such frequency as may reasonably be necessary or as may reasonably be required by the commissioner, and should any device not be in good working condition the agent shall promptly cause a notice to be displayed thereon that the same is out of order, and cause said device to be promptly removed from service until it is in proper working order;

(8) that prompt refund by the agent is provided to each applicant or prospective applicant of money deposited in any defective device and for which no insurance, or a less amount than paid for, is actually received;

(9) in addition to, and without limiting the general powers of the commissioner to regulate and supervise insurance business in this state, the commissioner may establish such other and additional rules for types and locations of devices authorized hereunder, their maintenance and operation and the methods to be used by the agent in the solicitation and sale of insurance by means of such devices as shall be reasonable and necessary.

**Subd. 3. License, application, contents.** The application for a license for each device to be used shall be made by the agent in such form and with such information as shall be prescribed by the commissioner. A fee of \$20 for each device shall be paid at the time of making application. Upon approval of the application, the commissioner shall issue to the agent a special vending machine license. The license shall apply to a specific device or to any device of identical type which, after written notice by the agent to the commissioner, is substituted for it. The license shall specify the name and address of the agent, the name and home office address of the insuring company, the name or other identifying information of the policy or policies to be sold, the serial number or other identification of the device and the address, including the location on the premises, where the device is to be in operation; provided, however, that a device for which a license has been issued for operation at a specific address may be transferred to a different address during the license year upon written notice to the commissioner at the time of such transfer. The license for each device shall expire on May 31st of each year, but may be renewed from year to year by the commissioner upon approval of the application by the agent and the furnishing of such information as shall be requested by the commissioner, and the payment of \$20 for each license year or part thereof for each device. Proof of the existence of a subsisting license shall be displayed on or about each such device in use in such manner as the commissioner may reasonably require.

**Subd. 4. Suspension or revocation of license.** The license for each device shall be subject to expiration, suspension or revocation coincidentally with that of the agent or the insuring company. The commissioner also may suspend or revoke the license as to any device concerning which the commissioner finds any conditions upon which the device was licensed as referred to in subdivision 2 have been violated, or no longer exist, or that the device is being used or operated by the agent in violation of the laws of this state; provided, that before suspending or revoking a license for a device, the commissioner shall conduct a hearing in the manner prescribed in chapter 72A, and shall make a determination upon the basis of the standards, conditions and requirements of this section.

### **62A.319 REPORTING OF MULTIPLE POLICIES.**

Subdivision 1. **Annual report.** On or before March 1 of each year, an issuer shall report the following information for every individual resident of this state for which the issuer has in force more than one Medicare supplement policy or certificate:

- (1) the policy and certificate number; and
- (2) the date of issuance.

Subd. 2. **NAIC report forms.** The items in subdivision 1 must be grouped by individual policyholder and be on the National Association of Insurance Commissioners Reporting Medicare Supplement Policies form.

### **72A.53 VENDING MACHINE SALES.**

Sections 72A.51 and 72A.52 shall not apply to insurance sold pursuant to section 60A.18.

### **72B.02 DEFINITIONS.**

Subd. 8. **Public adjuster solicitor.** "Public adjuster solicitor" means any person who for money, commission or any other thing of value solicits in any manner or aids in securing for a public adjuster any contract or agreement for the adjustment of a loss.

### **80C.30 BURGLAR ALARM FRANCHISES.**

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A manufacturer of a burglar alarm product having been sold to a distributor in this state for at least five years may establish itself as a franchisor as provided in this section. Such franchisor may require a distributor to begin paying an annual franchise fee and/or a sign up fee for operations within this state provided the manufacturer gives an existing nonfranchised distributor ten years' notice of intent to establish a franchisor/franchisee relationship and grants an automatic extension of the existing distributor contractual arrangement during the notice period. The manufacturer may not establish any business in this state in competition with the distributor during the notice period. A manufacturer terminating an existing burglar alarm distributor contract in this state must wait ten years before opening a distributorship in this state.

#### **81A.08 TEMPORARY REGISTRATION.**

The commissioner may issue a temporary certificate of registration while an application for registration or renewal of registration is pending.

#### **81A.18 UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

#### **82.63 LICENSING; OTHER REQUIREMENTS.**

Subd. 7. **Automatic transfer of salesperson's license.** A salesperson may utilize the automatic license transfer provisions of subdivision 6, clause (b), if the salesperson commences association with the broker to whom the salesperson is transferring, as evidenced by the dates of the signatures of both brokers on the form prescribed by the commissioner, within five days after terminating the salesperson's association with the broker from whom the salesperson is transferring, provided the salesperson's educational requirements are not past due.

A salesperson may not utilize the automatic license transfer provisions of subdivision 6, clause (b), if the sales person has failed to notify the commissioner within ten days of any change of information contained in the salesperson's license application on file with the commissioner or of a civil judgment, disciplinary action, or criminal offense, which notice is required pursuant to section 82.65, subdivision 1.

Subd. 8. **Procedure.** An application for automatic transfer shall be made only on the form prescribed by the commissioner. The transfer is ineffective if the form is not completed in its entirety.

The form shall be accompanied by a \$20 transfer fee, and the license renewal fee, if applicable. Cash will not be accepted.

The signature of the broker from whom the salesperson is transferring must predate the signature of the broker to whom the salesperson is transferring. The salesperson is unlicensed for the period of time between the times and dates of both signatures. The broker from whom the salesperson is transferring shall sign and date the transfer application upon the request of the salesperson and shall destroy the salesperson's license immediately.

Subd. 9. **Effective date of license.** (a) The transfer is effective when the broker to whom the salesperson is transferring signs and dates the transfer application form, provided the commissioner receives the form and fee within 72 hours after the date and time of the new broker's signature, either by certified mail, or personal delivery to the commissioner's office. The commissioner may accept an application for license transfer made by an electronic agent or an electronic record with an electronic signature if the commissioner has the capability of accepting the application electronically. In the event of a delay in mail delivery, an application postmarked within 24 hours of the date of the signature of the new broker shall be deemed timely received. The properly executed automatic transfer form serves as a temporary real estate license for no more than 45 days.

(b) The transfer is ineffective if the fee is paid by means of a check, draft, or other negotiable or nonnegotiable instrument or order of withdrawal drawn on an account with insufficient funds.

(c) The salesperson shall retain the certified mail return receipt, if the transfer application is delivered to the commissioner by mail, retain a photocopy of the executed transfer application, and provide a photocopy of the executed transfer application to the broker from whom the salesperson is transferring.

(d) The real estate salesperson automatic transfer must be in the form prescribed by the commissioner.

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Subd. 10. **Automatic transfer of broker's license.** When a broker terminates activity in order to begin association with another broker, the commissioner shall permit the automatic transfer of the broker's license to a salesperson's license. If there are licensed salespeople working for the broker, the broker shall certify that a broker will remain in the company that the broker is leaving prior to issuance of the transfer. The transfer shall be effective either upon the mailing of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office.

**82A.04 APPLICATION FOR REGISTRATION.**

Subdivision 1. **Filing fee.** A filing fee of \$500 shall accompany the application for registration of membership camping contracts.

Subd. 2. **Application contents.** The application for registration shall include:

(1) an irrevocable appointment of the commissioner to receive service of any lawful process as required by section 82A.22, subdivision 1;

(2) the name of the campground, the membership camping operator's name and the address of its principal place of business, the form, date of organization, and jurisdiction of its organization; and the name and address of each of its offices in this state;

(3) a copy of the membership camping operator's articles of incorporation, partnership agreement, or joint venture agreement as contemplated or currently in effect;

(4) the name, address, and principal occupation for the past five years of the membership camping operator and of each controlling person of the membership camping operator, and the extent and nature of each such person's interest in the membership camping operator as of a specified date within 30 days prior to the filing of the application;

(5) a statement indicating whether or not the membership camping operator, or any of the persons identified in clause (4), within the past ten years has been:

(i) convicted of a felony; or

(ii) enjoined or received any adverse administrative order relating to the sale of securities, land, or campgrounds or based on violations of any consumer protection statutes. If any of the above has occurred, the name of the person involved, the jurisdiction, offense, and date of the offense shall be listed;

(6) a legal description of each campground owned or operated in this state by the membership camping operator which is represented to be available for use by purchasers, and a map or maps showing the location of all campgrounds, wherever located, which are owned or operated by the membership camping operator and represented to be available for use by purchasers, and a statement identifying the existing amenities at each such campground and the planned amenities represented as to be available for use by purchasers in the future at each such campground;

(7) the states or jurisdictions in which an application for registration or similar document has been filed by the membership camping operator pursuant to any statute similar to this chapter regulating membership camping contracts and any adverse order, judgment, or decree entered against the operator in connection with membership camping contracts by any regulatory authority in any jurisdiction or by any court;

(8) a statement of the condition of the title to the campground owned or operated in this state by the membership camping operator and represented to be available for use by purchasers, including all encumbrances, deed restrictions, and covenants applicable thereto with data as to recording, as of a specified date within 30 days prior to the date of application, by a title opinion of a licensed attorney or by a title insurance policy, naming the operator or lender as beneficiaries and issued by an insurance company authorized to do business in this state, or by any evidence of title acceptable to the commissioner;

(9) copies of the instruments by which the membership camping operator's interest in the campgrounds in this state was acquired;

(10) copies of all recorded or unrecorded instruments, known to the membership campground operator, that evidence blanket encumbrances that materially adversely affect the campgrounds in this state;

(11) if there is a blanket encumbrance which materially adversely affects the campgrounds located in this state, a legal description of the encumbrance, and a description of the steps taken to protect purchasers, in accordance with section 82A.14, clause (1), in case of failure to discharge the lien or encumbrance;

(12) evidence showing compliance with the zoning and other applicable environmental or land use laws, ordinances, and rules affecting the use of the campgrounds located in this state;

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(13) a statement of the existing and planned provisions for the following with respect to campgrounds located in this state:

- (i) purchasers' access to the campgrounds;
- (ii) the availability of sewage disposal facilities and other public utilities, including but not limited to water, electricity, gas, and telephone facilities in the campgrounds;
- (iii) the proximity of community fire and police protection;

(iv) a statement of the amenities which will be represented to purchasers as guaranteed to be constructed or installed, whether the operator will be responsible for their cost, installation, and maintenance, and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur, and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator; and assurance that such amenities will be completed by filing a bond or irrevocable letter of credit, depositing funds in an escrow account, or such other provision as the commissioner may by order allow. The amount of the bond or escrow account shall be reduced monthly in proportion to the amount paid for completion of the amenities during such period. The bond, letter of credit, or escrow account shall be issued or held by a bank or insurance or surety company authorized to do business in this state;

(v) a statement of the amenities to be represented to purchasers as planned for construction and installation, but not guaranteed, whether the operator will be responsible for their costs, installation, and maintenance, and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator;

(14) the proposed disclosure statement as required by section 82A.05, subdivision 1, and the proposed separate disclosure, if applicable, as required by section 82A.05, subdivision 6;

(15) a financial statement of the membership camping operator as of the end of the membership camping operator's most recent fiscal year, prepared by an independent public accountant and certified by the camping operator; and, if the fiscal year end of the membership camping operator is in excess of 180 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 180 days of the date of application;

(16) a statement of the applicable material permits, other than building permits, not yet obtained but required to be obtained from various federal, state, and local agencies to operate the campground in this state, stating which have been applied for. If any permit has been refused, the reasons for the refusal and the effect the refusal will have on subsequent development of the campgrounds must be disclosed;

(17) a copy of each type of membership camping contract to be sold in this state, the purchase price of each type and, if the price varies, the reason for the variance;

(18) the number of membership camping contracts proposed to be sold at each campground located in this state and a statement describing the method used to determine the number;

(19) rules of general applicability governing use and occupancy of the campgrounds; but not including any rules adopted in response to unique local or immediate needs;

(20) copies of applications for and contracts with any reciprocal program entity in which the membership camping operator is to participate and represents as available for use by purchasers;

(21) information concerning purchase or lease costs, rules, forms, and any fees, other than the initial membership fee and annual dues, which are required for purchaser usage of in-park trailers, recreational vehicles, tents, or other overnight accommodations, provided by or through the membership camping operator, for purchasers as an alternative to using the purchaser's own mobile accommodations; and

(22) any additional information the commissioner reasonably deems appropriate to administer the provisions of this chapter.

**Subd. 3. Signing of application.** The application shall be signed by the membership camping operator, duly authorized signatory, or any person holding a power of attorney for this purpose from the membership camping operator. If the application is signed pursuant to a power of attorney, a copy of the power of attorney shall be included with the application.

**Subd. 4. Effective date.** The registration is effective on the date the commissioner declares by order.

**Subd. 5. Withdrawal of application.** If no activity occurs with respect to an application for a period of 120 days, the commissioner may by order declare the application withdrawn. No part

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of the filing fee will be returned by the commissioner if a registration application is withdrawn according to this subdivision.

#### **82A.06 EXEMPTIONS.**

Subd. 2. **Partial transactional exemptions.** The following transactions are exempt from the provisions of sections 82A.03; 82A.04; 82A.05; 82A.07; 82A.08; 82A.11, subdivisions 2 and 4; and 82A.14: any sale which is made to a person who is not then physically present in this state, and any offer which invites an offeree to attend a sales presentation in another state if:

(1) the offeror has given at least ten days prior written notice to the commissioner of its intention to offer or sell membership camping contracts to residents of this state pursuant to this exemption and paid a fee of \$50;

(2) the offeror has demonstrated that the sales presentation will be made, and the sale will be consummated, in a state which specifically regulates the offer and sale of membership camping contracts;

(3) the offeror has demonstrated that it will deliver a disclosure statement to offerees who are residents of this state which contains substantially the same or greater disclosure as is required by section 82A.05; and

(4) the offeror has filed a consent to service of process pursuant to section 82A.22.

#### **82A.07 AMENDMENT OF REGISTRATION.**

A person with a registration in effect, within 30 days after the person becomes aware of, or should have become aware of, the occurrence of any material change in the information on file with the commissioner, including the disclosure statement, which change could adversely affect purchasers, shall notify the commissioner in writing of the change by an application to amend the registration accompanied by a filing fee of \$25. If the amendment is approved by the commissioner, it shall become effective upon the issuance by the commissioner of an order approving the amendment. The amendment shall automatically become effective upon the expiration of 15 business days following filing with the commissioner unless the commissioner has prior thereto issued an order denying or approving the amendment.

#### **82A.08 ANNUAL REPORT.**

Subdivision 1. **Requirement.** During the period a registration is effective, the membership camping operator shall file an annual report in a format the commissioner may reasonably prescribe. Every annual report shall be due by the 120th day following the end of the operator's fiscal year, unless extended in writing by the commissioner for good cause. The annual report shall:

(1) specify the aggregate number of membership camping contracts sold in this state pursuant to the registration or any amendment thereof;

(2) specify the number of membership camping contracts and aggregate dollar amount of all sales of membership camping contracts in this state by the membership camping operator since the date the registration became effective, or since the last annual report was filed with the commissioner, whatever date is later;

(3) specify any exemption from registration claimed for any sale described in clause (2);

(4) list any changes in the information required to be filed under section 82A.04, subdivision 2, clause (4);

(5) include an audited or unaudited financial statement consisting of a balance sheet for the membership camping operator's last fiscal year end and an income statement for the 12 months next preceding the date of the balance sheet, both prepared by an independent certified public accountant; and

(6) provide such other information as the commissioner may by rule or order reasonably require to administer the provisions of this chapter, including but not limited to, audited financial statements.

Subd. 2. **Fee.** Every annual report filed pursuant to this section shall be accompanied by a fee of \$500.

Subd. 3. **Cancellation.** Failure to file the annual report shall be cause for cancellation of the registration. Cancellation shall occur ten days after mailing of the notice of cancellation to the

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operator or registrant. If canceled, the registration may be reinstated immediately following the filing of the report and payment of the appropriate fees.

### **82A.11 SALES CONTRACT; RESCISSION.**

Subd. 2. **Generally.** Any membership camping contract not exempt under section 82A.06, and entered into after January 1, 1986, is voidable at the discretion of the purchaser, for a period of three years from the date of the sale, if the contract was not registered under this chapter at the time of the sale, unless subsequently thereto the contract is registered under this chapter and in connection therewith, the purchaser has received a written offer to repurchase the contract for cash payable on closing of the repurchase, together with interest thereon from the date of the purchase at the legal rate or at the rate charged by the membership camping operator or lender to the purchaser, whichever is higher, and the purchaser has failed to accept the offer in writing within 30 days of its receipt. No offer of repurchase shall be effective unless a duplicate copy thereof has been filed with the commissioner at least 20 days prior to its delivery to the offeree and the commissioner has not objected to the offer within that time. The offer to repurchase shall be in the form and contain the information the commissioner by rule or order prescribes. If the purchaser no longer owns the membership camping contract, the purchaser shall be entitled to maintain an action at law, and the damages shall be the consideration paid for the membership camping contract, together with interest thereon as specified above from the date of acquisition to the date of disposition, plus costs and reasonable attorney's fees, less the value received by the purchaser upon disposition of the membership camping contract.

### **82A.111 ESCROW REQUIREMENT.**

Subd. 5. **Notice of trust account status.** The names of the banks and industrial loan and thrift companies and the escrow account numbers used by a broker must be provided to the commissioner at the time of application for the broker's license, and those used by the membership camping operator must be provided to the commissioner at the time of application for registration of the membership camping contract. Every broker or membership camping operator shall immediately report to the commissioner any change of escrow account status including changes in banks and industrial loan and thrift companies, account numbers, or additional accounts in the same or other banks and industrial loan and thrift companies. A broker or membership camping operator shall not close an existing escrow account without giving ten days' written notice to the commissioner.

### **82A.13 PROHIBITED PRACTICES.**

Subd. 3. **Misrepresentations.** No person may represent or cause to be represented to any prospective purchaser of a membership camping contract that the filing of any document under this chapter or the registration or exemption from registration of a membership camping contract constitutes a finding by the commissioner that any document filed under this chapter is true, complete, and not misleading, or that the commissioner has passed in any way upon the merits of any membership camping contract, and no person may represent that a membership camping contract is registered or exempted from registration when in fact, such is not the case.

### **82A.18 ENFORCEMENT; PENALTIES AND REMEDIES.**

Subd. 3. **Penalty for unpaid fees.** Any person who fails to pay the filing fees required by this chapter and continues to sell membership camping contracts, is liable civilly in an action brought by the attorney general on behalf of the commissioner for a penalty in an amount equal to treble the unpaid fees.

### **82A.22 SERVICE OF PROCESS.**

Subdivision 1. **Consent to service.** Every membership camping operator or broker, on whose behalf an application for registration or exemption is filed, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and the commissioner's successors in office to be the membership camping operator's or broker's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the membership camping operator or broker or a successor, executor, or administrator which arises under this chapter or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the membership camping operator or

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the operator's successor, executor, or administrator. Service under this section shall be made in compliance with section 45.028, subdivision 2.

Subd. 3. **Continuances.** When process is served under this section, the court or the commissioner in a proceeding before the commissioner shall order such continuance as may be necessary to afford the defendant or respondent reasonable opportunity to defend.

#### **82A.24 ADMINISTRATION.**

Subd. 5. **Register of filing.** The commissioner shall keep a register of all filings which are or have ever been effective under this chapter and all denial, suspension, revocation, and other orders which have been entered under this chapter. The register shall be open for public inspection.

#### **115C.111 CONSULTANT AND CONTRACTOR SANCTIONS; ACTIONS BASED ON CONDUCT OCCURRING BEFORE MARCH 14, 1996.**

Subdivision 1. **Application.** This section applies to administrative actions based on conduct that occurred before March 14, 1996.

Subd. 2. **Authority.** The commissioner of commerce may by order censure, suspend, or revoke a registrant and require payment of all costs of proceedings resulting in an action instituted under this subdivision and impose a civil penalty of not more than \$10,000 if the commissioner of commerce finds: (i) that the order is in the public interest; and (ii) that the registrant or, in the case of a registrant that is not a natural person, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the registrant:

(1) has engaged in conduct that departs from or fails to conform to the minimal standards of acceptable and prevailing engineering, hydrogeological, or other technical practices within the reasonable control of the consultant or contractor;

(2) has participated in a kickback scheme prohibited under section 115C.045;

(3) has engaged in conduct likely to deceive or defraud, or demonstrated a willful or careless disregard for public health or the environment;

(4) has committed fraud, embezzlement, theft, forgery, bribery, falsified or destroyed records, made false statements, received stolen property, made false claims, or obstructed justice;

(5) is the subject of an order revoking, suspending, restricting, limiting, or imposing other disciplinary action against the contractor's or consultant's license or certification in another state or jurisdiction; or

(6) if the person is a consultant, has failed to comply with any of the ongoing obligations for registration as a consultant in section 115C.11, subdivision 1.

Subd. 3. **Amount of civil penalty.** The civil penalty that may be imposed under subdivision 2 shall be in an amount that the commissioner of commerce determines will deprive the consultant or contractor of any economic advantage gained by reason of the consultant's or contractor's conduct or to reimburse the board for the cost of the investigation and proceeding.

#### **216C.14 COMMUNITY ENERGY PLANNING; GRANTS.**

Subdivision 1. **Purpose.** In order to improve the energy planning capabilities of local governments, the commissioner shall make grants to counties and cities, however organized. The commissioner when making grants shall give priority to those units of government that submit proposals that could result in significant savings of traditional energy sources, development of renewable energy systems, and broad community involvement. The commissioner shall give priority to local units of government that provide staff or other support for a program and who request grants for programs which can be duplicated by other local governments. The grants may be used to purchase materials, employ staff or contract with other units of government or qualified consultants.

The commissioner shall not make grants of more than 45 percent of the amount appropriated for those purposes to cities and counties located within the seven-county metropolitan area. A single grant to a city or county shall not exceed \$50,000.

Subd. 2. **Qualifying expenditures.** Community energy planning grants may be used for the following purposes:

(1) to gather, monitor, and analyze local energy supply, demand, and cost information;

(2) to prepare comprehensive community energy plans;

(3) to implement comprehensive energy plans that the unit of government is authorized to undertake for the management of problems resulting from:

(i) rising energy cost;

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- (ii) lack of efficient public and private transportation;
  - (iii) lack of community conservation efforts;
  - (iv) lack of widespread renewable energy sources; and
  - (v) lack of energy components in comprehensive plans and local ordinances;
- (4) to assist neighborhood organizations in counties and cities to do energy planning by making grants to the local unit of government; and
- (5) any other purposes deemed appropriate by the commissioner.

Subd. 3. **Administration; rules.** The commissioner shall determine priorities pursuant to subdivisions 1 and 2, and shall promulgate rules for the submission and review of applications in accordance with the provisions of chapter 14.

### **216C.262 OPTIMAL LOW-INCOME WEATHERIZATION.**

The commissioner shall contract with the Building Energy Research Center at the University of Minnesota for the purpose of determining optimal weatherization for low-income weatherization programs. The alternative energy engineering activity shall provide technical assistance.

### **216C.263 OIL OVERCHARGE MONEY FOR ENERGY CONSERVATION.**

The oil overcharge money that is not otherwise appropriated by law or dedicated by court order is appropriated to the commissioner for energy conservation projects that directly serve low-income Minnesotans. This appropriation is available until spent.

### **216C.373 SUPERINSULATED HOME DEMONSTRATION PROJECT.**

The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30, shall be continued under the direction of the commissioner and the center to monitor and document new projects and projects in progress. The project shall:

- (1) work with the financial community to bring energy cost and savings into mortgage underwriting standards;
- (2) develop a definition of superinsulation for use by financial institutions.

### **216C.38 BUILDING ENERGY RESEARCH CENTER.**

Subdivision 1. **Energy partnership.** To improve the energy efficiency of buildings, the commissioner shall administer a Building Energy Research Center that shall be a cooperative effort among the commissioner, the University of Minnesota, technical colleges, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

Subd. 2. **Purpose.** The purpose of the Building Energy Research Center is to:

- (1) conduct studies of Minnesota building experience;
- (2) disseminate information acquired relating to building energy efficiency;
- (3) conduct continuing education courses;
- (4) provide limited energy and design consultation services for innovative projects;
- (5) coordinate and stimulate research efforts; and
- (6) seek private sector pledges to match appropriations for this program.

### **216C.44 BUSINESS ENERGY USE ACCOUNTABILITY.**

Subdivision 1. **Citation.** This section may be cited as the Business Energy Accountability Act of 2008.

Subd. 2. **Definition.** For the purpose of this section, "municipality" means a statutory or home rule charter city or town, or county for unincorporated areas of a county.

Subd. 3. **Energy accountability form.** The commissioner of commerce shall create an energy inventory form for use by a municipality for purposes of subdivision 4. The form must be designed so a business can enter information concerning the following energy uses for the business:

- (1) total gross electric use per year;
- (2) electric supplier;
- (3) total gross natural gas use per year;
- (4) natural gas supplier;
- (5) heating type;

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- (6) air conditioning type and use per year;
- (7) business-owned motor vehicles;
- (8) miles traveled by business-owned motor vehicles;
- (9) chemicals used, including oils and cleaners;
- (10) water use per year; and
- (11) industrial sewage discharge.

The annual total gross use information required by clauses (1) and (3) must not require itemization by a business of each end use of electricity and natural gas.

The form must be designed, to the extent possible, so that its use by a municipality may qualify for grants.

Subd. 4. **Municipal inventory.** A municipality applying for grants or doing inventories covered under subdivision 3 must make the state form available to businesses located within the municipality the inventory form prescribed by subdivision 3. The business is not required to complete the inventory but may elect to do so and provide the completed inventory to the municipality.

Subd. 5. **Data practices.** Data provided by a business on the completed inventory for business energy use accountability is nonpublic as defined in section 13.02.

### **237.068 MULTIPARTY LINE TELEPHONE SERVICE.**

After October 31, 1993, no telephone company may offer or provide multiparty line telephone service to more than two subscribers per line, unless otherwise approved by the commission.

### **237.16 LOCAL EXCHANGE COMPETITION, RULES.**

Subd. 10. **Interim authority.** (a) Before adopting the rules required under subdivision 8, the commission shall grant an applicant a certificate to provide a proposed local telephone service when the commission finds that the applicant meets the conditions of subdivision 1. Any applicant for a certificate pursuant to subdivision 1 shall, at the time its application is filed, provide notice of its application to all local telephone companies authorized to provide local exchange service in the geographic area identified in the application. The applicant and telephone companies shall negotiate a temporary arrangement pertaining to interconnection matters for the effective interconnection of local exchange networks, pending the adoption of the rules under subdivision 8. If the applicant and the telephone companies fail to reach agreement within 60 days of filing the application, the commission shall set the terms of the temporary arrangement at the time of the issuance of the certificate.

(b) Any company previously certified to provide local telephone services may request a temporary arrangement for the effective interconnection with the local exchange network of another telephone company in the same territory, pursuant to the time frames and procedures of this subdivision.

(c) In addition, through and until the rules are adopted under subdivision 8, each telephone company serving more than 50,000 access lines in the state shall:

(1) permit interconnection or discontinue interconnection for intrastate services to the same extent and in the same manner and time frame as the Federal Communications Commission requires interconnection or permits discontinuance of interconnection for interstate services; and

(2) unbundle its intrastate services and facilities used for intrastate services to the same extent and in the same manner as the Federal Communications Commission requires unbundling for interstate purposes.

Subd. 11. **Interim authority in area served by small telephone company.** (a) Before adopting the rules required under subdivision 8 for telephone companies with less than 50,000 subscribers, when an applicant requests certification to provide local telephone service in an area served by a telephone company with less than 50,000 subscribers originally certified to provide local telephone service before January 1, 1988, the commission shall grant the application if it finds the applicant meets the requirements of subdivision 1. The commission shall make its determination on the application, including whether to provide a temporary arrangement for the effective interconnection of the local exchange networks, after a hearing under chapter 14 or expedited proceeding under section 237.61, within nine months of the application, and considering any facts unique to that telephone company. In addition, if an application is granted, that telephone company shall:

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(1) permit interconnection or discontinue interconnection for intrastate services to the same extent and in the same manner and time frame as the Federal Communications Commission may thereafter require for that small telephone company for interstate purposes; and

(2) unbundle its intrastate services and facilities used for intrastate services to the same extent and in the same manner as the Federal Communications Commission may thereafter require for that telephone company for interstate purposes.

(b) If a telephone company with less than 50,000 subscribers is authorized by the Federal Communications Commission to provide video common carrier services before the rules required under subdivision 8 are adopted, an application under this subdivision for certification to provide local telephone service in an area served by that telephone company shall be determined within 120 days of its filing.

Subd. 13. **Application of other law.** Notwithstanding any provisions of sections 237.035 and 237.74 to the contrary, before adopting the rules under subdivision 8, the local services provided by a telecommunications carrier are subject to this chapter in the same manner as those local services of a telephone company regulated under this chapter, except that the telecommunications carrier is not subject to section 237.22 and is not subject to rate-of-return regulation or earnings investigations under section 237.075 or 237.081. Before offering a local telephone service a telecommunications carrier must be certified to provide local service under this section.

#### **237.18 SURRENDERING OLD LICENSE; NEW AUTHORITY.**

Any telephone company operating under any existing license, permit, or franchise or which shall, before the taking effect of Laws 1915, chapter 152, acquire any license, permit, or franchise, upon filing with the clerk of the municipality which granted such franchise, a written declaration that it surrenders such license, permit, or franchise, may receive in lieu thereof, an indeterminate permit, as defined in this chapter; and such telephone company shall thereafter hold such permit under all the terms, conditions, and limitations of this chapter. The filing of such declaration shall be deemed a waiver by such telephone company of the right to insist upon the fulfillment by any municipality of any contract theretofore entered into relating to any rate, charge, or service made subject to regulation by this chapter. Upon filing such written declaration by the telephone company, the clerk of the municipality shall file with the commission a certificate showing that fact and the date thereof, and thereupon it shall receive an indeterminate permit from the commission conferring the same rights as if originally granted under this chapter.

#### **237.33 TOWN TELEPHONE SYSTEM.**

For the purpose of preventing the starting and spreading of forest or prairie fires and extinguishing the same, promoting public welfare, public health, and public safety, and facilitating the work of public improvements, the electors of any organized town of this state shall have power, at their annual town meeting or at any special town meeting called in the manner provided by law for special town meetings, to authorize the town to construct, or otherwise acquire, operate, and maintain a township telephone system, including the necessary poles, wires, telephones and telephone equipment, and by itself or in conjunction with one or more other towns to construct, equip, acquire, operate, and maintain a local telephone exchange, or one or more trunk lines of wires connecting such town or towns with the local exchange, or with a local exchange owned by some other corporation or persons, and to determine by ballot the amount of money to be raised for the purposes aforesaid. No such local exchange as herein provided for shall be constructed or maintained in municipalities where a local exchange is already in operation.

#### **237.34 TOWN TELEPHONE LINE OUTSIDE CORPORATE LIMITS.**

For the purpose of carrying out the provisions of section 237.33, any town may, by itself or in conjunction with one or more other towns, construct, maintain, acquire, own, or lease telephone lines, telephone equipment, or a local exchange outside the corporate limits of such town. The authority herein granted to any town to acquire, construct, or maintain, by itself, lines outside of its corporate limits shall be solely for the purpose of connecting telephones inside its corporate limits with a telephone exchange or switching center outside its corporate limits. The department may order any service to be extended across any township line to any person or concern adjacent thereto when, in the judgment of the department, such person or concern is entitled to telephone service and the same cannot be reasonably required of any other telephone company.

#### **237.35 TAX LEVY FOR CONSTRUCTION.**

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When any town has authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor.

#### **237.36 RENTAL, CHARGE, TOLL; TAXATION; NONPAYMENT.**

The electors of such town shall have power at their annual town meeting, or at any special meeting, to determine and, in case the electors fail to do so, the town board of supervisors shall determine, the manner of payment of rentals and charges to be paid per phone for operating a local exchange service; and such charges and all tolls payable by the users of such township system shall, in the first instance, be collected by the town board or under its direction. Any local exchange may, by agreement with any town board of supervisors, collect the long-distance tolls directly from the users. No such town shall be subjected to or liable for any gross earnings or other tax by reason of moneys collected or property owned by it for such township telephone system. In case of the failure on the part of any user to pay such charges or tolls in the manner so provided, the town board may institute an action at law to collect such charges or tolls in arrears, and may also discontinue telephone service to such user, until all charges and tolls in arrears, the court costs, if any, taxed and allowed in an action to collect such arrears, and the reasonable cost of disconnecting the telephone from the general service, and reconnecting the same shall have been paid.

#### **237.37 BONDS TO CONSTRUCT.**

For the purpose of constructing, acquiring, operating, or maintaining a township telephone system or local exchange, as in sections 237.33 to 237.40 provided, any organized town is hereby authorized to issue and sell its bonds in the same manner, under the same procedure, and within the same limitations as provided by law for the issuance and sale of town road and bridge bonds; and the board of supervisors and their successors are hereby authorized to levy and in due form certify to the auditor of the county in which such town is situated, a tax upon the taxable property of the town to provide for the payment of installments of principal and interest as they mature, in the manner provided in the case of town road and bridge bonds.

#### **237.38 LOCAL EXCHANGE PERMITS CONNECTION.**

When public convenience requires the same, every local telephone exchange shall for a reasonable compensation permit a physical connection or connections to be made and telephone service to be furnished between such local telephone exchange system and township telephone system. In case of failure of the local telephone exchange to allow or agree upon such physical connection or connections, or the terms and conditions upon which the same shall be made, application may be made to the department for an order requiring such connection, and fixing the compensation, terms, and conditions thereof; and if after investigation and hearing the department shall find that such physical connections will not result in irreparable injury to such telephone properties, it shall by order direct such connections to be made and prescribe reasonable conditions and compensation therefor and for the joint use thereof, and by whom the expense of making and maintaining such connection or connections shall be paid. When application is made to the department requesting physical connection, it shall be presumed that such connection is necessary and that the public convenience will be promoted thereby, and the burden of overcoming such presumption shall be upon the party resisting such application.

#### **237.39 ACQUIRING OR SELLING TELEPHONE SYSTEM.**

When, under the provisions of sections 237.33 to 237.40, a township telephone system is established in any township in which any of the inhabitants of the town are already provided with telephone service furnished by any other telephone company or person, the town shall, when so requested by the telephone company or person, acquire from the telephone company all telephone equipment used by the telephone company or person in furnishing telephone service to the inhabitants of the town exclusively. For the purpose of determining the purchase price of the equipment, application shall be made to the department which shall determine the just compensation which the owner of the telephone equipment is entitled to receive for it from the town. Before deciding upon the compensation, the department shall, at a public meeting, which may be adjourned from time to time, hear all interested persons of the question involved. The department shall by order fix the compensation and furnish a copy of its order to the town, and

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to the telephone company or person concerned. An appeal may be taken to the district court of the county in which the town is situated from that part of the order fixing the compensation to be paid, within 30 days, by either party. The appeal shall be tried in the same manner as other appeals hereunder. If no appeal is taken, the order of the department shall become final at the end of 30 days.

When, under the provisions of sections 237.33 to 237.40 a township telephone system has been established in any town, and it has been determined by the board of supervisors of the town to be for the best interest of public service and all persons concerned, to sell and transfer the township telephone system to any telephone company or person giving service organized for that purpose and qualified to purchase the system and operate it, the board of supervisors may sell, transfer, and convey the township telephone system upon such reasonable price and terms as it may determine; provided, that there shall be presented to the board of supervisors by a petition signed by at least 25 percent of the landowners of the town asking for the sale. If the sale and agreed sale price are approved at an annual or special town meeting, it being stated in the notice of the annual and special meeting that the proposition will be considered at it, by 66 percent of the legal voters attending the meeting.

If any township telephone lines are sold under the provisions of sections 237.33 to 237.40, and the town has previously issued bonds for their construction, and any part of the bonds are then outstanding and unpaid, the entire consideration received from the sale, or such part as may be necessary, shall be held and applied only for the payment and retirement of the bonds.

#### **237.40 MANAGEMENT.**

The board of supervisors of any such town is hereby vested with all necessary authority to manage, maintain, and operate any township telephone system constructed under the provisions of sections 237.33 to 237.40; and, to that end, may, among other things, contract for the connection of such town lines with exchanges owned by others for switching, lease the system for a reasonable compensation, local exchange and toll connections, hire and discharge such employees as may be necessary to operate and maintain such township system, establish rules and regulations; and, subject to the approval of the department, establish and from time to time, change rates and charges covering the service furnished the users.

#### **237.44 TELEGRAPH LINE, LIABILITY.**

If any person or corporation owning or operating a telegraph line wholly or partly within the state shall fail to transmit any message within a reasonable time, or to exercise due diligence to that end, after its reception, or shall fail to deliver any message to the party to whom it is addressed within a reasonable time after its arrival at the place of destination, the person or corporation shall be liable in a civil action at the suit of the party injured for all damages sustained by reason of such neglect or omission. The company delivering the message shall state plainly thereon the exact time when it was received at the original point for transmission.

#### **237.45 TELEPHONE AND TELEGRAPH LINES CONSTRUCTED.**

Natural persons, copartnerships, and associations may construct, maintain, and operate telephone and telegraph lines, and shall have and possess the same rights, powers, and privileges with reference thereto as corporations formed for such purpose.

#### **237.47 ALARM TRANSMISSION TELEPHONE DEVICE; RULES.**

Subdivision 1. **Permission required.** Any person desiring to install or use any automatic, electrical, or mechanical device or attachment to any telephone that reproduces any taped or prerecorded message to report any police, fire, or other emergency to any official emergency reporting telephone number shall obtain permission, in writing, from the sheriff of the county in which located or the police chief or fire chief of the municipality into whose emergency telephone number the attachment or device is connected.

Subd. 2. **Conditions for connection.** The sheriff, police chief, or fire chief may determine the conditions, if any, under which the device or attachment may be connected, provided such conditions are reasonable in accordance with local conditions and further provided that the device or attachment complies with the rules of the Minnesota Public Utilities Commission.

Subd. 3. **Removal.** Whenever the sheriff, police chief, or fire chief has knowledge of the use of any such attachment or device not operated or maintained in accordance with the provisions of this section, that official may order its removal.

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Subd. 4. **Penalty.** Violation of any of the provisions of this section shall constitute a misdemeanor.

**237.67 ANNUAL LEGISLATIVE REPORT.**

Beginning January 1, 1988, the commission and the department shall annually report to the legislature on the implementation of Laws 1987, chapter 340, and recommend changes necessary to assure high-quality and affordable telephone services for the residents of the state.

**237.711 TAP IMPLEMENTATION RULES.**

The commission may adopt rules to implement Laws 1988, chapter 621, sections 1 to 16.

**237.80 INTEREXCHANGE TELEPHONE SERVICE.**

Subdivision 1. **Definition, findings, and purpose.** (a) For purposes of this section, "act" means the federal Telecommunications Act of 1996, Public Law 104-104.

(b) The act establishes procedures whereby former Bell Operating Companies or their affiliates may obtain Federal Communications Commission authorization to provide intrastate inter-LATA telecommunications services and to promote the development of fair and reasonable competition.

(c) The purpose of this section is to promote the development of fair and reasonable competition in the telecommunications industry in Minnesota.

**239.002 PURPOSE AND POLICY.**

In recognition of the facts that (1) only about one dozen countries in the world have not yet adopted or begun to implement the metric system of weights and measures; (2) the United States is one, and the only major industrialized nation, of that remaining number; (3) the secretary of commerce of the United States, pursuant to a two-year study under the Metric Study Act of 1968, Public Law 90-472, has recommended that the United States now begin a deliberate change to the metric system; (4) economists and other students of international trade recognize the pressing necessity of such a change if this country is to maintain and improve its rightful place in the world trade community; and (5) as the continued economic growth of this state and its local industry is inextricably linked with the ability of the United States to hold and competitively serve foreign export markets, it is, therefore, declared to be in the best interest of the state of Minnesota and its citizens that this state now begin the gradual but deliberate implementation of the metric system of weights and measures.

**239.003 IMPLEMENTATION RULES; COMMISSIONER OF ADMINISTRATION.**

(a) The commissioner of administration shall have general supervisory authority over the implementation of the metric system in the state of Minnesota.

(b) The commissioner of administration shall promulgate such rules as may be necessary to plan for the gradual implementation in the commerce of this state the metric system of weights and measures. The rules promulgated by the commissioner of administration pursuant to this subdivision shall:

(1) provide for the full conversion of the commerce of this state to the metric system when this system has been fully adopted as national standards by the Congress of the United States; and

(2) insure that all state departments, divisions, agencies, boards, and commissions having any authority and/or responsibility in matters concerning standards of weights and measurement in this state shall forthwith initiate planning for the gradual conversion to and implementation of the metric system of weights and measures in this state.

**239.012 SYSTEMS OF WEIGHTS AND MEASURES; RULES.**

Subdivision 1. **Recognized systems.** The system of weights and measures in customary use in the United States and the metric system of weights and measures are both recognized. One or both of these systems must be used for commercial purposes in the state.

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Subd. 2. **Rules.** The department shall adopt by rule definitions of basic units of weights and measures, tables of weights and measures, and weights and measures equivalents to govern weighing and measuring equipment and transactions in the state.

### **239.101 INSPECTION FEES.**

Subd. 4. **Reviewing weights and measures fees.** The department shall review its schedule of inspection fees at the end of each six months.

### **239.28 DRY MEASURE.**

The standard measure of capacity for commodities sold by dry measure shall be the bushel containing 2150.42 cubic inches. The half bushel, peck, half peck, quarter peck, quart, and pint shall be derived by successively dividing that measure by two.

### **239.29 LIQUID MEASURE.**

The standard measure of capacity for liquids shall be the wine gallon, containing 231 cubic inches; and 31.50 gallons shall constitute a barrel, except for fermented malt liquors which shall be a barrel of 31 gallons, and 63 gallons a hogshead.

### **239.30 LINEAL MEASURE.**

The standard measure of length, from which all other measures of extension, lineal, superficial, or solid, shall be derived, is the yard, of three feet, or 36 inches.

### **239.31 HUNDREDWEIGHT.**

In contracts for the sale of goods or commodities, the term "hundredweight" shall mean 100 pounds avoirdupois.

### **239.35 STANDARD WEIGHT OF FLOUR.**

In all contracts for the sale of flour, the term "barrel" shall mean 196 net pounds avoirdupois.

### **239.36 FRACTIONAL PARTS.**

All contracts for the sale of a fractional part of a bushel, barrel, ton, or cord of any article or commodity on which the legal weight or measurement per bushel, barrel, ton, or cord has been established, shall require and mean a like fractional part of the legal and established weight or measurement per bushel, barrel, ton, or cord.

### **239.51 STANDARD WEIGHTS OF CERTAIN CONTAINERS.**

Subdivision 1. **Standard weights; exceptions.** (a) It shall be unlawful for any person, partnership, corporation, company, cooperative society, or organization to pack for sale, sell, offer or expose for sale in this state any of the following commodities except in containers of net avoirdupois weights of 3, 5, 10, 25, 50, and 100 pounds, and multiples of 100 pounds: wheat flour, self-rising wheat flour, phosphated wheat flour, bromated flour, enriched flour, enriched self-rising flour, enriched bromated flour, corn flour, corn meals, hominy, and hominy grits.

(b) The provisions of this section shall not apply to:

(1) the retailing of flours, meals, hominy, and hominy grits direct to the consumer from bulk stock;

(2) the sale of flours and meals to commercial bakers or blenders in containers of more than 100 pounds or for export;

(3) flours, meals, hominy, and hominy grits packed in containers the net contents of which are less than three pounds;

(4) the exchange of wheat for flour by mills grinding for toll.

Subd. 2. **Misdemeanor.** Any violation of this section constitutes a misdemeanor.

### **239.511 CONTAINERS FOR SMALL FRUITS.**

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Subdivision 1. **Legal size.** It shall be unlawful for any person to sell, offer for sale, or give away, any containers for the distribution of berries or small fruits in less quantities than one bushel, unless the containers are of the capacity of one quart, one pint, or one-half pint, or multiples of a quart standard dry measure, and all sales of raspberries, blackberries, blueberries, currants, gooseberries, strawberries, and similar berries, and all plums, cherries, and similar small fruit, in less quantities than one bushel shall be by dry measure, or in containers as above specified. The possession of containers for berries or small fruit shall be presumptive evidence that they were to be used for distribution. This subdivision shall not require containers as above specified when such berries and small fruits are picked by the consumer on the grower's property.

Subd. 2. **Refilling.** In no case shall such containers be refilled for use in the sale of berries or small fruits of any kind whatsoever.

Subd. 3. **Misdemeanor.** Any person violating the provisions of subdivisions 1 and 2 shall be guilty of a misdemeanor and punished by a penalty of not less than \$10 nor more than \$100 or by imprisonment in the county jail for not less than ten nor more than 90 days.

### **239.53 USING FALSE WEIGHT OR MEASURE.**

Every person who shall injure or defraud another by using, with knowledge that the same is false, a false weight, measure, or other apparatus for determining the quantity of any commodity or article of merchandise, or by knowingly delivering less than the quantity represented; or who shall retain any weight or measure, knowing it to be false, unless it appears beyond a reasonable doubt that it was so retained without intent to use it, or permit it to be used in violation of the foregoing provisions of this section; or who shall knowingly mark or stamp false or short weights or false tare on any cask or package, or knowingly sell or offer for sale any cask or package so marked, shall be guilty of a misdemeanor.

### **239.54 INSPECTION OF MOTOR OIL AND AUTOMOTIVE BATTERY RETAILERS.**

The division shall produce, print, and distribute the notices required by sections 325E.11 and 325E.115 and shall inspect all places where motor oil and motor oil filters are offered for sale by persons subject to section 325E.11 and where lead acid batteries are offered for sale at retail subject to section 325E.115 at least once every two years to determine compliance with those sections. In performing its duties under this section the division may inspect any place, building, or premises governed by sections 325E.11 and 325E.115. Authorized employees of the division may issue warnings and citations to persons who fail to comply with the requirements of those sections.

### **332.45 LIABILITY OF SURETIES.**

Sureties for collection agencies who have executed bonds pursuant to Minnesota Statutes 1967, sections 332.01 to 332.03 shall not be liable for any new liabilities incurred by the collection agency after the commissioner of commerce has approved that agency's bond as required by section 332.34.

### **386.61 DEFINITIONS.**

Subdivision 1. **Application.** For the purpose of sections 386.61 to 386.76, unless a different meaning is indicated by the context, the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. **Licensed abstracter.** "Licensed abstracter" means any official, person, firm or corporation obtaining licenses pursuant to the terms of sections 386.61 to 386.76; and includes (1) present duly qualified and acting county recorders not now prohibited by law from making abstracts; (2) any person, firm or corporation engaged in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce.

#### **2782.0200 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of parts 2782.0100 to 2782.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Applicant.** "Applicant" means a liquor vendor who makes application to the market assistance plan or the liquor liability assigned risk plan for insurance coverage.

Subp. 3. **Assigned risk plan.** "Assigned risk plan" means the methods and procedures established pursuant to Minnesota Statutes, section 340A.409, subdivision 3 to provide liquor liability coverage as required by Minnesota Statutes, section 340A.409, subdivisions 1, 2, and 4 to those liquor vendors unable to obtain coverage through insurance companies.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce.

Subp. 5. **Liquor vendor.** "Liquor vendor" means any person required by Minnesota Statutes, section 340A.409, subdivisions 1, 2, and 4 to demonstrate proof of financial responsibility.

Subp. 6. **Market assistance plan.** "Market assistance plan" means the methods and procedures established pursuant to Minnesota Statutes, section 340A.409, subdivisions 1, 2, and 4.

Subp. 7. **Monoline liquor liability policy.** "Monoline liquor liability policy" means an insurance policy for only one type of coverage. In regard to this chapter, it refers to a policy for only liquor liability insurance without any other type of coverage.

Subp. 8. **Multiline liquor liability policy.** "Multiline liquor liability policy" means an insurance policy which includes more than one type of insurance coverage. In regard to this chapter, it refers to liquor liability insurance offered in conjunction with other types of coverage such as general liability insurance, or fire insurance offered in a single package or policy.

#### **2782.0300 MARKETING ASSISTANCE PROGRAM COMMITTEE.**

Subpart 1. **Structure.** A market assistance program committee is created consisting of 12 members appointed by the commissioner of commerce. The commissioner or the commissioner's designated representative shall serve as an ex officio member.

The commissioner shall appoint four members representing casualty insurance companies; two members who are surplus lines agents or brokers; two members who are insurance agents; two members from the liquor industry; and two public members. If at any time after their appointment a member of the committee through change of employment or similar circumstances no longer is representative of the group he or she was appointed to represent, that member will be deemed to be unable to continue to serve as a member of the committee.

Subp. 2. **Terms and vacancies.** In the event of a member's inability to continue to serve, the commissioner shall appoint a replacement. The committee shall elect a chairperson and a vice chairperson from among the members. The term of each member is one year commencing on the first day of June.

#### **2782.0400 MEETINGS.**

The committee shall convene upon the call of the commissioner, the chairperson, or the vice chairperson, or at the request of one-third of the committee members. No quorum requirements are necessary.

#### **2782.0500 ELIGIBILITY FOR ASSISTANCE.**

A Minnesota liquor vendor or an insurance agent licensed by the Department of Commerce must submit a copy of the completed assigned risk plan application form to the Department of Commerce. The Department of Commerce will immediately advise the committee of the receipt of the application and forward the copy to the committee at an address the committee designates. Submission of the copy of the application to the Department of Commerce is submission to the market assistance program for all purposes under this chapter or applicable statutes.

#### **2782.0600 DISPOSITION OF APPLICATION.**

Subpart 1. **Action upon application.** Upon receipt of an application, the committee or such persons as the committee appoints or designates will immediately review the application to determine what assistance the committee can give. The assistance may include:

A. discussion with the applicant liquor vendor's most recent underwriter, if any, to determine if the applicant's coverage can be maintained with the most recent carrier;

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B. discussion with other known available insurance markets to determine if any other carrier will accept the applicant;

C. negotiating extensions of coverage with the most recent carrier or temporary carrier, if possible, to permit additional exploration of insurance markets or accumulation of essential underwriting data; and

D. referring the application to the first five participating insurers (participants) on the list in subpart 2. Subsequent applications will be sent to the next five participants on a rotating basis. If at any time there are less than ten participants on the master list this item will no longer be utilized.

Subp. 2. **List of participating insurers.** A list of participants shall be prepared and updated at least every two years in the following manner:

A. The committee will secure a mailing list from the Department of Commerce of every licensed casualty insurer admitted to do business in Minnesota as an eligible surplus lines licensee.

B. The committee will mail to each admitted casualty insurer and eligible surplus lines licensee an outline of the conditions of participation. The department will assist the committee by including the committee's mailing with any appropriate departmental mailings.

C. A master list of participants willing to take part in the market assistance program will be created from responses to the initial mailing. The master list will be updated at least every two years pursuant to items A and B. Order on the master list shall be determined by random selection.

Subp. 3. **Referral to participants.** Upon receipt of an application, the committee or such persons as the committee appoints or designates may mail or telex copies of the application to the first five participants on the master list.

Subp. 4. **Quotes.** A participant must quote on at least one out of every three applications submitted to it. Each participant will have the right to individually evaluate the risk the applicant poses and develop a price commensurate with that risk.

Subp. 5. **Rereferral.** If no quote is received from the first five participants on the list, the next five participants on the list shall receive the application and the same procedure shall be followed until a quote is obtained or the list is exhausted. All participants may, if the committee feels it appropriate, be given the application at once.

Subp. 6. **Response from participant.** Participants may provide a quote on the same coverage basis they normally provide liquor liability insurance in Minnesota. Participants will return their quotation or refusal to quote for a monoline liquor liability policy or a multiline liquor liability policy to the committee within ten days. The applicant or the applicant's agent, if any, will be notified of quotations. The agent will then complete the placement of the insurance, if the applicant accepts coverage from a participant at the price quoted, without need for an agency appointment from that participant. The insurer is not required to pay the agent any commission, but the agent may negotiate a fee with the applicant prior to initial submission of the copy of the application.

Subp. 7. **Limitation on reapplication.** An applicant provided a quotation in accordance with the above procedure will not be eligible to seek additional quotations from the market assistance plan or to obtain coverage from the liquor liability assigned risk plan if the quotation received would not be a notice of refusal for purposes of determining eligibility for participation in the assigned risk plan.

Subp. 8. **Review by full committee.** If the procedures in subparts 1 to 7 do not produce a quote, the application may be submitted to the committee. The committee, after reviewing the application, shall proceed as follows:

A. attempt to place the applicant with a single carrier;

B. attempt to arrange coverage on a quota-share basis with a number of carriers; and

C. advise the applicant on where it may engage loss control or consulting services that will enhance its marketability or reduce future premium costs.

Subp. 9. **Disqualification after coverage granted.** If an application is filed with the market assistance program less than 15 business days before the expiration date of the applicant's current insurance coverage, the market assistance program may continue to seek coverage for the applicant after coverage is extended by the assigned risk plan. The market assistance program will have 15 business days from the date of filing of the application with the market assistance program to obtain an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant within 15 business days of filing of the application and if the offer of coverage would not otherwise be considered a refusal for purposes of the

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assigned risk plan, the applicant will be deemed to not be qualified to participate in the assigned risk plan and coverage, if any, shall be terminated.

Subp. 10. **Notification of failure to place.** If the market assistance program does not produce a quota, it shall advise the submitting agent or the applicant with a copy to the commissioner at least 24 hours before the time the applicant's current insurance coverage terminates. Notwithstanding this subpart the market assistance program may continue to act pursuant to subpart 9. Notice that the market assistance program is continuing to act pursuant to subpart 9 shall be included in the notice required by this subpart.

#### **2782.0700 PROGRAM PARTICIPATION.**

Subpart 1. **Termination.** A participant may terminate its participation in the program at any time by providing written notice 90 days in advance of the termination to the commissioner and to the committee.

Subp. 2. **New participants.** New participants may join the program at any time by submitting a written request to the commissioner and to the committee.

#### **2782.0800 REPORTS.**

The committee shall prepare and submit to the commissioner an annual report specifying the number and type of applicant liquor vendors assisted and results of the assistance for each liquor vendor. At the request of the commissioner, periodic reports shall be prepared.

#### **2795.2000 MINORS AS AGENTS AND SOLICITORS.**

Subpart 1. **Licenses.** Insurance agents' licenses will not be issued to minors.

Subp. 2. **Solicitors.** In the absence of other objections, minors will be licensed as solicitors upon proper application.

#### **2830.0010 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of these rules, the following terms have the meanings given them.

Subp. 2. **Abstract of title.** "Abstract of title" shall mean a compilation in orderly arrangement of the materials and facts of record affecting the title to a specific piece of land, issued under a certificate certifying to the matters therein contained.

Subp. 3. **Abstract office.** "Abstract office" shall mean a place of business wherein abstracts of title are made and compiled.

Subp. 4. **Commissioner.** "Commissioner" shall mean the commissioner of Commerce.

Subp. 5. **Licensed abstracter.** "Licensed abstracter" means any official, person, firm, or corporation obtaining licenses pursuant to the terms of Minnesota Statutes 1976, sections 386.61 to 386.76, and includes present duly qualified and acting county recorders not now prohibited by law from the business of making abstracts; and any person, firm, or corporation engaged in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not.

#### **2830.0020 BOARD MEETINGS.**

Subpart 1. **Annual meeting.** The board shall hold its annual meeting in May of each year.

Subp. 1a. **Examination.** Examinations shall be conducted by the board or its authorized representatives prior to each annual meeting in April of each year and shall be graded at the annual meeting provided for in subpart 1.

Subp. 2. **Emergency meetings.** The board may schedule an emergency meeting and conduct an examination for good cause shown for any applicant upon 30 days written notice to the applicant and board members.

Subp. 3. **Special meetings.** The board may hold special meetings at such other times as may be necessary and as it may determine.

Subp. 4. **Call of meetings.** All meetings shall be called by the executive secretary.

#### **2830.0030 ABTRACTER'S LICENSE AND BOND OR INSURANCE.**

No person, firm, or private corporation shall engage in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not, without first obtaining a license and a bond or

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abstracter's liability insurance policy pursuant to Minnesota Statutes 1976, sections 386.61 to 386.76 for each county in which the abstracter is doing business.

#### **2830.0040 TEMPORARY LICENSE.**

Subpart 1. **Qualifications.** The commissioner may, upon application to it by any person succeeding to the ownership of any abstract business by any means other than by purchase, or any person who, by reason of the incapacity of any licensed abstracter owner of any abstract business, is required to assume the operation of such abstract business, grant to such person, without examination, a temporary license.

Subp. 2. **Supporting documents.** Each application for a temporary license shall be accompanied by an affidavit setting forth the applicant's name, address, occupation, length of and place of employment, and experience in preparing, compiling, and selling abstracts of title.

Subp. 3. **Fee.** The fee for such temporary license shall be \$25.

Subp. 4. **Expiration.** Such license shall expire six months after its date or upon the expiration of 60 days after the next regularly scheduled examination which could be taken by the applicant, whichever period is longer. The commissioner shall notify such applicant by mail of the time and place of such examination.

#### **2830.0050 CHANGE OF NAME ON LICENSE.**

A change of name on a license must be accompanied by payment of \$50 even though an examination may be waived.

#### **2830.0060 EMPLOYING LICENSED ABSTRACTERS.**

Every person, firm, or private corporation engaged in the business of abstracting in one county only shall have in its employ persons who are licensed abstracters. Every person, firm, or private corporation engaged in the business of abstracting in more than one county in this state shall have at least one person who is a licensed abstracter for each county in which it maintains an abstract office, provided that no person may satisfy this requirement for more than one abstract office. No licensed abstracter may fulfill the requirements of this part for more than one company at any one time. Every person, firm, or private corporation engaged in the business of abstracting shall comply with the requirements of this part.

#### **2830.0070 STANDARDS OF CONDUCT.**

The methods, acts, or practices in this part are standards of conduct governing the activities of abstracters. The failure to comply with the standards shall constitute grounds for denial, refusal to renew, suspension, or revocation of the license of such person, or censure of the abstracter.

An abstracter shall:

- A. refrain from using the abstracter's name or certification on an abstract, the preparation of which or part of which the abstracter was not directly responsible for;
- B. refrain from engaging in any discriminatory practices prohibited by law in the conduct of business;
- C. employ competent abstracters and employees;
- D. provide proper training and instruction for all employees; and
- E. refrain from splitting fees, or accepting or paying referral fees for abstracting services.

#### **2830.0080 FRAUDULENT, DECEPTIVE, OR DISHONEST PRACTICES.**

The methods, acts, and practices contained in this part or similar thereto shall be presumed fraudulent, deceptive, or dishonest if engaged in by the abstracter or the abstracter's agent and shall constitute grounds for denial, refusal to renew, suspension, or revocation of the license of the abstracter:

- A. making any material misstatement in the application for a license or in any information furnished to the commissioner or to the attorney general pursuant to Minnesota Statutes, chapter 214;
- B. causing to be published advertising, whether written or printed communication or any communication by recorded telephone message, radio, television, picture, or similar means, which is misleading or inaccurate in any material manner;
- C. procuring, or attempting to procure, an abstracter's license for the abstracter or any other person by fraud, misrepresentation, or deceit;

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D. violating any law, rule, regulation, or ordinance of this state or any of its political subdivisions, including the commissioner, or the United States government, or a United States agency relating to the practice of abstracters;

E. making a false statement as to the existence or amount of the bond or abstractor's liability insurance policy filed with the commissioner;

F. representing that the abstractor has a license or bond or abstractor's liability insurance policy when the abstractor, in fact, does not;

G. falsifying an abstract of title, or any entry, or the certification of an abstract; and

H. engaging in any other conduct which constitutes dishonest actions in the abstractor's practice as a licensed abstractor which endangers the interest of the public or any person, firm, or private corporation in connection with the performance of an abstract.

Nothing in this part shall limit the authority of the commissioner to take formal action against an abstractor for the use of fraudulent, deceptive, or dishonest activities of a type not specifically described.

**2830.0090 DISCLOSURE.**

Every abstract of title to real property in the state of Minnesota shall contain the following disclosure affixed to or stamped on a prominent place on the abstract of title:

"This abstract of title is a history of the record title of the property described therein and does not represent that the title is good and marketable."

**2830.0100 ABSTRACTOR'S LIABILITY INSURANCE POLICY.**

Liability policies as provided pursuant to Minnesota Statutes, section 386.66 must be written by an insurer authorized to do business in the state of Minnesota.

**2870.0100 DEFINITIONS.**

Subpart 1. [Repealed, L 2001 c 23 s 1]

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subp. 3. **Collection agency.** "Collection agency" means and includes:

A. Any person engaged in the business of collection for others any account, bill, or other indebtedness except as provided in Laws of Minnesota 1969, chapter 766. It includes persons who furnish collection systems carrying a name which simulates the name of a collection agency and who supply forms or form letters to be used by the creditor, even though such forms direct the debtor to make payments directly to the creditor rather than to such fictitious agency.

B. Agencies whose principal place of business is outside the state of Minnesota; and whose solicitors work within the state to sell collection systems or solicit accounts for collection, and/or whose collectors collect accounts within the state.

Subp. 4. **Division.** "Division" means the Registration and Licensing Division of the Department of Commerce.

**2870.1100 FORMS.**

All persons seeking to operate a collection agency in the state of Minnesota shall file and obtain a license from the division. The department will supply upon request:

A. application forms;

B. bond forms;

C. questionnaire for each officer or manager; and

D. financial statement forms.

**2870.1200 INVESTIGATION FEE.**

Applicants for a new license shall pay an investigation fee as determined by the division, subject to the provisions of the law.

**2870.1400 UNFORESEEN CHANGES; NOTICE TO COMMISSIONER.**

Subpart 1. **Office.** Every licensee shall notify the commissioner of any change of office location within ten days of such change.

Subp. 2. **Death.** Upon the death of any collection agency licensee, the license of the decedent may be transferred to the executor or administrator of the estate for the unexpired

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term of the license. The executor or administrator may be authorized to continue or discontinue the collection business of the decedent under the direction of the court having jurisdiction of the probate.

Subp. 3. **Ownership; personnel.** Any changes in ownership, controlling interest, or personnel from that reported on the application shall be reported to the division within ten days.

**2870.1700 INSPECTION OF BOOKS AND RECORDS.**

The division may investigate the collection records of a licensee, and for that purpose the division shall have free access to the books and records of a licensee.

**2870.1800 INSPECTION OF FORM LETTERS AND STATIONERY.**

All form letters and stationery used or sold by the collection agency shall be available at all times for inspection by the division.

**2870.1900 NOTICE OF REJECTION OR SUSPENSION.**

Written notice of the rejection of an application, or written notice of the revocation or suspension of a license, and the reasons for such rejection, revocation, or suspension shall be served by mail upon the applicant at the address stated in the application or license.

**2870.2000 HEARING RIGHTS REGARDING REJECTION, REVOCATION, OR SUSPENSION.**

Applicants shall have 30 days from receipt of the notice of rejection or notice of revocation or suspension in which to make application for hearing before the commissioner or an appointee.

**2870.2100 APPLICATION FOR HEARING ON REJECTION, REVOCATION, OR SUSPENSION.**

Application for hearing shall contain:

- A. the name and address of applicant;
- B. a statement of the nature of the determination requested; and
- C. attested signature of the applicant.

**2870.2200 NOTICE OF APPLICATION FOR HEARING.**

The division shall serve upon the applicant a notice of application within five days after receipt of application for hearing. The notice of application shall be served by mail and contain:

- A. a general statement of the issues;
- B. a statement of rights of parties;
- C. notification of when and where prehearing conference will be held;
- D. a statement of the purpose of the prehearing conference;
- E. signature of a person authorized to initiate a contested case; and
- F. the date of issuance of the notice.

**2870.2300 RIGHTS OF PARTIES IN CONTESTED CASE HEARING.**

Parties to a contested case shall have all rights under Minnesota Statutes, chapter 14.

**2870.3100 THREATENING SUIT.**

In collection letters or publications, or in any communication, oral or written, the licensee shall not threaten wage garnishment or legal suit by a particular lawyer, unless it has actually retained such lawyer.

**2870.3200 EMPLOYING PUBLIC OFFICERS.**

The licensee shall not use or employ justices of the peace, constables, sheriffs, or any other officer authorized to serve legal papers in connection with the collection of a claim, except when performing their legally authorized duties.

**2870.3300 METHODS OF COLLECTION.**

The licensee shall not use or threaten to use methods of collection that violate Minnesota law.

**2870.3400 ENGAGING IN PRACTICE OF LAW.**

The licensee shall not furnish legal advice or otherwise engage in the practice of law or represent that it is competent to do so.

**2870.3500 COMMUNICATING WITH DEBTOR.**

The licensee shall not communicate with debtors in a misleading or deceptive manner by using the stationery of a lawyer, forms, or instruments that only lawyers are authorized to prepare, or instruments that simulate the form and appearance of judicial process.

**2870.3600 AUTHORIZING LEGAL ACTION.**

The licensee shall not exercise authority on behalf of a creditor to employ the services of lawyers, unless the creditor has specifically authorized the agency in writing to do so and the agency's course of conduct is at all times consistent with a true relationship of attorney and client between the lawyer and the creditor.

**2870.3700 BLACKLISTING AND INTIMIDATING.**

The licensee shall not publish or cause to be published any list of debtors, except for credit reporting purposes, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, or use similar devices or methods of intimidation.

**2870.3800 ACCOUNTING TO CREDITOR.**

The licensee shall not refuse to return any claim and all valuable papers deposited with a claim upon written request of the creditor, claimant, or forwarder after tender of such amounts due and owing to the agency within 30 days after such request; nor refuse or intentionally fail to account to its clients for all money collected within 30 days from the last day of the month in which the same is collected; nor refuse or fail to furnish at intervals of not less than 90 days, upon written request of the claimant or forwarder, a written report upon claims received from such claimant or forwarder.

**2870.3900 IMPROPER AGENCY NAME.**

The licensee shall not operate under a name or in a manner that implies that such agency is a branch of or associated with any department of federal, state, county, or local government or an agency thereof.

**2870.4000 COMMINGLING OF FUNDS.**

The licensee shall not commingle money collected for a customer with the agency's operating funds or use any part of a customer's money in the conduct of the agency's business.

**2870.4100 DEBT PRORATING.**

The licensee shall not transact business or hold itself out as a debt prorater, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or pays the indebtedness of a debtor, unless there is no charge to the debtor or the pooling or liquidation is done pursuant to court order or under the supervision of a creditor's committee.

**2870.5100 LIQUIDATING AGENCY.**

In order to liquidate or rehabilitate a collection business, the division may establish a bank account. The division may both deposit and withdraw from the account.

**7601.7010 VOLUNTARY REGISTRATION.**

Subpart 1. **Placing in service registration.** The director will accept applications for voluntary registration in the placing in service program, and will issue annual registration certificates to qualified persons.

Subp. 2. **Application for voluntary registration.** An applicant shall provide the following information on an application form provided by the division:

- A. the applicant's name, business name, business address, and business telephone number;
- B. the applicant's Social Security number and Minnesota tax identification number;

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C. evidence that the applicant has the required test equipment available for use, and has met the equipment calibration requirements in part 7601.7080; and

D. the category of weighing and measuring equipment that the applicant will service.

**7601.7090 PROBLEM RESOLUTION; CERTIFICATE OF REGISTRATION.**

Subp. 3. **Additional training.** The director shall require a registrant to attend additional training or tutoring offered by the division if the director finds that a registrant has committed any of the violations listed in subpart 2, items A to H.

**7602.0100 INSPECTION FEES.**

Subpart 1. **Generally.** The Weights and Measures Division of the Department of Commerce shall charge the following fees for all regular and special inspections as required by Minnesota Statutes, section 239.101:

- A. For scales classified by capacity;
  - (1) \$9 for scales up to and including six pounds capacity;
  - (2) \$19 for scales of seven pounds capacity up to and including 250 pounds capacity;
  - (3) \$30 for scales of 251 pounds capacity up to and including 1,100 pounds capacity;
  - (4) \$50 for scales of 1,101 pounds capacity up to and including 2,000 pounds capacity;
  - (5) \$75 for scales of 2,001 pounds capacity up to and including 4,000 pounds capacity;
  - (6) \$145 for scales of 4,001 pounds capacity up to and including 10,000 pounds capacity;
  - (7) \$175 for scales of 10,001 pounds capacity up to and including 30,000 pounds capacity; and
  - (8) \$240 for scales over 30,000 pounds capacity.
- B. For specific classes of scales;
  - (1) \$170 for a two-section vehicle scale;
  - (2) \$180 for a three-section vehicle scale;
  - (3) \$190 for a four-section vehicle scale;
  - (4) \$200 for a five-section vehicle scale;
  - (5) \$210 for a six-section vehicle scale;
  - (6) \$500 for a railroad track scale tested with equipment owned by the department;
  - (7) \$200 for a railroad track scale test monitored by the department, or for an additional test at a location with two or more railroad track scales;
  - (8) \$250 for a livestock scale;
  - (9) \$100 for a wheel load weigher used for law enforcement purposes; and
  - (10) \$125 for an agricultural liquid chemical scale.
- C. For liquid measuring devices;
  - (1) \$75 for an agricultural chemical meter;
  - (2) \$135 for a liquefied petroleum gas meter or stationary dispenser of liquefied petroleum gas; and
  - (3) \$100 for a milk meter.
- D. For a linear measuring machine, \$15.
- E. For issuance or renewal of a placing-in-service permit, \$100. This fee includes administrative costs, supplies to registered agents, and 20 minutes of equipment calibration time. When calibration costs exceed this limit, the regular laboratory calibration rate will be charged.
- F. For an inspection at an individual business location to determine whether a single lot of packaged commodities complies with the net content requirements of Minnesota Statutes, section 239.011, subdivision 2:
  - (1) \$30 when the lot of packages kept, offered, or exposed for sale at a single business location includes 300 or fewer packages;
  - (2) \$75 when the lot of packages kept, offered, or exposed for sale at a single business location includes at least 301 packages, up to and including 1,000 packages;
  - (3) \$200 when the lot of packages kept, offered, or exposed for sale at a single business location includes at least 1,001 packages, up to and including 2,500 packages; and

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(4) \$300 when the lot of packages kept, offered, or exposed for sale at a single business location includes more than 2,500 packages.

G. A surcharge of \$100 is added to the applicable inspection fee in item F for a reinspection at an individual business location conducted within 60 days after an inspector has issued a written caution or warning statement to the business for failure to comply with the net content requirements of Minnesota Statutes, section 239.011.

Subp. 2. **Hourly rates.** The fees in subpart 1 are based on the average amount of time required for an individual inspection and test. This average includes travel, equipment, and administrative costs. For a nonroutine inspection and test, or when a device is not specified in subpart 1, the inspector shall calculate the total charge based on the following hourly rates:

- A. \$65 for one inspector and appropriate test equipment designated for light capacity scale and volumetric equipment testing;
- B. \$75 for one inspector and appropriate test equipment designated for heavy capacity scale testing; and
- C. \$125 for metrology laboratory calibration time.

Subp. 3. **Zone charges for heavy capacity scales.** A zone charge is added to the fees in subparts 1 and 2 for the initial inspection of a new or newly installed vehicle, industrial, livestock, hopper, or railroad track scale, as follows:

- A. zone 1: \$25 for a scale located within and including a 20-mile radius of the work station;
- B. zone 2: \$50 for a scale located beyond a 20-mile radius, but within and including a 50-mile radius of the work station;
- C. zone 3: \$100 for a scale located beyond a 50-mile radius, but within and including a 100-mile radius of the work station;
- D. zone 4: \$150 for a scale located beyond a 100-mile radius, but within and including a 150-mile radius of the work station; and
- E. zone 5: \$200 for a scale located beyond a 150-mile radius of the work station.

Subp. 4. **Zone charges for liquefied petroleum gas meters.** A zone charge is added to the fees in subparts 1 and 2 for inspecting a newly installed liquefied petroleum gas meter or stationary dispenser of liquefied petroleum gas, or for inspecting a liquefied petroleum gas meter or stationary dispenser of liquefied petroleum gas at the request of its owner or operator, as follows:

- A. zone 1: \$50 for a meter located within and including a 75-mile radius of the work station;
- B. zone 2: \$75 for a meter located beyond a 75-mile radius, but within and including a 150-mile radius of the work station; and
- C. zone 3: \$100 for a meter located beyond a 150-mile radius of the work station.

Subp. 5. **Petroleum laboratory charges.** In compliance with the requirement in Minnesota Statutes, section 239.75, to offer petroleum testing services to licensed petroleum distributors, and in compliance with the requirement in Minnesota Statutes, section 239.101, to charge for those services, the department will charge the fees specified in items A to D for the petroleum tests listed in subpart 6 and performed at the request of a licensed petroleum distributor. The ASTM tests listed in subpart 6 are incorporated in the ASTM petroleum product specifications incorporated by reference in Minnesota Statutes, section 296.01. The tests for compliance with United States Environmental Protection Agency (EPA) requirements, also listed in subpart 6, are offered strictly as a service to licensed petroleum distributors. The department does not enforce EPA requirements for gasoline volatility or sulfur-in-diesel fuel.

- A. \$30 to ship one sample container to a licensed petroleum distributor located in Minnesota, and to perform one of the tests specified in subpart 6, which includes prepaid return shipping and all necessary shipping containers, labels, and documents;
- B. \$20 for each additional test specified in subpart 6 and performed on a sample submitted according to item A;
- C. \$20 for each test specified in subpart 6 performed on a sample delivered to the petroleum laboratory by a licensed petroleum distributor in a container provided by the distributor; and
- D. \$100 per hour for the time required to perform a special test or other special service not specified in subpart 6.

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Subp. 6. **Tests performed.** The petroleum laboratory will perform any of the following tests at the request of a licensed petroleum distributor:

- A. gasoline distillation according to ASTM method D-86;
- B. flash point for heating fuel or diesel fuel according to ASTM method D-56;
- C. calculated cetane value for diesel fuel according to ASTM method D-976, including a distillation test according to ASTM method D-86;
- D. gasoline octane by spectrophotometric methods;
- E. gasoline oxygenate content according to ASTM method D-4815;
- F. gasoline volatility (Reid Vapor Pressure) by the Grabner method, according to ASTM method D-323;
- G. API gravity for gasoline, diesel fuel, or heating fuel;
- H. compliance with the gasoline volatility requirements of the United States Environmental Protection Agency, including a volatility test according to ASTM method D-323, and an oxygenates test according to ASTM method D-4815;
- I. sulfur content of diesel fuel according to ASTM method D-4294; and
- J. compliance with the sulfur-in-diesel fuel requirements of the United States Environmental Protection Agency, including a sulfur content test according to ASTM method D-4294, and a cetane value calculation according to ASTM method D-976.

**7606.0010 AUTHORITY AND PURPOSE.**

Subpart 1. **Authority.** Minnesota Statutes, section 216C.09, paragraph (a), clause (13), requires the commissioner of the Department of Commerce to adopt rules for the purpose of dispensing loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

Subp. 2. **Purpose.** The purpose of parts 7606.0020 to 7606.0080 is to establish application procedures for financing participation, to set criteria for review and approval of financing participation applications, and to set criteria for financing participation agreements.

**7606.0020 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of parts 7606.0010 to 7606.0080, the following terms have the meanings given them.

**7606.0020 DEFINITIONS.**

Subp. 2. **Applicant.** "Applicant" means the state of Minnesota, a statutory or home rule charter city, county, or town, or a school or hospital as defined in this part, located in Minnesota, or joint power entity consisting of these units, that is making application for financing participation under this program.

**7606.0020 DEFINITIONS.**

Subp. 3. **Building.** "Building" means any separate structure owned and operated by an applicant.

**7606.0020 DEFINITIONS.**

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce.

**7606.0020 DEFINITIONS.**

Subp. 5. **Conservation measure.** "Conservation measure" means an installation or modification of an installation to a building or stationary energy-using system that is primarily intended to reduce energy consumption or allow the use of an alternative energy source including solar, wind, peat, wood, and agricultural residue.

**7606.0020 DEFINITIONS.**

Subp. 5a. **Energy benchmark.** "Energy benchmark" means:

- A. for public buildings, the energy efficiency benchmark required under Laws 2002, chapter 398; or

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B. for buildings outside of the scope of item A, the energy efficiency benchmark derived by either:

- (1) the procedures used to comply with Laws 2002, chapter 398; or
- (2) the Portfolio Manager tool of the Energy Star Program of the United States Environmental Protection Agency and the United States Department of Energy.

**7606.0020 DEFINITIONS.**

Subp. 6. **Hospital.** "Hospital" means a facility licensed under Minnesota Statutes, sections 144.50 to 144.56.

**7606.0020 DEFINITIONS.**

Subp. 8. **Payback.** "Payback" means the simple payback that is equal to the sum of the design, acquisition, and installation costs of a conservation measure divided by the estimated first year energy cost savings attributable to that measure.

**7606.0020 DEFINITIONS.**

Subp. 9. **Project.** "Project" means all proposed work in a financing participation application.

**7606.0020 DEFINITIONS.**

Subp. 10. **School.** "School" means a public or a private institution:

A. that provides, and is legally authorized to provide, elementary education or secondary education or both on a day or residential basis;

B. that:

(1) provides, and is legally authorized to provide, a program of education beyond secondary education on a day or residential basis;

(2) admits as students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate;

(3) is accredited by a nationally recognized accrediting agency or association; and

(4) provides an educational program for which it awards a bachelor's degree or higher degree or provides not less than a two-year program which is acceptable for full credit toward such a degree at any institution which meets the preceding requirements and which provides such a program; or

C. that provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions in item B, subitems (1) to (3).

**7606.0030 FINANCING ELIGIBILITY CRITERIA.**

Subpart 1. **In general.** The commissioner shall approve applications from applicants and participate in financing from financing providers to applicants in compliance with parts 7606.0010 to 7606.0080 for conservation measures that have a payback of ten years or less. The commissioner shall not approve any application for which funds are not available to purchase financing participation.

Subp. 2. **Eligibility.** Funds are available to participate in financing from financing providers to applicants for:

A. a conservation measure not previously approved under this program, unless the measure has exceeded its normal useful life;

B. cost overruns for a previously approved conservation measure in progress, or previously unidentified but related work necessary for successfully implementing a previously approved conservation measure, provided the conservation measure as amended continues to meet the requirements of parts 7606.0010 to 7606.0080.

Subp. 3. **Prior approval required.** Except for the measures in subpart 2, item B, conservation measures for which acquisition or installation have been contracted for or begun before approval by the commissioner are ineligible. This prior approval requirement does not apply to design activities.

Subp. 4. **Useful life.** Financing participation must not be approved for buildings with a remaining useful life less than or equal to the payback of the conservation measure proposed. Financing participation must not be approved for a conservation measure if the payback of the conservation measure proposed is greater than or equal to the useful life of the measure.

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Subp. 5. **New construction.** Only conservation measures for existing buildings are eligible. New construction is eligible only if it is necessary for successful implementation of a conservation measure for an existing building.

#### **7606.0040 FINANCING PARTICIPATION LIMITS.**

The commissioner will participate in financing from a financing provider to an applicant up to a maximum of 50 percent of the financing principal or \$500,000, whichever is less. While the commissioner may participate in more than one financing agreement per applicant, the total outstanding participation balance under this program for any one applicant may not exceed \$500,000.

#### **7606.0050 APPLICATION CONTENTS.**

Subpart 1. **In general.** An applicant shall submit a complete application to the commissioner on a form provided by the commissioner. An application must be signed in ink by an authorized official of the applicant, must include the authorized official's title, and must be dated.

Subp. 2. **Contents.** An application must contain, at a minimum:

- A. the name and complete mailing address, including county, of the applicant;
- B. a contact person's name, title, telephone number, and e-mail address;
- C. a list of buildings included in the application and the dollar amount requested per building;
- D. the name, address, and total floor area in square footage of each building;
- E. the original construction date and addition construction dates of each building;
- F. the state legislative districts affected by the application;
- G. a summary description of each proposed conservation measure, including its estimated cost, financing amount proposed, estimated annual energy cost savings, estimated annual fuel and electric savings, estimated payback, and estimated dates the conservation measure will be started and completed; and
- H. a resolution of the governing body of the applicant that:
  - (1) designates and authorizes a representative to enter into and sign contracts associated with the financing;
  - (2) guarantees that the applicant will use all financing funds solely for the approved conservation measures; and
  - (3) assures that it will comply with parts 7606.0010 to 7606.0080.

Subp. 3. **Technical support materials.** All applications for financing must also contain:

- A. fuel and electric consumption data and the energy benchmark for the most recently completed calendar or fiscal year, for each building in the application;
- B. a description of the current condition of the building and the building component, equipment, or system to be improved, and a description of each proposed conservation measure;
- C. an engineering analysis sufficient to determine the technical feasibility and payback of each proposed conservation measure and how energy savings will be measured, on a form prescribed by the commissioner.

Subp. 4. **Assurances.** An applicant must also submit assurances that:

- A. it has provided for the proper and efficient operation and maintenance of the proposed conservation measures;
- B. the work performed with financing funds will meet all Minnesota Building Code requirements;
- C. it has provided funds to pay any portion of the project cost not eligible for program funds, specifically identifying the source of those funds;
- D. it has met requirements for voter approval, if applicable; and
- E. it is able to accept and repay the proposed financing without exceeding applicable debt and levy limits.

Subp. 5. **Incomplete applications.** If an incomplete application is received, the commissioner shall notify the applicant of specific deficiencies in the application. The applicant has 30 days from the date of the commissioner's notification to complete the application. If the application is not completed and received by the commissioner within 30 days, the application is considered withdrawn. To be further considered, the applicant must reapply.

**7606.0060 APPLICATION REVIEW.**

Subpart 1. **Administrative review.** The commissioner shall examine a financing participation application to verify that the applicant is eligible, that the required forms are included and correctly completed, that the estimated start and completion dates are reasonable, that the required assurances and resolution are included, and that the application is properly signed and dated.

Subp. 2. **Technical review.** The commissioner shall examine the technical support materials included in an application to verify that the proposed conservation measures are analyzed with adequate details of existing conditions and proposed modifications or additions, that the appropriate calculation procedures are used, that the proposed conservation measures are eligible, and that the proposed conservation measures are technically feasible and meet the requirements of parts 7606.0010 to 7606.0080.

Subp. 3. **Rejection and resubmission.** The commissioner may accept, reject, or modify an application as necessary based on the application review. The commissioner shall notify an applicant of the cause for modification or rejection of an application and the options available to correct the application for resubmission. If some of the conservation measures in an application are accepted as submitted, the applicant may choose to withdraw the rejected measures and accept financing for the remaining measures.

**7606.0070 FINANCING PROVIDER.**

To be eligible to sell financing participation to the commissioner, an officer of a financing provider must sign a participation agreement provided by the commissioner. The commissioner shall not participate in any financing made by a financing provider before the execution of a participation agreement. The agreement shall set terms and conditions under which financing can be made, establish duties of the parties, and specify procedures to be followed in the event of default by the applicant. The agreement must require the financing provider and the commissioner to conform to the following conditions:

A. The financing provider will enter into a financing agreement with the applicant. The financing agreement will include the following:

(1) an agreement that the commissioner may review upon request all relevant financial data of the applicant and may inspect any and all buildings, equipment, and systems associated with financing; and

(2) a resolution of the applicant's governing body guaranteeing that it will use all financing funds solely for the eligible costs of the proposed project, and assuring that it has complied and will comply with parts 7606.0010 to 7606.0080.

B. The financing provider shall make no provision to subordinate any financing collateral to other liens against such property without prior written approval from the commissioner.

C. The financing provider shall not acquire any preferential collateral, surety, or insurance to protect its interest in the financing.

D. All collateral must be prorated between the financing provider and the commissioner.

E. The financing provider shall require the applicant to adequately insure, maintain, and repair all collateral.

F. The financing provider shall review and approve the financing application in accordance with generally accepted commercial lending practices.

G. The financing provider is responsible for servicing the financing either directly or by contracting with a servicing agent.

H. The financing provider shall not sell or transfer the financing or any portion of it without prior written approval of the commissioner.

I. The financing provider, for the term of the entire financing, shall promptly notify the commissioner of any financing payments that are one month overdue. The financing provider shall provide the commissioner with any and all past due notices at the same time they are sent to the applicant. In addition, the financing provider shall submit an annual financing performance report to the commissioner on a form provided by the commissioner.

J. The portion of the financing participated in by the commissioner must have an amortization term not exceeding five years.

K. The financing provider agrees not to make any amendments to the financing agreement after financing closing without prior written approval of the commissioner.

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L. The financing provider agrees to make no waivers of default without prior written approval of the commissioner.

M. The commissioner may review all financial data associated with the execution and servicing of the financing made by the financing provider.

N. Before a declaration of default, any and all payments received by the financing provider must first be credited to interest due and the remainder credited to the principal balance. A pro rata distribution of interest and principal must be forwarded to the commissioner based on the commissioner's percentage of participation.

O. During an event of default for which a declaration of default has been declared, any and all payments received by the financing provider must first be used to pay the reasonable expenses related to the collection of, or attempts to collect, money owed under the financing. After payment of these amounts, any and all payments received by the financing provider must first be credited to the principal balance due on a pro rata basis, and then be credited to interest due on a pro rata basis.

P. If the commissioner determines that an applicant has failed to comply with the start or completion dates given in the financing participation application as approved, and the applicant cannot reasonably justify this failure to comply, the financing provider shall, upon written request of the commissioner, declare the financing to be in default.

**7606.0080 REPORTS AND MONITORING.**

Subpart 1. **In general.** An applicant that receives financing in which the commissioner participates shall submit the reports listed in subparts 2 to 5.

Subp. 2. **Annual project status report.** The applicant shall submit to the commissioner, on a form provided by the commissioner, an annual project status report covering the most recent calendar or fiscal year. This report is due each July 31 until the project is completed.

The project status report must indicate the progress of the implementation of the project, problems encountered, the effect of the problems on the project, and the corrective action taken. If at any time the applicant fails to comply with the start or completion dates given in the financing participation application as approved, and if the applicant cannot justify to the commissioner its lack of progress, the financing may be declared in default.

Subp. 3. **Semiannual financial report.** The applicant shall submit to the commissioner, on a form provided by the commissioner, a semiannual financial status report that indicates expenditures of financing funds through the last date of each report period. This report is due on July 31 for the period January 1 to June 30, and on January 31 for the period July 1 to December 31 until the project is completed.

Subp. 4. **Final reports.** Within 60 days of the completion of the project, the applicant shall submit to the commissioner, on a form provided by the commissioner, a final project status report and a financial status report that gives actual expenditures of the conservation measures implemented. Within one year of the completion of the project the applicant shall submit to the commissioner, on a form provided by the commissioner, a report of the measured energy savings from the energy conservation measures installed.

Subp. 5. **Annual energy report.** The applicant shall submit to the commissioner, on a form provided by the commissioner, an annual fuel and electric consumption report, including the energy benchmark for the 12-month period ending June 30, due each October 31 for the duration of the financing contract period, or for a minimum of three years after project completion if the financing is paid in less than three years, unless the commissioner cancels this requirement before the end of the financing contract period.

**7630.0110 PURPOSE OF RULES.**

The purpose of this chapter is to specify the contents of applications for variances to the statutory prohibition on use of decorative gas lamps and to specify the criteria according to which variances shall be granted pursuant to Laws of Minnesota 1976, chapter 333, section 6, codified as Minnesota Statutes 1976, section 116H.12, subdivision 3b.

**7630.0120 SCOPE OF RULES.**

Subpart 1. **Prohibitions.** Beginning April 21, 1977, no person shall use any device installed for the purpose of producing illumination by burning natural, mixed, or LP gas and utilizing either a mantle or an open flame, unless a variance has been granted pursuant to this chapter.

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Beginning April 21, 1977, no person shall provide replacement parts or service intended to maintain the operation of a decorative gas lamp, unless the owner of such lamp has been granted a variance pursuant to this chapter.

Subp. 2. **Exception.** This chapter shall not apply to portable camp lanterns utilizing fuel oil, white gas, or LP gas.

#### **7630.0200 VARIANCE CRITERIA.**

Subpart 1. **Open flame decorative gas lamps.** No variance shall be granted for open flame decorative gas lamps.

Subp. 2. **Decorative gas lamps with incandescent mantles.** The director shall grant a variance to an applicant who owns decorative gas lamps with incandescent mantles if the applicant satisfies either of the following criteria:

A. Any home owner who is at least 65 years of age as of April 21, 1977, and who resides at the location listed in response to part 7630.0220, subpart 1, item B, shall receive a variance upon filing a complete application. In the case of joint ownership, the age of only the older owner shall be considered.

B. Any person who does not meet the criteria in item A shall receive a variance only if the lamps for which the variance is sought cannot be economically converted to electricity. However, that person shall receive, without application therefor, a construction season variance valid until September 30, 1977. A lamp cannot be economically converted to electricity if the total conversion cost (see part 7630.0300) exceeds the total economic benefit of conversion (see parts 7630.0310 to 7630.0360).

C. Any person whose dwelling is illuminated by decorative gas lamps because it is not served by an electric utility is deemed unable to economically convert such lamps to electricity and to have been granted a variance pursuant to this chapter, which variance shall be effective only so long as that dwelling is not served by an electric utility.

#### **7630.0210 APPLICATION PROCEDURES AND TIMING.**

Subpart 1. **General.** Each applicant for a variance shall apply in the form prescribed by the commissioner (See part 7630.0300).

Subp. 2. **Deadline for decision.** The commissioner shall make a decision on the variance application within 30 days of receipt of the application, provided the application as filed is complete.

Subp. 3. **Notice of incomplete application.** The commissioner shall notify an applicant within 15 days of the receipt of an application if the application is not complete. Upon such notification, the applicant may correct the deficiencies and resubmit the application. A decision shall be made on the revised application within 30 days of the date of resubmission.

Subp. 4. **Notice of decision.** Upon making the decision, the commissioner shall notify the applicant, the applicant's natural or LP gas supplier, and appropriate local law enforcement agencies.

Subp. 5. **Length of variance.** Each variance granted by the commissioner shall be valid for a period of four years, commencing from the date of the variance grant; provided, however, that a variance granted pursuant to part 7630.0200, subpart 2, item A, shall be valid for the lifetime of the recipient.

#### **7630.0220 FORM OF APPLICATION.**

Subpart 1. **Senior citizens.** Each applicant requesting a variance pursuant to part 7630.0200, subpart 2, item A shall submit the following information:

- A. the name of the owner of the decorative gas lamps for which a variance is requested;
- B. the complete address of the property where the lamps are located;
- C. the number of gas lamps at the location listed in response to item B for which the applicant is seeking a variance;
- D. the complete name of the utility that provides gas burned by the gas lamps; and
- E. the birth date of the owner requesting the variance.

Subp. 2. **Others.** Each applicant requesting a variance pursuant to part 7630.0200, subpart 2, item B, shall supply the following information:

- A. The name of the owner of the decorative gas lamps for which a variance is requested.

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B. The complete address of the owner of the lamps and of the property where the lamps are located. If decorative gas lamps are identified by different street addresses but are at physically contiguous locations, one application shall suffice. However, where lamps are located on properties that are not physically contiguous, separate applications must be submitted.

C. The number of gas lamps at the location listed in response to item B for which the applicant is seeking a variance.

D. For each gas lamp considered in the response to item C, the number of mantles and whether the mantles are inverted or upright.

E. For each gas lamp considered in the response to item C, the manufacturer and the model number, if available.

F. The complete name of the utility that supplies the gas burned by the gas lamps.

G. The complete name of the utility that supplies the applicant with electricity.

H. The total conversion cost for lamps considered in the response to item C (see part 7630.0300).

I. The total economic benefit of conversion for lamps considered in the response to item C (see parts 7630.0310 to 7630.0360).

Subp. 3. **Verification.** Each application for a variance shall be verified, signed, and notarized.

### **7630.0300 CONVERSION COST.**

The total conversion cost can be established only by submitting with the application for variance complete copies of two independent, signed bids from licensed electricians for converting the gas lamps to electricity. The bids must be detailed; simple dollar figures are not sufficient. If the applicant owns ten or more decorative gas lamps that primarily provide security lighting, the applicant shall also provide with the application two independent, signed bids from licensed electricians for replacing the gas lamps with high efficiency electric lighting, such as fluorescent, mercury vapor, or high or low pressure sodium lamps.

### **7630.0310 CALCULATION PROCEDURE.**

The total economic benefit of conversion will be the sum of the economic benefits of conversion of all gas lamps for which the applicant is requesting a variance. Economic benefit varies with the number of mantles, the placement of the mantles (inverted or upright, and the fuel used), or natural or LP gas. Alternative methods of determining the economic benefit of conversion are provided in parts 7630.0320 to 7630.0360. The applicant may accept and use the figure provided in item A or C of the appropriate part; or the applicant may choose the alternative form provided in item B of the appropriate part.

If the applicant chooses to follow the latter alternative, the formula may be used in any of three ways:

A. The applicant may make the necessary calculations. In that case, all the calculations and all figures used must be shown and included with the application with the source of all figures indicated.

B. The applicant may use the formula with the AMC figures obtained from the applicant's utilities. In that case, the applicant must attach to the application the written statements from the applicant's electric utility and gas utility or supplier by which the applicant obtained the AMC figures.

C. The applicant may provide to the energy agency the applicant's total gas bill and total electric bill for the past 12 months expressed in dollars. The agency staff will estimate the economic benefit of conversion for applicant's lamps by using the bill totals provided and the current rates per unit of energy assessed by applicant's utilities for an average house with the same total electric and gas bills.

### **7630.0320 GAS LAMPS WITH ONE MANTLE.**

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, any of the following numbers:

A. \$255;

B. the quantity determined from the formula:  $(168 \times \text{AMC per MCF for natural gas}) - (1460 \times \text{AMC per KWH for electricity})$ ; or

C. \$170, if equipped with an automatic turndown device installed before 1975.

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Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$550; or

B. the quantity determined from the formula:  $(1805 \times \text{AMC per GLPG}) - (1460 \times \text{AMC per KWH for electricity})$ .

**7630.0330 GAS LAMPS WITH TWO INVERTED MANTLES.**

Subpart 1. **Gas lamps burning gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$230; or

B. the quantity determined from the formula:  $(168 \times \text{AMC per MCF of natural gas}) - (2190 \times \text{AMC per KWH for electricity})$ .

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$525; or

B. the quantity determined from the formula:  $(1805 \times \text{AMC per GLPG}) - (2190 \times \text{AMC per KWH for electricity})$ .

**7630.0340 GAS LAMPS WITH THREE INVERTED MANTLES.**

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$345; or

B. the quantity determined from the formula:  $(241 \times \text{AMC per MCF for natural gas}) - (2738 \times \text{AMC per KWH for electricity})$ .

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp either of the following numbers:

A. \$765; or

B. the quantity determined from the formula:  $(2590 \times \text{AMC per GLPG}) - (2738 \times \text{AMC per KWH for electricity})$ .

**7630.0350 GAS LAMPS WITH MORE THAN ONE UPRIGHT MANTLE.**

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$255 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula:  $(168 \times \text{AMC per MCF for natural gas}) - (1460 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$ .

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$550 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula:  $(1805 \times \text{AMC per GLPG}) - (1460 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$ .

**7630.0360 GAS LAMPS WITH MORE THAN THREE INVERTED MANTLES.**

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$115 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula:  $(84 \times \text{AMC per MCF for natural gas}) - (1095 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$ .

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$263 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula:  $(903 \times \text{AMC per GLPG}) - (1095 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$ .