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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4188

- 03/12/2026 Authored by Koegel
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
- 04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 04/23/2026 Calendar for the Day, Amended
Read Third Time as Amended
- 05/06/2026 Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to commerce; modifying various consumer protections for insurance and

1.3 financial products; prohibiting virtual-currency kiosks; modifying various

1.4 provisions governing securities broker-dealers and broker-dealers' agents; making

1.5 technical changes to various provisions governed or administered by the Department

1.6 of Commerce; modifying and adding provisions governing unclaimed property;

1.7 providing penalties; amending Minnesota Statutes 2024, sections 46.044,

1.8 subdivision 1; 48.195; 49.37; 53B.69, subdivision 10; 58.14, subdivisions 3, 4, 5,

1.9 by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions;

1.10 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.13,

1.11 subdivisions 1, 6; 72A.061, subdivision 5; 72A.18, subdivision 2, by adding

1.12 subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80A.50; 80A.69;

1.13 80C.12, subdivision 1; 80G.01, subdivision 5a; 325E.21, subdivisions 1b, 2c;

1.14 332.32; 345.31, by adding a subdivision; 345.43, by adding a subdivision;

1.15 Minnesota Statutes 2025 Supplement, sections 58B.02, subdivision 8a; 80A.66;

1.16 proposing coding for new law in Minnesota Statutes, chapters 53B; 80A; 82B;

1.17 82C; 345; repealing Minnesota Statutes 2024, sections 48.158; 53B.69, subdivisions

1.18 3b, 3c; 53B.75, subdivisions 1, 2, 3, 4, 5.

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

ARTICLE 1

CONSUMER PROTECTION

1.22 Section 1. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

1.23 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal

1.24 acting as a mechanical agent or a person acting on behalf of the virtual currency kiosk

1.25 operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual

1.26 currency for money, bank credit, or other virtual currency, including but not limited to by

1.27 (1) connecting directly to a separate virtual currency exchanger that performs the actual

1.28 virtual currency transmission, or (2) drawing upon the virtual currency in the possession of

1.29 the electronic terminal's operator.

2.1 **Sec. 2. [53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**

2.2 **Subdivision 1. Virtual currency kiosks prohibited.** (a) Beginning August 1, 2026, a
2.3 person is prohibited from installing, operating, maintaining, or making available for use a
2.4 virtual currency kiosk.

2.5 (b) On or before December 31, 2026, a virtual currency kiosk operator must remove the
2.6 virtual currency kiosk from any location where the virtual currency kiosk is visible or
2.7 accessible to the public.

2.8 **Subd. 2. Payout.** (a) On or before December 31, 2026, a virtual currency kiosk operator
2.9 that conducts virtual currency transactions exclusively through a virtual currency kiosk
2.10 must pay out any money or virtual currency held for or owed to a new or existing customer
2.11 that exists as a result of virtual currency kiosk transactions.

2.12 (b) A new or existing customer may elect, at any time before December 31, 2026, to
2.13 receive a payout under this subdivision:

2.14 (1) in United States dollars, in an amount equal to the market value of the customer's
2.15 virtual currency plus any fiat currency; or

2.16 (2) to a virtual currency wallet designated by the customer.

2.17 (c) A virtual currency kiosk operator must make a payout under this subdivision in the
2.18 manner elected by a new or existing customer under paragraph (b). If a new or existing
2.19 customer elects the option under paragraph (b), clause (2), the virtual currency kiosk operator
2.20 must transfer the full amount of the money and virtual currency being held for or owed to
2.21 the new or existing customer to the customer's designated virtual currency wallet within 30
2.22 days of the date the customer submits the payout request.

2.23 (d) A payout to a new or existing customer must be recorded on the applicable blockchain.
2.24 A virtual currency kiosk operator must retain proof that a transfer was made and must make
2.25 retained proof available to the commissioner upon request.

2.26 **Subd. 3. Exception.** A virtual currency kiosk operator is not required to make a payout
2.27 under subdivision 2 if the operator maintains, at all times, other lawful means for new and
2.28 existing customers to access, transfer, redeem, or otherwise transact a customer's money or
2.29 virtual currency that exists as a result of virtual currency kiosk transactions.

2.30 **EFFECTIVE DATE.** This section is effective August 1, 2026.

3.1 Sec. 3. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

3.2 Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person
3.3 must investigate and attempt to resolve complaints made regarding acts or practices subject
3.4 to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions
3.5 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain
3.6 a file containing all materials relating to the complaint and subsequent investigation for a
3.7 period of 60 months.

3.8 Sec. 4. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

3.9 Subd. 4. **Trust account records for mortgage originators.** A residential mortgage
3.10 originator or servicer shall keep and maintain for 60 months a record of all trust funds,
3.11 sufficient to identify the transaction, date and source of receipt, and date and identification
3.12 of disbursement.

3.13 Sec. 5. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

3.14 Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for 60
3.15 months the business records, including email communications, telephone recordings,
3.16 incomplete documentation, and advertisements, regarding residential mortgage loans applied
3.17 for, originated, or serviced in the course of its business.

3.18 Sec. 6. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
3.19 read:

3.20 Subd. 6. **Telephone recordings.** A person acting as a residential mortgage loan servicer
3.21 that services at least 500 residential mortgage loans secured by property in Minnesota must:

3.22 (1) record a telephone conversation with a borrower and a borrower's representatives;
3.23 and

3.24 (2) maintain the recording of the conversation for 60 months after the date the recording
3.25 is made, as provided under subdivision 5.

3.26 Sec. 7. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

3.27 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
3.28 by a federal or state chartered bank, savings bank, or credit union, unless the residential
3.29 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union

4.1 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
4.2 20.

4.3 Sec. 8. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
4.4 read:

4.5 Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program"
4.6 means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the
4.7 Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You
4.8 Earn Plan, and any other state, federal, or private student loan repayment plan that is
4.9 calculated based on a borrower's income and for which a borrower's income may include
4.10 the borrower's household income for purposes of evaluating eligibility under section 58B.06,
4.11 subdivision 5.

4.12 Sec. 9. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
4.13 to read:

4.14 Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making,
4.15 or extending student loans. Lender does not include, ~~to the extent that state regulation is~~
4.16 ~~preempted by federal law:~~

4.17 (1) a bank, savings banks, savings and loan association, or credit union;

4.18 (2) a wholly owned subsidiary of a bank or credit union;

4.19 (3) an operating subsidiary where each owner is wholly owned by the same bank or
4.20 credit union;

4.21 (4) the United States government, through Title IV of the Higher Education Act of 1965,
4.22 as amended, and administered by the United States Department of Education;

4.23 (5) an agency, instrumentality, or political subdivision of Minnesota;

4.24 (6) a regulated lender organized under chapter 56, except that a regulated lender must
4.25 file the annual report required for lenders under section 58B.03, subdivision 10; or

4.26 (7) a person who is not in the business of making student loans and who makes no more
4.27 than three student loans, with the person's own funds, during any 12-month period.

5.1 Sec. 10. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
5.2 read:

5.3 Subd. 10. **Written communication.** "Written communication" means a written
5.4 correspondence that is made by a borrower and is transmitted by mail, facsimile, or
5.5 electronically through an email address or Internet website that the student loan servicer
5.6 designates to receive communications from a borrower and enables the student loan servicer
5.7 to identify the borrower's name and account. Written communication does not include a
5.8 notice on a payment medium supplied by a student loan servicer.

5.9 Sec. 11. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

5.10 Subd. 10. **Annual report.** (a) ~~Beginning~~ On or before March 15, 2025 each year, a
5.11 student loan lender that secures, makes, or extends student loans in Minnesota must submit
5.12 a report to the commissioner on the form the commissioner provides. The report must include
5.13 for the previous calendar year:

5.14 (1) a list of all schools attended by borrowers who received a student loan from the
5.15 student loan lender and resided within Minnesota at the time of the transaction and whose
5.16 debt is still outstanding, including student loans used to refinance an existing debt;

5.17 (2) the total outstanding dollar amount owed by borrowers residing in Minnesota who
5.18 received student loans from the student loan lender;

5.19 (3) the total number of student loans owed by borrowers residing in Minnesota who
5.20 received student loans from the student loan lender;

5.21 (4) the total outstanding dollar amount and number of student loans owed by borrowers
5.22 who reside in Minnesota, associated with each school identified under clause (1);

5.23 (5) the total dollar amount of student loans provided by the student loan lender to
5.24 borrowers who resided in Minnesota in the prior calendar year;

5.25 (6) the total outstanding dollar amount and number of student loans owed by borrowers
5.26 who resided in Minnesota, associated with each school identified under clause (1), that were
5.27 provided in the prior calendar year;

5.28 (7) the rate of default for borrowers residing in Minnesota who obtained student loans
5.29 from the student loan lender, if applicable;

5.30 (8) the rate of default for borrowers residing in Minnesota who obtained student loans
5.31 from the student loan lender associated with each school identified under clause (1), if
5.32 applicable;

6.1 (9) the range of initial interest rates for student loans provided by the student loan lender
6.2 to borrowers who resided in Minnesota in the prior calendar year;

6.3 (10) the total number of borrowers who received student loans identified under clause
6.4 (9), and the percentage of borrowers who received each rate identified under clause (9);

6.5 (11) the total dollar amount and number of student loans provided in the prior calendar
6.6 year by the student loan lender to borrowers who resided in Minnesota at the time of the
6.7 transaction and had a cosigner for the student loans;

6.8 (12) the total dollar amount and number of student loans provided by the student loan
6.9 lender to borrowers residing in Minnesota used to refinance a prior student loan or federal
6.10 student loan in the prior calendar year;

6.11 (13) the total dollar amount and number of student loans for which the student loan
6.12 lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

6.13 (14) a copy of any model promissory note, agreement, contract, or other instrument used
6.14 by the student loan lender in the previous year to substantiate that a borrower owes a new
6.15 debt to the student loan lender; and

6.16 (15) any other information considered necessary by the commissioner to assess the total
6.17 size and status of the student loan market and well-being of borrowers in Minnesota.

6.18 (b) In addition to annual reports, the commissioner may require additional regular or
6.19 special reports as the commissioner deems necessary to properly supervise student loan
6.20 lenders under this chapter.

6.21 (c) The commissioner of commerce must share data collected under this subdivision
6.22 with the commissioner of higher education.

6.23 Sec. 12. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

6.24 Subd. 11. **Annual report from student loan servicers.** (a) ~~Beginning~~ On or before
6.25 March 15, 2025 ~~each year~~, a student loan servicer that services student loans in Minnesota
6.26 must submit a report to the commissioner on the form the commissioner provides. The
6.27 report must include for the previous calendar year:

6.28 (1) a list of any outstanding student loans owed by borrowers who reside in Minnesota
6.29 that are serviced by the student loan servicer;

6.30 (2) the total outstanding dollar amount and number of student loans that are serviced by
6.31 the student loan servicer and owed by borrowers who reside in Minnesota;

7.1 (3) the total dollar amount and number of student loans owed by borrowers who resided
7.2 in Minnesota that were serviced by the student loan servicer in the prior calendar year;

7.3 (4) the rate of default for student loans owed by borrowers who reside in Minnesota that
7.4 are serviced by the student loan servicer, if applicable;

7.5 (5) the range of interest rates for student loans serviced by the student loan servicers to
7.6 borrowers who resided in Minnesota in the prior calendar year;

7.7 (6) the total outstanding dollar amount and number of student loans that were serviced
7.8 by the student loan servicer and owed by borrowers residing in Minnesota to refinance a
7.9 prior student loan or federal student loan; and

7.10 (7) any other information considered necessary by the commissioner to assess the total
7.11 size and status of the student loan market and well-being of borrowers in Minnesota.

7.12 (b) In addition to annual reports, the commissioner may require additional regular or
7.13 special reports as the commissioner deems necessary to properly supervise student loan
7.14 servicers under this chapter.

7.15 (c) The commissioner of commerce must share data collected under this subdivision
7.16 with the commissioner of higher education.

7.17 Sec. 13. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

7.18 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
7.19 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
7.20 must: protect the borrower from negative consequences resulting from the sale, assignment,
7.21 transfer, system conversion, or payment the borrower makes to the original loan servicer
7.22 consistent with the original student loan servicer's policy. For purposes of this paragraph,
7.23 "negative consequences" includes but is not limited to:

7.24 (1) ~~require the new student loan servicer to honor all benefits that were made available,~~
7.25 ~~or which may have become available, to a borrower from the original student loan servicer~~
7.26 ~~or are authorized under the student loan contract, including any benefits for which the student~~
7.27 ~~loan borrower has not yet qualified unless that benefit is no longer available under the federal~~
7.28 ~~or state laws and regulations; and negative credit reporting;~~

7.29 (2) ~~transfer to the new student loan servicer all information regarding the borrower, the~~
7.30 ~~account of the borrower, and the borrower's student loan, including but not limited to the~~
7.31 ~~repayment status of the student loan and the benefits described in clause (1).~~ imposing late
7.32 fees that are not required by the promissory note; or

8.1 (3) eligibility loss or denial for a benefit or protection established under federal law or
8.2 included in the loan contract.

8.3 ~~(b) The student loan servicer must complete the transfer under paragraph (a), clause (2),~~
8.4 ~~less than 45 days from the date of the sale, assignment, or transfer of the servicing. If a~~
8.5 ~~borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the~~
8.6 ~~servicing, the original and new student loan servicer must provide a written notice to the~~
8.7 ~~borrower subject to the transfer. The notice must be provided no less than 15 calendar days~~
8.8 ~~before the transfer's effective date and must include:~~

8.9 (1) the sale, assignment, or transfer's effective date;

8.10 (2) the name, address, website, and toll-free telephone number for the original student
8.11 loan servicer's designated point of contact for the borrower to contact in order to obtain
8.12 answers to servicing inquiries;

8.13 (3) the name, address, website, and toll-free telephone number for the new student loan
8.14 servicer's designated point of contact for the borrower to contact in order to obtain answers
8.15 to servicing inquiries;

8.16 (4) the date the original student loan servicer stops accepting payments on the borrower's
8.17 student loan;

8.18 (5) the date the new student loan servicer begins accepting payments on the borrower's
8.19 student loan;

8.20 (6) information that indicates whether the borrower's authorization for recurring electronic
8.21 funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic
8.22 funds transfer is not transferred, the transferee must provide information that explains how
8.23 the borrower may establish a new recurring electronic funds transfer with the new servicer;
8.24 and

8.25 (7) a statement that indicates the current loan balance, including the current unpaid
8.26 amount of principal, interest, and fees.

8.27 ~~(c) A sale, assignment, or transfer of the servicing must be completed no less than seven~~
8.28 ~~days from the date the next payment is due on the student loan. If a borrower's student loan~~
8.29 ~~servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original~~
8.30 ~~student loan servicer must ensure all necessary information regarding a borrower, a borrower's~~
8.31 ~~account, and a borrower's student loan accompanies a loan when the loan is transferred to~~
8.32 ~~a new student loan servicer. The transfer of necessary information must occur within 45~~

9.1 calendar days of the sale, assignment, or transfer's effective date. For purposes of this
 9.2 subdivision, "necessary information" includes but is not limited to:

9.3 (1) a schedule of all transactions credited or debited to the student loan account;

9.4 (2) a copy of the promissory note for the student loan;

9.5 (3) notes created by the student loan servicer's personnel that reflect communications
 9.6 with the borrower regarding the student loan account;

9.7 (4) a report of the data fields relating to the borrower's student loan account created by
 9.8 the student loan servicer's electronic systems in connection with servicing practices;

9.9 (5) copies or electronic records of information or documents the borrower provided to
 9.10 the student loan servicer;

9.11 (6) if applicable, usable data fields that contain information necessary to assess the
 9.12 borrower's eligibility for forgiveness, including public service loan forgiveness; and

9.13 (7) information necessary to compile a payment history.

9.14 (d) A new student loan servicer must adopt ~~policies and procedures to verify that the~~
 9.15 ~~original student loan servicer has met the requirements of paragraph (a) and implement~~
 9.16 policies and procedures to verify that the original student loan servicer meets the requirements
 9.17 of paragraph (c).

9.18 Sec. 14. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

9.19 Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate
 9.20 records, including of all written communication and telephone recordings, for each student
 9.21 loan. The records must be maintained for not less than at least two years following the final
 9.22 payment on the student loan or the sale, assignment, or transfer of the servicing.

9.23 Sec. 15. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

9.24 Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership,
 9.25 reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal
 9.26 entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster
 9.27 ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person"
 9.28 shall in addition mean any person, firm or corporation even though not engaged in the
 9.29 business of insurance.

10.1 Sec. 16. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
10.2 read:

10.3 Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person who
10.4 uses a lead-generating device to:

10.5 (1) publicize the availability of what is or what purports to be an insurance product or
10.6 service that the person is not licensed to sell directly to a customer;

10.7 (2) identify a customer who may be interested in learning more about an insurance
10.8 product; or

10.9 (3) sell or transmit customer information to an insurer or producer for the purposes of
10.10 subsequent contact or sales activity.

10.11 (b) For the purposes of sections 72A.17 to 72A.32, insurance lead generator does not
10.12 include an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an
10.13 insurance producer, as defined under section 60K.31, subdivision 6.

10.14 Sec. 17. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
10.15 read:

10.16 Subd. 4. **Lead-generating device.** "Lead-generating device" means communication
10.17 directed to the public that, regardless of the communication's form, content, or stated purpose,
10.18 is intended to result in compiling or qualifying a list containing names and other personal
10.19 information to solicit Minnesota residents to purchase what is or what purports to be an
10.20 insurance product or service.

10.21 Sec. 18. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
10.22 read:

10.23 Subd. 5. **Recording.** "Recording" means documenting a sale or verifying a call, including
10.24 a virtual technology call, to market an insurance product or service.

10.25 Sec. 19. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

10.26 **Subd. 2. False information and advertising generally.** Making, publishing,
10.27 disseminating, circulating, or placing before the public, or causing, directly or indirectly,
10.28 to be made, published, disseminated, circulated, or placed before the public, in a newspaper,
10.29 magazine, email, Internet advertisement or posting, or other publication, or in the form of
10.30 a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any
10.31 radio station, or using the Internet or other electronic means, or in any other way, an

11.1 advertisement, announcement, or statement, containing any assertion, representation, or
 11.2 statement with respect to the business of insurance, or with respect to any person in the
 11.3 conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall
 11.4 constitute an unfair method of competition and an unfair and deceptive act or practice.

11.5 Sec. 20. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
 11.6 read:

11.7 Subd. 2a. **Failure to maintain certain records.** An insurance lead generator must
 11.8 maintain books, records, documents, and other business records in a manner that ensures
 11.9 data regarding complaints and marketing are accessible and retrievable for examination by
 11.10 the insurance commissioner. An insurance lead generator must maintain data under this
 11.11 subdivision for at least the current calendar year and the two preceding years.

11.12 Sec. 21. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

11.13 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
 11.14 transaction conducted:

11.15 (1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise~~ located in
 11.16 Minnesota;

11.17 (2) by a dealer representative at a location in Minnesota;

11.18 (3) between a dealer and a consumer ~~who lives~~ in Minnesota; or

11.19 (4) between a dealer and a Minnesota consumer when the transaction involves:

11.20 (i) delivering or shipping a bullion product to an address in Minnesota; or

11.21 ~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota~~
 11.22 ~~resident; or~~

11.23 ~~(iii)~~ (ii) making payment to a consumer or receiving a payment from a consumer at an
 11.24 address in Minnesota, unless the transaction occurs when the consumer is ~~at a business~~
 11.25 ~~location~~ outside of Minnesota.

11.26 Sec. 22. **[82B.081] NOTICE TO COMMISSIONER.**

11.27 Subdivision 1. **Change of application information.** A licensee must provide notice to
 11.28 the commissioner if the information in the license application filed with the commissioner
 11.29 changes. The notice must be provided in writing or another format prescribed by the
 11.30 commissioner within ten days of the date the change occurs. For purposes of this subdivision,

12.1 an information change requiring notice includes but is not limited to a change with respect
12.2 to the licensee's personal name, trade name, address, or business location.

12.3 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
12.4 decision or court order, whether or not the decision or order is appealed, resulting from a
12.5 proceeding in which the licensee was named as a defendant and the final adverse decision
12.6 relates to fraud or misrepresentation. The notice must be provided in writing or another
12.7 format prescribed by the commissioner within ten days of the date the final adverse decision
12.8 or court order is issued.

12.9 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
12.10 action involving the licensee, including but not limited to a suspension or revocation of the
12.11 licensee's real property appraiser license or another occupational license issued by Minnesota
12.12 or another jurisdiction. The notice must be provided in writing or another format prescribed
12.13 by the commissioner within ten days of the date the disciplinary action occurs.

12.14 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
12.15 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
12.16 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
12.17 similar violation of a real property appraiser licensing law. The notice must be provided in
12.18 writing or another format prescribed by the commissioner within ten days of the date the
12.19 charge, judgment, or plea occurs.

12.20 Sec. 23. **[82C.031] NOTICE TO COMMISSIONER.**

12.21 Subdivision 1. **Change of application information.** A licensee must provide notice to
12.22 the commissioner if the information in the license application filed with the commissioner
12.23 changes. The notice must be provided in writing or another format prescribed by the
12.24 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
12.25 an information change requiring notice includes but is not limited to a change with respect
12.26 to the licensee's personal name, trade name, address, or business location.

12.27 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
12.28 decision or court order, whether or not the decision or order is appealed, resulting from a
12.29 proceeding in which the licensee was named as a defendant and the final adverse decision
12.30 relates to fraud or misrepresentation. The notice must be provided in writing or another
12.31 format prescribed by the commissioner within ten days of the date the final adverse decision
12.32 or court order is issued.

13.1 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
13.2 action involving the licensee, including but not limited to a suspension or revocation of the
13.3 licensee's real property appraisal management company license issued by another jurisdiction.
13.4 The notice must be provided in writing or another format prescribed by the commissioner
13.5 within ten days of the date the disciplinary action occurs.

13.6 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
13.7 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
13.8 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
13.9 similar violation of a real property appraisal management company licensing law. The notice
13.10 must be provided in writing or another format prescribed by the commissioner within ten
13.11 days of the date the charge, judgment, or plea occurs.

13.12 Sec. 24. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

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

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

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

13.21 (3) a photocopy or electronic scan of the seller's:

13.22 (i) proof of identification including the identification number if the seller is an individual;
13.23 or

13.24 (ii) certificate of authority to transact business in Minnesota, if the seller is an entity;

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

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

13.30 (6) a statement signed by the seller, under penalty of perjury as provided in section
13.31 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
13.32 or encumbrances and the seller has the right to sell it;

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

14.5 (8) the identity or identifier of the employee completing the transaction; and

14.6 (9) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the
14.7 seller's:

14.8 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
14.9 2c; or

14.10 (ii) the documentation used to support the seller being deemed to hold a license to sell
14.11 scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).

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

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

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

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

14.29 (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent,
14.30 employee, or representative may not disclose personal information concerning a customer
14.31 without the customer's consent unless the disclosure is required by law or made in response
14.32 to a request from a law enforcement agency. A scrap metal dealer must implement reasonable
14.33 safeguards to protect the security of the personal information and prevent unauthorized

15.1 access to or disclosure of the information. For purposes of this paragraph, "personal
15.2 information" is any individually identifiable information gathered in connection with a
15.3 record under paragraph (a).

15.4 Sec. 25. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

15.5 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
15.6 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
15.7 person has a valid license issued by the commissioner under this subdivision.

15.8 (b) On the first Friday of the months of April and October of each calendar year, from
15.9 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
15.10 from individuals who do not have an approved license to sell scrap metal copper under this
15.11 subdivision. All other requirements of subdivision 1b apply and must be documented by
15.12 the scrap metal dealer on the dates specified in this paragraph.

15.13 (c) A seller of scrap metal copper may apply to the commissioner on a form prescribed
15.14 by the commissioner.

15.15 (1) The application form for an individual must include, at a minimum:

15.16 ~~(1)~~ (i) the name, permanent address, telephone number, and date of birth of the applicant;
15.17 and

15.18 ~~(2)~~ (ii) an acknowledgment that the applicant obtained the copper by lawful means in
15.19 the regular course of the applicant's business, trade, or authorized construction work.

15.20 (2) The application form for an entity must include, at a minimum:

15.21 (i) the name, legal entity type, principal business address, telephone number, and date
15.22 of formation of the entity; and

15.23 (ii) an acknowledgment that the applicant obtained the copper by lawful means in the
15.24 regular course of the applicant's business, trade, or authorized construction work.

15.25 (d) Each application must be accompanied by a nonrefundable fee of \$250.

15.26 (e) Within 30 days of the date an application is received, the commissioner may require
15.27 additional information or submissions from an applicant and may obtain any document or
15.28 information that is reasonably necessary to verify the information contained in the application.
15.29 Within 90 days after the date a completed application is received, the commissioner must
15.30 review the application and issue a license if the applicant is deemed qualified under this
15.31 section. The commissioner may issue a license subject to restrictions or limitations. If the

16.1 commissioner determines the applicant is not qualified, the commissioner must notify the
16.2 applicant and must specify the reason for the denial.

16.3 (f) A person is deemed to hold a license to sell scrap metal copper if the person holds
16.4 one of the following:

16.5 (1) a license to perform work pursuant to chapter 326B or section 103I.501;

16.6 (2) a document, certificate, or card of competency issued by a municipality to perform
16.7 work in a given trade or craft in the building trades. The document, certificate, or card must
16.8 state that the individual is authorized to sell scrap metal copper. This clause is effective
16.9 January 1, 2025; or

16.10 (3) a Section 608 Technician Certification issued by the United States Environmental
16.11 Protection Agency.

16.12 (g) A license issued under this subdivision is valid for one year. To renew a license, an
16.13 applicant must submit a completed renewal application on a form prescribed by the
16.14 commissioner and a renewal fee of \$250. The commissioner may request that a renewal
16.15 applicant submit additional information to clarify any new information presented in the
16.16 renewal application. A renewal application submitted after the renewal deadline must be
16.17 accompanied by a nonrefundable late fee of \$500.

16.18 (h) The commissioner may deny a license renewal under this subdivision if:

16.19 (1) the commissioner determines that the applicant is in violation of or noncompliant
16.20 with federal or state law; or

16.21 (2) the applicant fails to timely submit a renewal application and the information required
16.22 under this subdivision.

16.23 (i) In lieu of denying a renewal application under paragraph (g), the commissioner may
16.24 permit the applicant to submit to the commissioner a corrective action plan to cure or correct
16.25 deficiencies.

16.26 (j) The commissioner may suspend, revoke, or place on probation a license issued under
16.27 this subdivision if:

16.28 (1) the applicant engages in fraudulent activity that violates state or federal law;

16.29 (2) the commissioner receives consumer complaints that justify an action under this
16.30 subdivision to protect the safety and interests of consumers;

16.31 (3) the applicant fails to pay an application license or renewal fee; or

17.1 (4) the applicant fails to comply with a requirement established in this subdivision.

17.2 (k) This subdivision does not apply to transfers by or to an auctioneer who is in
17.3 compliance with chapter 330 and acting in the person's official role as an auctioneer to
17.4 facilitate or conduct an auction of scrap metal.

17.5 (l) The commissioner must enforce this subdivision under chapter 45.

17.6 Sec. 26. Minnesota Statutes 2024, section 332.32, is amended to read:

17.7 **332.32 EXCLUSIONS.**

17.8 (a) The term "collection agency" does not include banks when collecting accounts owed
17.9 to the banks and when the bank will sustain any loss arising from uncollectible accounts,
17.10 abstract companies doing an escrow business, real estate brokers, public officers, persons
17.11 acting under order of a court, lawyers, trust companies, insurance companies, credit unions,
17.12 savings associations, loan or finance companies unless they are engaged in asserting,
17.13 enforcing or prosecuting unsecured claims which have been purchased from any person,
17.14 firm, or association when there is recourse to the seller for all or part of the claim if the
17.15 claim is not collected.

17.16 (b) The term "collection agency" ~~shall~~ does not include a trade association performing
17.17 services authorized by section 604.15, subdivision 4a, but the trade association in performing
17.18 the services may not engage in any conduct that would be prohibited for a collection agency
17.19 under section 332.37.

17.20 (c) The term "collection agency" does not include a residential mortgage servicer licensed
17.21 under chapter 58 or a student loan servicer licensed under chapter 58B if the residential
17.22 mortgage servicer or student loan servicer is engaging in activities subject to licensure under
17.23 chapter 58 or 58B, as applicable.

17.24 Sec. 27. **REPEALER.**

17.25 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.

17.26 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
17.27 subdivision 4, are repealed.

17.28 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
17.29 January 17, 2027.

18.1

ARTICLE 2

18.2

TECHNICAL CHANGES

18.3 Section 1. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

18.4 Subdivision 1. **Issuance and conditions.** An application for a bank charter must be
18.5 granted if (1) the applicants are of good moral character and financial integrity, (2) there is
18.6 a reasonable public demand for this bank in this location, (3) the probable volume of business
18.7 in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and
18.8 the solvency of the then existing bank or banks in the locality without endangering the safety
18.9 of any bank in the locality as a place of deposit of public and private money, (4) the
18.10 commissioner of commerce is satisfied that the proposed bank will be properly and safely
18.11 managed, and (5) the commissioner is satisfied that the capital funds required pursuant to
18.12 section 48.02 are available and the commissioner may accept any reasonable demonstration
18.13 including subscription agreements supported by current financial statements. If the application
18.14 does not satisfy the requirements of this subdivision, it must be denied. In case of the denial
18.15 of the application, the commissioner of commerce shall specify the grounds for the denial.
18.16 A person aggrieved may obtain judicial review of the determination in accordance with
18.17 chapter 14.

18.18 Sec. 2. Minnesota Statutes 2024, section 48.195, is amended to read:

18.19 **48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.**

18.20 Notwithstanding any law to the contrary, a bank, savings bank, savings association, or
18.21 credit union organized under the laws of this state, or a national bank or federally chartered
18.22 savings bank, savings association, or credit union, doing business in this state, may charge
18.23 on any loan or discount made or upon any note, bill or other evidence of debt, except an
18.24 extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2
18.25 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial
18.26 paper in effect at the Board of Governors of the Federal Reserve Bank located in the Ninth
18.27 ~~Federal Reserve District~~ System.

18.28 Sec. 3. Minnesota Statutes 2024, section 49.37, is amended to read:

18.29 **49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION**
18.30 **OR MERGER.**

18.31 (a) Either before or after the consolidation or merger agreement has been approved by
18.32 the commissioner of commerce, it must be submitted to the stockholders of each corporation

19.1 at a meeting thereof called, and it does not become binding upon the corporation until it has
19.2 been approved at each of the meetings required by this section by the vote or ballot of the
19.3 stockholders, holding at least a majority of the amount of stock of the respective corporations,
19.4 or a higher percentage as may be required by the certificate of incorporation of the
19.5 corporations. Proof of the holding of these meetings and the results thereof must be submitted
19.6 to the commissioner of commerce.

19.7 (b) After the agreement called for by sections 49.33 to 49.41 has been approved by the
19.8 stockholders of the respective corporations and by the commissioner of commerce, the ~~latter~~
19.9 ~~shall~~ commissioner of commerce must issue a certificate reciting that the corporations have
19.10 complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or
19.11 merger of these corporations and the name of the consolidated or surviving corporation, the
19.12 amount of capital stock thereof, the names of the first board of directors, and the place of
19.13 business of the consolidated or surviving corporation, which must be within the city where
19.14 any of the constituent corporations have been previously authorized to have their places of
19.15 business.

19.16 (c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the~~
19.17 ~~Secretary of State,~~ the incorporation is deemed to be complete in the case of the consolidation,
19.18 and the assets of the constituent corporations merged into the survivor in the case of a
19.19 merger, and the consolidated or surviving corporation shall, from the date of this certificate,
19.20 have the term of corporate existence as may be specified in it, not exceeding the longest
19.21 unexpired term of any constituent corporation. The certificate of the commissioner of
19.22 commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have
19.23 been complied with, and is conclusive evidence of the existence of the consolidated or
19.24 surviving corporation.

19.25 Sec. 4. Minnesota Statutes 2024, section 58B.051, is amended to read:

19.26 **58B.051 REGISTRATION FOR LENDERS.**

19.27 (a) Beginning January 1, 2025, a lender must register with the commissioner as a lender
19.28 before providing services in Minnesota. A lender must not offer or make a student loan to
19.29 a resident of Minnesota without first registering with the commissioner as provided in this
19.30 section.

19.31 (b) A registration application must include:

19.32 (1) the lender's name;

19.33 (2) the lender's address;

20.1 (3) the names of all officers, directors, owners, or other persons in control of an applicant,
20.2 as defined in section 58B.02, subdivision 6; and

20.3 (4) any other information the commissioner requires ~~by rule~~.

20.4 (c) Registration issued or renewed expires December 31 of each year. A lender must
20.5 renew the lender's registration on an annual basis.

20.6 (d) The commissioner may adopt and enforce:

20.7 (1) registration procedures for lenders, which may include using the Nationwide
20.8 Multistate Licensing System and Registry;

20.9 (2) nonrefundable registration fees for lenders, which may include fees for using the
20.10 Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

20.11 (3) procedures and nonrefundable fees to renew a lender's registration, which may include
20.12 fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be
20.13 paid directly by the lender; and

20.14 (4) alternate registration procedures and nonrefundable fees for postsecondary education
20.15 institutions that offer student loans.

20.16 Sec. 5. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

20.17 Subdivision 1. **Annual statements required.** Every insurance company, including
20.18 fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file
20.19 with the commissioner, ~~annually, on or before March 1,~~ the appropriate verified National
20.20 Association of Insurance Commissioners' annual statement blank, on or before April 30 for
20.21 all lines of insurance except health, which must be filed on or before May 31. The National
20.22 Association of Insurance Commissioners' annual statement blank must be prepared in
20.23 accordance with the association's instructions handbook and following those accounting
20.24 procedures and practices prescribed by the association's accounting practices and procedures
20.25 manual, unless the commissioner requires or finds another method of valuation reasonable
20.26 under the circumstances. Another method of valuation permitted by the commissioner must
20.27 be at least as conservative as those prescribed in the association's manual. All companies
20.28 required to file an annual statement under this subdivision may also be required to file with
20.29 the commissioner and the National Association of Insurance Commissioners a copy of their
20.30 annual statement in an electronic form prescribed by the commissioner. All Minnesota
20.31 domestic insurers required to file annual statements under this subdivision must also file
20.32 quarterly statements with the commissioner for the first, second, and third calendar quarter
20.33 on or before 45 days after the end of the applicable quarter, prepared in accordance with

21.1 the association's instruction handbook. All companies required to file quarterly statements
21.2 under this subdivision may also be required to file the quarterly statements with the
21.3 commissioner and the National Association of Insurance Commissioners in an electronic
21.4 form prescribed by the commissioner. In addition, the commissioner may require the filing
21.5 of any other information determined to be reasonably necessary for the continual enforcement
21.6 of these laws. The statement may be limited to the insurer's business and condition in the
21.7 United States unless the commissioner finds that the business conducted outside the United
21.8 States may detrimentally affect the interests of policyholders in this state. The statements
21.9 shall also contain a verified schedule showing all details required by law for assessment
21.10 and taxation. The statement or schedules shall be in the form and shall contain all matters
21.11 the commissioner may prescribe, and it may be varied as to different types of insurers so
21.12 as to elicit a true exhibit of the condition of each insurer.

21.13 Sec. 6. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

21.14 Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~
21.15 A company shall transact is prohibited from transacting any new business in this state after
21.16 May August 31 in any year unless it shall have the company previously transmitted its
21.17 annual statement to the commissioner and filed a copy of its statement with the National
21.18 Association of Insurance Commissioners. The commissioner may by order annually require
21.19 that each insurer pay the required fee to the National Association of Insurance Commissioners
21.20 for the filing of annual statements, but the fee shall not be more than 50 percent greater than
21.21 the fee set by the National Association of Insurance Commissioners. Failure to file the
21.22 annual statement with the commissioner or the National Association of Insurance
21.23 Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on
21.24 the relative premium volume of each insurer.

21.25 Sec. 7. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

21.26 Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline
21.27 or requirement specified by this section, ~~on receiving, not less than ten days if the~~
21.28 commissioner receives a written request for an extension from the company before the date
21.29 of default, satisfactory evidence of imminent hardship to the company.

21.30 Sec. 8. **REPEALER.**

21.31 Minnesota Statutes 2024, section 48.158, is repealed.

22.1

ARTICLE 3

22.2

SECURITIES

22.3 Section 1. Minnesota Statutes 2024, section 80A.50, is amended to read:

22.4

80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL

22.5

CORPORATE OFFERING REGISTRATION.

22.6

(a) Federal covered securities.

22.7

(1) **Required filing of records.** With respect to a federal covered security, as defined

22.8

in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not

22.9

otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued

22.10

under this chapter may require the filing of any or all of the following records:

22.11

(A) before the initial offer of a federal covered security in this state, all records that are

22.12

part of a federal registration statement filed with the Securities and Exchange Commission

22.13

under the Securities Act of 1933 and a consent to service of process complying with section

22.14

80A.88 signed by the issuer;

22.15

(B) after the initial offer of the federal covered security in this state, all records that are

22.16

part of an amendment to a federal registration statement filed with the Securities and

22.17

Exchange Commission under the Securities Act of 1933; and

22.18

(C) to the extent necessary or appropriate to compute fees, a report of the value of the

22.19

federal covered securities sold or offered to persons present in this state, if the sales data

22.20

are not included in records filed with the Securities and Exchange Commission.

22.21

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is

22.22

effective for one year commencing on the later of the notice filing or the effectiveness of

22.23

the offering filed with the Securities and Exchange Commission. On or before expiration,

22.24

the issuer may renew a notice filing by filing a copy of those records filed by the issuer with

22.25

the Securities and Exchange Commission that are required by rule or order under this chapter

22.26

to be filed. A previously filed consent to service of process complying with section 80A.88

22.27

may be incorporated by reference in a renewal. A renewed notice filing becomes effective

22.28

upon the expiration of the filing being renewed.

22.29

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With

22.30

respect to a security that is a federal covered security under Section 18(b)(4)(D) of the

22.31

Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may

22.32

require a notice filing by or on behalf of an issuer to include a copy of Form D, including

22.33

the Appendix, as promulgated by the Securities and Exchange Commission, and a consent

23.1 to service of process complying with section 80A.88 signed by the issuer not later than 15
23.2 days after the first sale of the federal covered security in this state.

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

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

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

23.12 (2) **Availability.** Registration under this section is available only to the issuer of securities
23.13 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
23.14 The issuer must be organized under the laws of one of the states or possessions of the United
23.15 States. The securities offered must be exempt from registration under the Securities Act of
23.16 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

23.21 (B) an investment company;

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

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

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

23.31 (ii) has been convicted within five years before the filing of the small corporate offering
23.32 registration application of a felony or misdemeanor in connection with the offer, purchase,

24.1 or sale of a security or a felony involving fraud or deceit, including, but not limited to,
24.2 forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to
24.3 defraud;

24.4 (iii) is currently subject to a state administrative enforcement order or judgment entered
24.5 by a state securities administrator or the Securities and Exchange Commission within five
24.6 years before the filing of the small corporate offering registration application, or is subject
24.7 to a federal or state administrative enforcement order or judgment in which fraud or deceit,
24.8 including, but not limited to, making untrue statements of material facts or omitting to state
24.9 material facts, was found and the order or judgment was entered within five years before
24.10 the filing of the small corporate offering registration application;

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

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

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

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

24.30 (4) **Filing and effectiveness of registration statement.** A small corporate offering
24.31 registration statement must be filed with the administrator. If no stop order is in effect and
24.32 no proceeding is pending under section 80A.54, such registration statement shall become
24.33 effective automatically at the close of business on the 20th day after filing of the registration
24.34 statement or the last amendment of the registration statement or at such earlier time as the

25.1 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
25.2 other than by an affiliate of the issuer, all outstanding securities of the same class identified
25.3 in the small corporate offering registration statement as a security registered under this
25.4 chapter are considered to be registered while the small corporate offering registration
25.5 statement is effective. A small corporate offering registration statement is effective for one
25.6 year after its effective date or for any longer period designated in an order under this chapter.
25.7 A small corporate offering registration statement may be withdrawn only with the approval
25.8 of the administrator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26.25 (e) **Notice filing requirement for federal crowdfunding offerings.** This paragraph
26.26 applies to offerings made under Regulation Crowdfunding, Code of Federal Regulations,
26.27 title 17, part 227, and sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933, United
26.28 States Code, title 15, sections 77d(A)(6) and 77r(b)(4)(C).

26.29 (1) **Initial filing.** An issuer that (i) offers and sells securities in Minnesota in an offering
26.30 exempt under federal Regulation Crowdfunding, and (ii) has a principal place of business
26.31 in Minnesota or sells at least 50 percent of the offering's aggregate amount to Minnesota
26.32 residents, must file with the administrator:

27.1 (A) a completed Uniform Notice of Federal Crowdfunding Offering form or copies of
27.2 all documents filed with the Securities and Exchange Commission; and

27.3 (B) if the issuer is not filing on the Uniform Notice of Federal Crowdfunding Offering
27.4 form, consent to service of process on Form U-2.

27.5 If the issuer's principal place of business is in Minnesota, the initial filing must be submitted
27.6 with the administrator when the issuer makes the issuer's initial Form C filing concerning
27.7 the offering with the Securities and Exchange Commission. If the issuer's principal place
27.8 of business is not in Minnesota but Minnesota residents have purchased at least 50 percent
27.9 of the aggregate amount of the offering, the filing must be submitted when the issuer becomes
27.10 aware that the aggregate purchases made by Minnesota residents meets the threshold, but
27.11 no later than 30 days after the date the offering is complete. The initial notice filing is
27.12 effective for a 12-month period beginning on the date the initial filing is submitted to the
27.13 administrator.

27.14 (2) **Renewal.** For each additional 12-month period in which a single offering is continued,
27.15 an issuer conducting an offering under federal Regulation Crowdfunding may renew the
27.16 issuer's notice filing by filing with the administrator on or before the date the current notice
27.17 filing expires:

27.18 (A) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked
27.19 "renewal"; or

27.20 (B) a cover letter or other document requesting renewal.

27.21 (3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota
27.22 by submitting (i) a completed Uniform Notice of Federal Crowdfunding Offering form that
27.23 is marked "amendment," or (ii) another document that describes the modified transaction.

27.24 Sec. 2. Minnesota Statutes 2025 Supplement, section 80A.66, is amended to read:

27.25 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

27.26 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
27.27 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
27.28 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
27.29 minimum financial requirements for broker-dealers registered or required to be registered
27.30 under this chapter and investment advisers registered or required to be registered under this
27.31 chapter.

28.1 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
28.2 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
28.3 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
28.4 chapter and an investment adviser registered or required to be registered under this chapter
28.5 shall file such financial reports as are required by a rule adopted or order issued under this
28.6 chapter. If the information contained in a record filed under this subsection is or becomes
28.7 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
28.8 amendment.

28.9 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
28.10 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
28.11 U.S.C. Section 80b-22):

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

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

28.20 (3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures
28.21 that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter
28.22 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures
28.23 established under this clause. The procedures must designate by name or title a number of
28.24 supervisory employees that is reasonable relative to the number of the broker-dealer's
28.25 registered agents, offices, and transactions in Minnesota. A copy of the written procedures
28.26 and the system to apply the procedures must be kept and maintained at each branch office
28.27 affiliated with the broker-dealer. A broker-dealer may use electronic media in accordance
28.28 with FINRA Rule 3110.11, or any successor federal law, to satisfy its obligation under this
28.29 paragraph; and

28.30 ~~(3)~~ (4) investment adviser records required to be maintained under paragraph (d)(1) may
28.31 be maintained in any form of data storage required by rule adopted or order issued under
28.32 this chapter.

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

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

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

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

29.12 (A) the amount of assets under management;

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

29.15 (C) counterparty credit risk exposure;

29.16 (D) trading and investment positions;

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

29.18 (F) types of assets held;

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

29.21 (H) trading practices; and

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

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

29.29 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be
29.30 registered under this chapter and of an investment adviser registered or required to be
29.31 registered under this chapter, including the records of a private fund described in paragraph
29.32 (d) and the records of investment advisers to private funds, are subject to such reasonable

30.1 periodic, special, or other audits or inspections by a representative of the administrator,
30.2 within or without this state, as the administrator considers necessary or appropriate in the
30.3 public interest and for the protection of investors. An audit or inspection may be made at
30.4 any time and without prior notice. The administrator may copy, and remove for audit or
30.5 inspection copies of, all records the administrator reasonably considers necessary or
30.6 appropriate to conduct the audit or inspection. The administrator may assess a reasonable
30.7 charge for conducting an audit or inspection under this subsection.

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

30.22 **(g) Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
30.23 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
30.24 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
30.25 customer except under the supervision of a broker-dealer and an investment adviser
30.26 representative may not have custody of funds or securities of a client except under the
30.27 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
30.28 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
30.29 regarding custody of funds or securities of a customer and on an investment adviser regarding
30.30 custody of securities or funds of a client.

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

31.1 (i) **Continuing education.** A rule adopted or order issued under this chapter may require
31.2 an individual registered under section 80A.57 or 80A.58 to participate in a continuing
31.3 education program approved by the Securities and Exchange Commission and administered
31.4 by a self-regulatory organization, the North American Securities Administrators Association,
31.5 or the commissioner.

31.6 (j) **Business continuity and succession plan.** An investment adviser registered or
31.7 required to be registered under this chapter must establish, maintain, and enforce written
31.8 policies and procedures relating to business continuity and succession planning. At a
31.9 minimum, the policies and procedures under this paragraph must provide:

31.10 (1) a means to protect, back up, and recover books and records;

31.11 (2) an alternate method to provide notice to customers; key personnel; employees;
31.12 vendors; service providers, including third-party custodians; and regulators, regarding issues
31.13 pertaining to the investment adviser's business operations, including but not limited to
31.14 significant business interruption, the death or unavailability of key personnel, other disruption
31.15 to business activities, or ceasing business operations;

31.16 (3) a plan to relocate the office space for a principal place of business that is subject to
31.17 a temporary or permanent loss;

31.18 (4) a plan to assign duties to qualified responsible persons if key personnel die or are
31.19 otherwise unavailable; and

31.20 (5) a plan to otherwise minimize service disruption and client harm that might result
31.21 from sudden and significant business interruption.

31.22 (k) **Physical security and cybersecurity policies and procedures.** An investment
31.23 adviser registered or required to be registered under this chapter must establish, implement,
31.24 update, and enforce written physical security and cybersecurity policies and procedures that
31.25 are designed to ensure the confidentiality, integrity, and availability of physical and electronic
31.26 records and information. The policies and procedures must be tailored to the investment
31.27 adviser's business model and must take into account the investment adviser's business size,
31.28 type of service provided, and number of locations.

31.29 (1) The physical security and cybersecurity policies and procedures must:

31.30 (A) protect against reasonably anticipated threats or hazards to the security or integrity
31.31 of client records and information;

31.32 (B) ensure that the investment adviser protects confidential client records and information;
31.33 and

32.1 (C) protect client records and information that, if released, might result in harm or
32.2 inconvenience to the client.

32.3 (2) At a minimum, the physical security and cybersecurity policies and procedures must
32.4 develop and implement:

32.5 (A) an organizational understanding to manage information security risk with respect
32.6 to systems, assets, data, and capabilities;

32.7 (B) safeguards to ensure delivery of critical infrastructure services;

32.8 (C) actions and tools to identify when an information security event occurs;

32.9 (D) actions to take when an information security event is detected; and

32.10 (E) plans for security and system resilience, and to restore capabilities or services that
32.11 are impaired due to an information security event.

32.12 (3) At the time a client engages an investment adviser and on an annual basis thereafter,
32.13 an investment adviser must deliver to the client a privacy policy that is reasonably designed
32.14 to assist the client understand how the investment adviser collects and shares, to the extent
32.15 permitted by state and federal law, nonpublic personal information. If information in the
32.16 policy becomes materially inaccurate, the investment adviser must promptly update and
32.17 deliver an amended privacy policy to the client.

32.18 (1) **Written confirmation.** A broker-dealer must promptly provide to the customer a
32.19 written confirmation at or before completing a transaction in accordance with FINRA Rule
32.20 2232, or any successor federal law. The confirmation must:

32.21 (1) describe the security purchased or sold, the date of the transaction, the price of the
32.22 security purchased or sold, and any commission charged;

32.23 (2) indicate whether the broker-dealer acted for the broker-dealer's account, as an agent
32.24 for a customer, as an agent for another person, or as an agent for both a customer and another
32.25 person;

32.26 (3) if the broker-dealer is acting as an agent for a customer, include (i) the name of the
32.27 person who purchased the security, (ii) the name of the person who sold the security, or (iii)
32.28 a statement that the information in item (i) or (ii) is available to a customer on request if
32.29 the broker-dealer knows the information or is able to ascertain the information with
32.30 reasonable diligence;

32.31 (4) indicate whether the transaction was unsolicited; and

32.32 (5) indicate the name of the agent that executed the transaction.

33.1 A broker-dealer that complies with Securities and Exchange Commission Rule 10b-10,
33.2 Code of Federal Regulations, title 17, part 240.10b-10, or article III, section 12, of the
33.3 Financial Industry Regulatory Authority Rules of Fair Practice, complies with this paragraph.

33.4 (m) **Conditions; stipulations; provisions.** A broker-dealer is prohibited from entering
33.5 into a contract with a customer if the contract contains a condition, stipulation, or provision
33.6 that binds the customer to waive rights under chapter 80A; Minnesota Rules, chapter 2876;
33.7 or an order issued by the commissioner. A condition, stipulation, or provision included in
33.8 a contract subject to this paragraph is void.

33.9 (n) **Principal office; employment.** A broker-dealer whose principal office is located in
33.10 Minnesota must have at least one registered person employed on a full-time basis at the
33.11 principal office located in Minnesota. This paragraph does not apply to a broker-dealer
33.12 engaged solely in offering and selling:

33.13 (1) interests in a direct participation program; or

33.14 (2) securities issued by open-end investment companies, face amount certificate
33.15 companies, or unit investment trusts registered under the Investment Company Act of 1940,
33.16 United States Code, title 15, sections 80a-1 to 80a-64.

33.17 Sec. 3. Minnesota Statutes 2024, section 80A.69, is amended to read:

33.18 **80A.69 SECTION 502; PROHIBITED CONDUCT IN PROVIDING INVESTMENT**
33.19 **ADVICE.**

33.20 (a) **Fraud in providing investment advice.** It is unlawful for a person that advises
33.21 others for compensation, either directly or indirectly or through publications or writings, as
33.22 to the value of securities or the advisability of investing in, purchasing, or selling securities
33.23 or that, for compensation and as part of a regular business, issues or promulgates analyses
33.24 or reports relating to securities:

33.25 (1) to employ a device, scheme, or artifice to defraud another person; or

33.26 (2) to engage in an act, practice, or course of business that operates or would operate as
33.27 a fraud or deceit upon another person.

33.28 (b) **Rules defining fraud.** A rule adopted under this chapter may define an act, practice,
33.29 or course of business of an investment adviser or an investment adviser representative, other
33.30 than a supervised person of a federal covered investment adviser, as fraudulent, deceptive,
33.31 or manipulative, and prescribe means reasonably designed to prevent investment advisers
33.32 and investment adviser representatives, other than supervised persons of a federal covered

34.1 investment adviser, from engaging in acts, practices, and courses of business defined as
34.2 fraudulent, deceptive, or manipulative.

34.3 (c) **Rules specifying contents of advisory contract.** A rule adopted under this chapter
34.4 may specify the contents of an investment advisory contract entered into, extended, or
34.5 renewed by an investment adviser.

34.6 Sec. 4. **[80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL**
34.7 **BUSINESS PRACTICES.**

34.8 Subdivision 1. Broker-dealers; standards and principles. A broker-dealer must observe
34.9 high standards of commercial honor and just and equitable principles of trade when
34.10 conducting the broker-dealer's business. An act or practice that is contrary to the standards
34.11 constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's
34.12 registration or to take other action authorized by statute. For purposes of this subdivision,
34.13 an act or practice that is contrary to the standards includes:

34.14 (1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i)
34.15 delivering securities purchased by a customer; or (ii) upon request, paying free credit balances
34.16 reflecting a customer's completed transactions;

34.17 (2) inducing trading in a customer's account that is excessive in size or frequency
34.18 considering the account's financial resources and character;

34.19 (3) recommending that a customer purchase, sell, or exchange a security without
34.20 reasonable grounds to believe the transaction or recommendation is suitable for the customer,
34.21 based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial
34.22 situation, and needs; and (ii) other relevant information known by the broker-dealer;

34.23 (4) making a recommendation of any security transaction or investment strategy involving
34.24 securities, including account recommendations, to a retail customer if the recommendation
34.25 does not comply with the obligations set forth in Code of Federal Regulations, title 17,
34.26 section 240.151-1;

34.27 (5) executing a transaction on behalf of a customer without the customer's authorization;

34.28 (6) exercising discretionary power to effect a transaction for a customer's account without
34.29 first obtaining written discretionary authority from the customer, unless the discretionary
34.30 power relates solely to the time the order is executed or the order's price;

34.31 (7) executing a transaction in a margin account without securing from the customer a
34.32 properly executed written margin agreement promptly after the account's initial transaction;

- 35.1 (8) failing to segregate customers' free securities or securities held in safekeeping;
- 35.2 (9) hypothecating a customer's securities without having a lien on the customer's
35.3 securities, unless the broker-dealer secures the customer's properly executed written consent
35.4 promptly after the initial transaction, except as permitted by Securities and Exchange
35.5 Commission regulations;
- 35.6 (10) entering into a transaction with or for a customer at a price that is not reasonably
35.7 related to the security's current market price, or receiving an unreasonable commission or
35.8 profit;
- 35.9 (11) failing to furnish to a customer purchasing securities in an offering, no later than
35.10 the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary
35.11 prospectus and an additional document that, when combined with the preliminary prospectus,
35.12 includes all of the information included in the final prospectus;
- 35.13 (12) charging an unreasonable or inequitable fee for services performed, including: (i)
35.14 miscellaneous services that include but are not limited to collecting money due for principal,
35.15 dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or
35.16 maintaining custody of securities; and (ii) other services related to the broker-dealer's
35.17 securities business;
- 35.18 (13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared
35.19 to purchase or sell at the stated price and under the stated conditions at the time the offer
35.20 to buy or sell is made;
- 35.21 (14) representing that a security is being offered to a customer "at the market" or at a
35.22 price relevant to the market price, unless the broker-dealer knows or has reasonable grounds
35.23 to believe a market for the security exists other than the market made, created, or controlled
35.24 by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom
35.25 the broker-dealer is associated with respect to the security's distribution; or (iii) a person
35.26 controlled by, controlling, or under common control with the broker-dealer;
- 35.27 (15) effecting a transaction in, or inducing the purchase or sale of, a security using a
35.28 manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance,
35.29 which includes but is not limited to:
- 35.30 (i) effecting a transaction in a security that involves no change in the security's beneficial
35.31 ownership;
- 35.32 (ii) entering an order to purchase or sell a security with the knowledge that at least one
35.33 other order for the same security that is substantially the same size, entered at substantially

36.1 the same time, and for substantially the same price as the order has been or will be entered
36.2 by or for the same or a different party to create (A) a false or misleading appearance of
36.3 active trading in the security, or (B) a false or misleading appearance with respect to the
36.4 market for the security. This item does not prohibit a broker-dealer from entering bona fide
36.5 agency cross transactions for the broker-dealer's customers; or

36.6 (iii) effecting, alone or with another person, a series of transactions in a security that
36.7 creates actual or apparent active trading in the security, or raises or reduces the price of the
36.8 security, to induce others to purchase or sell the security;

36.9 (16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer
36.10 carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a
36.11 securities transaction effected by the broker-dealer with or for the customer;

36.12 (17) publishing or circulating, or causing to be published or circulated, a notice, circular,
36.13 advertisement, newspaper article, investment service, or communication of any kind that
36.14 purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer
36.15 believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote
36.16 the bid price or asked price for a security, unless the broker-dealer believes the quote
36.17 represents a bona fide bid for or offer of the security;

36.18 (18) using an advertising or sales presentation in a manner that is deceptive or misleading,
36.19 including but not limited to distributing: (i) nonfactual data, material, or a presentation based
36.20 on conjecture, unfounded claims, or unrealistic claims; or (ii) assertions in a brochure, flyer,
36.21 or display using words, pictures, graphs, or other representations that are designed to
36.22 supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

36.23 (19) failing to disclose to a customer, before entering into a contract with or for a customer
36.24 to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated
36.25 with, or under common control with the security's issuer. If a disclosure under this clause
36.26 is not made in writing, the disclosure must be supplemented by giving or sending written
36.27 disclosure before or at the time the transaction is completed;

36.28 (20) failing to make a bona fide public offering of all of the securities allotted to a
36.29 broker-dealer for distribution, whether the securities are acquired as an underwriter, as a
36.30 selling group member, or from a member participating in the distribution as an underwriter
36.31 or selling group member;

36.32 (21) failing or refusing to: (i) furnish a customer, upon reasonable request, information
36.33 the customer is entitled to; or (ii) respond to a formal written request or complaint;

37.1 (22) failing to pay and fully satisfy a final judgment or arbitration award resulting from
37.2 an arbitration or court proceeding relating to an investment and initiated by the customer,
37.3 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
37.4 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
37.5 with the terms of the alternative payment arrangement;

37.6 (23) attempting to avoid paying a final judgment or arbitration award resulting from an
37.7 arbitration or court proceeding relating to an investment and initiated by the customer,
37.8 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
37.9 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
37.10 with the terms of the alternative payment arrangement;

37.11 (24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of
37.12 disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or
37.13 broker-dealer's agent by the Securities and Exchange Commission, a state or provincial
37.14 securities or other financial services regulator, or a self-regulatory organization;

37.15 (25) accessing a client's account by using the client's unique identifying information,
37.16 including but not limited to the client's username and password;

37.17 (26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ
37.18 security, failing to promptly provide the most current prospectus or the most recently filed
37.19 periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States
37.20 Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a
37.21 customer;

37.22 (27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

37.23 (28) for each month in which activity has occurred in a customer's account and no less
37.24 frequently than once every three months regardless of whether customer account activity
37.25 has occurred, failing to provide the customer with an account statement that, with respect
37.26 to all over-the-counter non-NASDAQ equity securities in the account, contains a value for
37.27 each security based on the closing market bid on a date certain. This clause applies only if
37.28 the broker-dealer has been a market maker in the security at any time during the month in
37.29 which the monthly or quarterly statement is issued; or

37.30 (29) failing to comply with an applicable provision of the Financial Industry Regulatory
37.31 Authority conduct rules or an applicable fair practice or ethical standard promulgated by
37.32 the Securities and Exchange Commission or a self-regulatory organization approved by the
37.33 Securities and Exchange Commission.

38.1 Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent
38.2 must observe high standards of commercial honor and just and equitable principles of trade
38.3 when conducting the broker-dealer's agent's business. An act or practice that is contrary to
38.4 the standards constitutes grounds for the administrator to deny, suspend, or revoke the
38.5 broker-dealer's agent's registration or to take other action authorized by statute. For purposes
38.6 of this subdivision, an act or practice that is contrary to the standards includes:

38.7 (1) lending to or borrowing from a customer money or securities, or acting as a custodian
38.8 for a customer's money, securities, or executed stock power, unless otherwise permissible
38.9 under FINRA Rule 3240 or any successor federal law;

38.10 (2) effecting securities transactions that are not recorded on the regular books or records
38.11 maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions
38.12 are authorized in writing by the broker-dealer before executing the transaction or exempt
38.13 as subscription-way transactions under Rule 17a-3 of the Securities Exchange Act of 1934
38.14 or any successor federal law;

38.15 (3) establishing or maintaining an account that contains fictitious information in order
38.16 to execute transactions that are otherwise prohibited;

38.17 (4) sharing directly or indirectly in profits or losses in a customer account without the
38.18 written authorization from the customer and the broker-dealer the broker-dealer's agent
38.19 represents;

38.20 (5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or
38.21 other compensation from purchasing or selling securities with a person who is not also
38.22 registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under
38.23 direct or indirect common control or unless otherwise allowed under Securities and Exchange
38.24 Commission rules, guidance, or authorization; or

38.25 (6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6),
38.26 (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

38.27 Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under
38.28 subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages
38.29 in other conduct, including but not limited to forgery, embezzlement, nondisclosure,
38.30 incomplete disclosure, misstatement of material facts, or manipulative or deceptive practices,
38.31 is also subject to denial, suspension, or revocation of registration.

39.1 Sec. 5. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

39.2 Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing,
39.3 may issue a cease and desist order and may issue an order denying, suspending or revoking
39.4 any registration, amendment or exemption on finding any of the following:

39.5 ~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or
39.6 employee thereof or any other person has violated or failed to comply with any provision
39.7 of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

39.8 ~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation
39.9 to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon
39.10 purchasers or would so operate;

39.11 ~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or
39.12 employee thereof or any other person is engaging or about to engage in false, fraudulent or
39.13 deceptive practices in connection with the offer and sale of a franchise;

39.14 ~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted
39.15 of an offense or held liable in a civil action by final judgment described in section 80C.04,
39.16 subdivision 1, paragraph (e), clause ~~(5)~~ (1), has a civil or criminal action pending as described
39.17 in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order; ~~or has~~
39.18 had a civil judgment entered against the person as described in section 80C.04, clause (5),
39.19 described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the
39.20 involvement of the person in the business of the applicant or franchisor creates a substantial
39.21 risk to prospective franchisees;

39.22 ~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely
39.23 affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

39.24 ~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include
39.25 activities which are illegal where performed; or

39.26 ~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation
39.27 of the business of the franchisor or any term or condition of the franchise agreement or any
39.28 practice of the franchisor is or would be unfair or inequitable to franchisees.

ARTICLE 4

UNCLAIMED PROPERTY

40.1
40.2
40.3 Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision
40.4 to read:

40.5 Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value
40.6 used as a medium of exchange, unit of account, or store of value that does not have legal
40.7 tender status recognized by the United States. Virtual currency does not include:

40.8 (1) software or protocols governing the transfer of the digital representation of value;

40.9 (2) game-related digital content; or

40.10 (3) a loyalty card or gift card.

40.11 Sec. 2. **[345.382] FUNDS HELD FOR THE PREPAYMENT OF**
40.12 **FUNERAL-RELATED EXPENSES.**

40.13 Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related
40.14 expenses are presumed abandoned at the earliest of:

40.15 (1) three years after the date of death of the beneficiary;

40.16 (2) one year after the date the beneficiary has attained, or would have attained if living,
40.17 the age of 105, if the holder does not know whether the beneficiary is deceased; or

40.18 (3) 30 years after the contract for prepayment was executed.

40.19 Sec. 3. **[345.384] VIRTUAL CURRENCY.**

40.20 (a) Virtual currency is presumed abandoned three years after the apparent owner's latest
40.21 indication of interest in the virtual currency.

40.22 (b) For purposes of this section, an indication of an apparent owner's interest in virtual
40.23 currency includes:

40.24 (1) a record communicated by the apparent owner to the holder or agent of the holder
40.25 concerning the property or the account in which the property is held;

40.26 (2) an oral communication by the apparent owner to the holder or agent of the holder
40.27 concerning the property or the account in which the property is held, if the holder or its
40.28 agent contemporaneously makes and preserves a record of the fact of the apparent owner's
40.29 communication;

41.1 (3) a distribution, or evidence of receipt of a distribution made by electronic or similar
41.2 means; or

41.3 (4) activity directed by an apparent owner in the account in which the property is held,
41.4 including accessing the account or information concerning the account, or a direction by
41.5 the apparent owner to increase, decrease, or otherwise change the amount or type of virtual
41.6 currency held in the account.

41.7 (c) An action by an agent or other representative of an apparent owner, other than the
41.8 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
41.9 apparent owner.

41.10 (d) A communication with an apparent owner by a person other than the holder or the
41.11 holder's representative is not an indication of interest in the property by the apparent owner
41.12 unless a record of the communication evidences the apparent owner's knowledge of a right
41.13 to the property.

41.14 Sec. 4. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to
41.15 read:

41.16 Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual
41.17 currency, the holder must liquidate the virtual currency and remit the proceeds to the
41.18 commissioner.

41.19 (b) The liquidation must occur anytime within 30 days before filing the report under
41.20 section 345A.26. The owner does not have recourse against the holder or the commissioner
41.21 to recover any gain in value that occurs after the liquidation of the virtual currency under
41.22 this subdivision.

41.23 (c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual
41.24 currency to be liquidated, the holder must promptly notify the commissioner in writing and
41.25 explain the reasons the virtual currency cannot be liquidated. The commissioner has absolute
41.26 and sole discretion to direct the holder to:

41.27 (1) transfer the virtual currency that cannot be liquidated to a custodian selected by the
41.28 commissioner; or

41.29 (2) continue to hold the virtual currency until the commissioner or the holder determines
41.30 that the virtual currency can be liquidated pursuant to this chapter.

APPENDIX
Article locations for H4188-2

ARTICLE 1	CONSUMER PROTECTION.....	Page.Ln 1.20
ARTICLE 2	TECHNICAL CHANGES.....	Page.Ln 18.1
ARTICLE 3	SECURITIES.....	Page.Ln 22.1
ARTICLE 4	UNCLAIMED PROPERTY.....	Page.Ln 40.1

48.158 SETTLEMENT OF CHECKS AT LESS THAN PAR.

No bank or trust company organized under the laws of this state shall settle any check drawn on it otherwise than at par. The provisions of this section shall not apply with respect to the settlement of a check sent to such bank or trust company as a special collection item. This section is in effect on and after November 1, 1968.

53B.69 DEFINITIONS.

Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for less than 72 hours. After a 72-hour period has elapsed from the day of first signing up as a customer with a virtual currency kiosk operator, the customer will be considered an existing customer and no longer subject to the new customer transaction limit described in section 53B.75, subdivision 5, paragraph (a).

Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more than a 72-hour period. A new customer will automatically convert to an existing customer after the 72-hour period of first becoming a new customer. An existing customer is subject to the transaction limits described in section 53B.75, subdivision 5, paragraph (b).

53B.75 VIRTUAL CURRENCY KIOSKS.

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

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

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

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

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

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

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

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

(b) The virtual currency kiosk operator must provide an additional disclosure, which must be acknowledged by the person, written prominently and in bold type, and provided separately from the disclosures above, stating: "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE. VIRTUAL CURRENCY TRANSACTIONS MAY BE USED BY SCAMMERS IMPERSONATING LOVED ONES, THREATENING JAIL TIME, AND INSISTING YOU WITHDRAW MONEY FROM YOUR BANK ACCOUNT TO PURCHASE VIRTUAL CURRENCY."

Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual currency. A virtual currency kiosk operator must make the disclosures in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:

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

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- (2) the person's right to:
 - (i) stop payment of a virtual currency transfer and the procedure to stop payment;
 - (ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of the transaction; and
 - (iii) prior notice of a change in the virtual currency kiosk operator's rules or policies;
 - (3) under what circumstances the virtual currency kiosk operator, without a court or government order, discloses a person's account information to third parties; and
 - (4) other disclosures that are customarily provided in connection with opening a person's account.
- (b) Before each virtual currency transaction for, on behalf of, or with a person, a virtual currency kiosk operator must disclose the transaction's terms and conditions in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:
- (1) the amount of the transaction;
 - (2) any fees, expenses, and charges, including applicable exchange rates;
 - (3) the type and nature of the transaction;
 - (4) a warning that once completed, the transaction may not be reversed;
 - (5) a daily virtual currency transaction limit of no more than \$2,000;
 - (6) the difference in the virtual currency's sale price compared to the current market price; and
 - (7) other disclosures that are customarily given in connection with a virtual currency transaction.

Subd. 3. Acknowledgment of disclosures. Before completing a transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures required under this section via confirmation of consent. Additionally, upon a transaction's completion, the virtual currency kiosk operator must provide a person with a physical receipt, or a virtual receipt sent to the person's email address or SMS number, containing the following information:

- (1) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;
- (2) the type, value, date, and precise time of the transaction, transaction hash, and each virtual currency address;
- (3) the fees charged;
- (4) the exchange rate;
- (5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed delivery;
- (6) a statement of the virtual currency kiosk operator's refund policy; and
- (7) any additional information the commissioner of commerce may require.

Subd. 4. Refunds for new customers. A virtual currency kiosk operator must issue a refund to a new customer for the full amount of all transactions made within the 72-hour new customer time period, as described in section 53B.69, subdivision 3b, upon request of the customer. In order to receive a refund under this subdivision, a customer must:

- (1) have been fraudulently induced to engage in the virtual currency transactions; and
- (2) within 14 days of the last transaction to occur during the 72-hour new customer time period, contact the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction.

Subd. 5. Transaction limits. (a) There is an established maximum daily transaction limit of \$2,000 for each new customer of a virtual currency kiosk.

(b) The maximum daily transaction limit of an existing customer shall be decided by each virtual currency kiosk operator in compliance with federal law.