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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2536

03/27/2017 Authored by Rosenthal
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to occupations and professions; regulating locksmiths and locksmith
1.3 services; proposing coding for new law as Minnesota Statutes, chapter 330A.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. 330A.01 DEFINITIONS.

1.6 Subdivision 1. Generally. In this chapter, the terms in subdivisions 2 to 9 have the
1.7 meanings given.

1.8 Subd. 2. Business. "Business" means a commercial entity that provides locksmith
1.9 services.

1.10 Subd. 3. Commissioner. "Commissioner" means the commissioner of labor and industry.

1.11 Subd. 4. Employee. "Employee" means an individual employed by a licensed locksmith
1.12 to provide locksmith services on behalf of the licensed locksmith.

1.13 Subd. 5. Fixed business address. "Fixed business address" means a single physical
1.14 location where a licensee conducts business and at which the licensee or an employee of
1.15 the licensee is available:

1.16 (1) during normal business hours; or

1.17 (2) other hours as provided in the application for the license.

1.18 Subd. 6. License. "License" means a license issued by the commissioner to provide
1.19 locksmith services.

1.20 Subd. 7. Licensed locksmith. "Licensed locksmith" means, unless the context requires
1.21 otherwise, a business that is licensed by the commissioner to provide locksmith services.

2.1 Subd. 8. **Local law enforcement unit.** "Local law enforcement unit" means the State
2.2 Patrol, a police department in the state, or a sheriff in the state:

2.3 (1) designated by the county or municipal governing body for a licensee with an in-state
2.4 fixed business address; or

2.5 (2) designated by the commissioner for a licensee with an out-of-state fixed business
2.6 address.

2.7 Subd. 9. **Provide locksmith services.** "Provide locksmith services" means to engage
2.8 professionally and for compensation in:

2.9 (1) repairing, rebuilding, rekeying, repinning, recombining, adjusting, or installing
2.10 mechanical, electrical, or electromechanical locking devices, safes, vaults, or safe deposit
2.11 boxes; or

2.12 (2) operating a mechanical, electrical, or electromechanical locking device or opening
2.13 safes, vaults, or safe deposit boxes by a means other than that intended by the manufacturer
2.14 of the locking devices.

2.15 **Sec. 2. [330A.02] PROHIBITED ACTS.**

2.16 This chapter may not be construed to prohibit the following:

2.17 (1) bona fide sales demonstrations to locksmiths or locksmith suppliers by sales
2.18 representatives who are not licensed;

2.19 (2) emergency opening services by members of police departments, fire departments,
2.20 or other government agencies in their official line of duty in order to protect against loss of
2.21 life or property;

2.22 (3) the acquisition, making, or use of any key duplication or key blanks;

2.23 (4) the replacing of a removable or interchangeable core or recombining a cylinder in
2.24 a lock that was specifically designed by the manufacturer to be changed by the end user by
2.25 use of a key;

2.26 (5) the installation, repair, replacement, or rebuilding of a lock by the manufacturer of
2.27 the lock;

2.28 (6) the installation, repair, replacement, or rebuilding of an automotive lock by an
2.29 automotive repair and service facility, the lock manufacturer, or the manufacturer's agent;

2.30 (7) the installation of locks by building trades personnel on projects that require a building
2.31 permit;

3.1 (8) the installation or replacement of locks by a retailer or the retailer's agent:

3.2 (i) on the premises of the retailer; or

3.3 (ii) off the premises of the retailer if the installation or replacement of locks is incidental
3.4 to the retailer's normal course of business;

3.5 (9) the installation or replacement of locks by a security systems technician who is
3.6 licensed under chapter 326B; and

3.7 (10) the installation, repair, replacement, rekeying, or adjusting of locks or lock
3.8 components for property by an employee or agent of the property owner or a management
3.9 company.

3.10 **Sec. 3. [330A.03] RULES.**

3.11 The commissioner may adopt and enforce rules to carry out this chapter.

3.12 **Sec. 4. [330A.04] MONEY PAID INTO GENERAL FUND.**

3.13 The commissioner shall pay all money collected under this chapter into the general fund.

3.14 **Sec. 5. [330A.05] LICENSE REQUIRED.**

3.15 Except as otherwise provided in this chapter, a business must be licensed by the
3.16 commissioner before the business and employees of the business provide locksmith services
3.17 in the state.

3.18 **Sec. 6. [330A.06] APPLICATION.**

3.19 Subdivision 1. **By owner.** The owner of a business or the owner's designee shall apply
3.20 on behalf of the business for a license under this chapter.

3.21 Subd. 2. **Form; photograph; documentation; fee.** (a) An applicant for a license shall:

3.22 (1) submit to the commissioner an application on the form that the commissioner provides;

3.23 (2) submit a passport-size photograph, taken within six months immediately preceding
3.24 the date of the filing of the application, of each of the following individuals:

3.25 (i) the owner of the business; and

3.26 (ii) each employee of the applicant;

3.27 (3) provide any other documents or information required by this section or required by
3.28 the commissioner; and

4.1 (4) pay to the commissioner an application fee set by the commissioner.

4.2 (b) The application fee is nonrefundable.

4.3 Subd. 3. **Signing.** The applicant owner or designee shall sign the application under oath.

4.4 Subd. 4. **Contents.** In addition to any other information that the commissioner requires,
4.5 the application must state:

4.6 (1) the name, birth date, and residence address of the following individuals:

4.7 (i) the applicant owner or designee; and

4.8 (ii) each employee of the applicant;

4.9 (2) the fixed business address of the applicant;

4.10 (3) a telephone number at which the applicant can be reached during normal business
4.11 hours and, if applicable, an e-mail address;

4.12 (4) each address where the applicant has conducted any business during the 36 months
4.13 before application;

4.14 (5) the driver's license number of the applicant owner or designee and each employee
4.15 of the applicant; and

4.16 (6) the name of the insurer and policy number of the general liability insurance coverage
4.17 required under section 330A.08.

4.18 Subd. 5. **False statements.** The application form provided by the commissioner shall
4.19 contain a statement advising the applicant that willfully making a false statement on an
4.20 application is a misdemeanor, subject to a fine or imprisonment or both, as provided under
4.21 section 330A.25.

4.22 Sec. 7. **[330A.07] REQUIREMENTS BEFORE EMPLOYEE CAN WORK FOR**
4.23 **LICENSEE.**

4.24 Before an individual may begin work for a licensee as an employee:

4.25 (1) the licensee shall submit to the commissioner, on the form that the commissioner
4.26 provides, the name of the individual; and

4.27 (2) the individual must consent to a criminal background check to be conducted by the
4.28 Bureau of Criminal Apprehension and pay the required fee.

5.1 Sec. 8. **[330A.08] GENERAL LIABILITY INSURANCE.**

5.2 Subdivision 1. **Requirements.** A licensed locksmith shall maintain general liability
5.3 insurance:

5.4 (1) in the amount of at least \$300,000;

5.5 (2) with coverage appropriate for the individual's circumstances; and

5.6 (3) in accordance with the rules adopted by the commissioner under this section.

5.7 Subd. 2. **Notice of cancellation.** A licensee shall give the commissioner notice of the
5.8 cancellation of insurance at least ten days before the effective date of the cancellation.

5.9 Sec. 9. **[330A.09] LICENSE.**

5.10 Subdivision 1. **Issuance.** The commissioner shall issue a license to an applicant that
5.11 meets the requirements of this chapter and on receipt of:

5.12 (1) a complete criminal background check in accordance with section 330A.07; and

5.13 (2) documentation of current general liability insurance in the amount required under
5.14 section 330A.08.

5.15 Subd. 2. **Form and content.** The commissioner shall determine the size, form, and
5.16 content of a license certificate that the commissioner issues.

5.17 Subd. 3. **General limitations.** The commissioner:

5.18 (1) may issue a license only for a fixed business address; but

5.19 (2) may not issue a license for an address that is:

5.20 (i) a hotel or motel room;

5.21 (ii) a motor vehicle;

5.22 (iii) a post office box; or

5.23 (iv) a location that does not meet the qualifications of a fixed business address as defined
5.24 in section 330A.01, subdivision 5.

5.25 Subd. 4. **Minors.** The commissioner may not issue a license to an individual who is 18
5.26 years old or younger.

5.27 Subd. 5. **Nontransferability.** A license issued under this chapter is not transferable.

6.1 Sec. 10. **[330A.10] PHOTO IDENTIFICATION CARD.**

6.2 Subdivision 1. **Issuance.** Each licensed locksmith shall issue a photo identification card
6.3 to each individual providing locksmith services on behalf of the licensed locksmith, including
6.4 each individual identified as an employee of the licensed locksmith under section 330A.07.

6.5 Subd. 2. **Size, form, and content.** (a) Subject to paragraph (b), the licensed locksmith
6.6 shall determine the size, form, and content of a photo identification card that the licensed
6.7 locksmith issues.

6.8 (b) The photo identification card issued by a licensed locksmith under this section must:

6.9 (1) be composed of durable material;

6.10 (2) include a current passport-size photograph of the individual to whom the photo
6.11 identification card is issued; and

6.12 (3) include the license number and license expiration date of the licensed locksmith's
6.13 license.

6.14 Sec. 11. **[330A.11] SCOPE.**

6.15 While a license is in effect, the license authorizes the licensee and the employees of the
6.16 licensee to provide locksmith services in the state.

6.17 Sec. 12. **[330A.12] TERM AND RENEWAL.**

6.18 Subdivision 1. **Issuance.** A license is issued for a term of one year.

6.19 Subd. 2. **Condition.** Unless a licensee meets the insurance requirements of section
6.20 330A.08, the commissioner may not renew the license of the licensee.

6.21 Subd. 3. **Expiration.** (a) Unless a license is renewed for a one-year term as provided in
6.22 this section, the license expires on the first anniversary of the effective date of the license.

6.23 (b) A licensee that meets the requirements of this section may obtain a renewal of a
6.24 license before the license expires for an additional one-year term.

6.25 (c) Once expired, a license may not be renewed.

6.26 Subd. 4. **Mailing.** At least 60 days before a license expires, the commissioner shall mail
6.27 to the licensee, at the last known address of the licensee:

6.28 (1) a renewal application form;

7.1 (2) a form that allows a licensee to update the information submitted in the original
7.2 application or state that the information is current and accurate;

7.3 (3) except as provided in subdivision 5, a form that requires the licensee to agree to
7.4 continue to comply with each requirement applicable to the original application; and

7.5 (4) a notice that states:

7.6 (i) the date on which the current license expires;

7.7 (ii) the date by which the commissioner must receive the renewal application for the
7.8 renewal to be issued and mailed before the license expires; and

7.9 (iii) the amount of the renewal fee.

7.10 Subd. 5. **Criminal background check.** The commissioner may require a licensee to
7.11 submit a criminal background check with the renewal application.

7.12 Subd. 6. **Commissioner's duty.** The commissioner shall renew the license of a licensee
7.13 who meets the requirements of this section.

7.14 Subd. 7. **Change of fixed business address.** (a) A licensee may change the fixed business
7.15 address for which a license is issued only if the licensee:

7.16 (1) submits to the commissioner an application to transfer the license to a new business
7.17 location on a form that the commissioner provides; and

7.18 (2) receives the written approval of the commissioner.

7.19 (b) Within 45 days after the application is filed with the commissioner, the commissioner
7.20 shall approve or disapprove the application and notify the licensee of the approval or
7.21 disapproval, in writing.

7.22 (c) If the commissioner approves a proposed change of fixed business address, the
7.23 licensee shall:

7.24 (1) submit to the commissioner a current list of names of each employee to be employed
7.25 at the new location; and

7.26 (2) attach the written approval of the commissioner to the license until an amended
7.27 license is received by the licensee.

7.28 Subd. 8. **Staggered terms.** The commissioner may determine that licenses issued under
7.29 this chapter expire on a staggered basis.

8.1 Sec. 13. **[330A.13] OTHER REQUIREMENTS.**

8.2 Subdivision 1. **Display.** A licensee shall display the license conspicuously in the place
8.3 of business of the licensee.

8.4 Subd. 2. **Photo identification card.** (a) A licensee and an employee of a licensee shall:

8.5 (1) carry a valid photo identification card issued by a licensed locksmith under section
8.6 330A.10 at all times the licensee or employee of a licensee is engaged in providing locksmith
8.7 services; and

8.8 (2) display the valid photo identification card as required by rule.

8.9 (b) If a photo identification card is lost or destroyed, the licensee shall immediately
8.10 notify the licensed locksmith that issued the photo identification card.

8.11 Subd. 3. **Change of name.** (a) To change the name of a licensee on a license, a licensee
8.12 shall submit to the commissioner:

8.13 (1) an application on the form provided by the commissioner;

8.14 (2) the license of the licensee;

8.15 (3) any documentation about the name change that the commissioner requires; and

8.16 (4) the fee set by the commissioner.

8.17 (b) On receipt of the application, fee, and any required documentation, the commissioner
8.18 shall issue a new license bearing the new name of the licensee.

8.19 Sec. 14. **[330A.14] DENIAL, REPRIMAND, SUSPENSION, REVOCATION.**

8.20 Subdivision 1. **Grounds.** (a) Subject to the hearing provisions of section 330A.15, the
8.21 commissioner may deny a license to an applicant, reprimand a licensee, or suspend or revoke
8.22 a license if the applicant or licensee or an agent, employee, manager, or partner of the
8.23 applicant or licensee:

8.24 (1) fraudulently or deceptively obtains or attempts to obtain a license or photo
8.25 identification card for the applicant or licensee or for another person;

8.26 (2) fraudulently or deceptively uses a license or photo identification card;

8.27 (3) presents or attempts to present the license or photo identification card of another
8.28 licensee or employee of a licensee as the applicant's or licensee's license or photo
8.29 identification card;

9.1 (4) uses or attempts to use an expired, suspended, or revoked license or false photo
9.2 identification card;

9.3 (5) has a similar license or certificate denied, suspended, or revoked in another
9.4 jurisdiction;

9.5 (6) under the laws of the United States or of any state, is convicted of a:

9.6 (i) felony; or

9.7 (ii) misdemeanor that is directly related to the fitness and qualification of the applicant
9.8 or licensee to be involved in providing locksmith services;

9.9 (7) knowingly employs or knowingly continues to employ an individual who, under the
9.10 laws of the United States or of any state, is convicted of:

9.11 (i) a felony that is directly related to the fitness and qualification of the employee to be
9.12 involved in providing locksmith services; or

9.13 (ii) a misdemeanor that is directly related to the fitness and qualification of the employee
9.14 to be involved in providing locksmith services;

9.15 (8) fails to maintain the liability insurance required under section 330A.08;

9.16 (9) engages in a pattern of unfair or deceptive trade practices, as determined by a final
9.17 administrative order or judicial decision;

9.18 (10) knowingly uses or permits the use of any of the licensee's or an employee of a
9.19 licensee's skills, tools, or facilities for the commission of any crime;

9.20 (11) willfully fails to provide or willfully misrepresents any information required to be
9.21 provided under this chapter;

9.22 (12) violates this chapter; or

9.23 (13) violates a rule adopted under this chapter.

9.24 (b)(1) Instead of or in addition to reprimanding a licensee or suspending or revoking a
9.25 license under this subdivision, the commissioner may impose a penalty not exceeding \$5,000
9.26 for each violation.

9.27 (2) To determine the amount of the penalty imposed under this chapter, the commissioner
9.28 shall consider:

9.29 (i) the seriousness of the violation;

9.30 (ii) the harm caused by the violation;

10.1 (iii) the good faith of the licensee; and

10.2 (iv) any history of previous violations by the licensee.

10.3 (c) The commissioner shall pay any penalty collected under this chapter into the general
10.4 fund of the state.

10.5 Subd. 2. **Special grounds.** The commissioner shall consider the following facts in the
10.6 granting, denial, renewal, suspension, or revocation of a license or the reprimand of an
10.7 applicant or licensee when an applicant or licensee is convicted of a felony or misdemeanor
10.8 described in subdivision 1, paragraph (a), clause (6):

10.9 (1) the nature of the crime;

10.10 (2) the relationship of the crime to the activities authorized by the license;

10.11 (3) with respect to a felony, the relevance of the conviction to the fitness and qualification
10.12 of the applicant or licensee to act as a locksmith;

10.13 (4) the length of time since the conviction; and

10.14 (5) the behavior and activities of the applicant or licensee before and after the conviction.

10.15 **Sec. 15. [330A.15] NOTICE AND HEARING.**

10.16 Subdivision 1. **Hearing.** Before the commissioner takes any final action under section
10.17 330A.14, the commissioner shall give the person against whom the action is contemplated
10.18 an opportunity for a hearing before the commissioner.

10.19 Subd. 2. **Notice.** The commissioner shall give notice and hold the hearing in accordance
10.20 with the contested case provisions of chapter 14.

10.21 **Sec. 16. [330A.16] APPEAL.**

10.22 A person aggrieved by a final decision of the commissioner in a contested case may
10.23 appeal as allowed in chapter 14.

10.24 **Sec. 17. [330A.17] INFORMATION TO LOCAL LAW ENFORCEMENT UNIT.**

10.25 The commissioner shall inform each local law enforcement unit of each license that is
10.26 issued, renewed, changed to a new business location, denied, suspended, or revoked.

11.1 Sec. 18. **[330A.18] INFORMATION REQUIRED ON INVOICE.**

11.2 A licensed locksmith shall include on each invoice or receipt for services the following
11.3 information regarding each service call:

11.4 (1) the address where the services were provided by the locksmith;

11.5 (2) the type of lock being serviced;

11.6 (3) the vehicle identification number, if applicable;

11.7 (4) the quoted cost of the service provided to the customer prior to agreeing to provide
11.8 the service; and

11.9 (5) the actual cost of the service paid by the customer.

11.10 Sec. 19. **[330A.19] COPY OF INVOICE TO BE KEPT AT FIXED BUSINESS**
11.11 **ADDRESS.**

11.12 Unless otherwise authorized by the commissioner, a licensed locksmith shall keep a
11.13 copy of each invoice or receipt for services required by this chapter, at the fixed business
11.14 address provided by the licensee to the commissioner, for three years after the date of the
11.15 service call and, on reasonable notice from the commissioner, make required records available
11.16 for inspection by the commissioner.

11.17 Sec. 20. **[330A.20] COPY OF INVOICE TO BE PROVIDED TO LOCAL LAW**
11.18 **ENFORCEMENT UNIT OR DEPARTMENT.**

11.19 Subdivision 1. **Generally.** (a) A licensed locksmith shall provide to a local law
11.20 enforcement unit or the department a copy of each invoice or receipt for services requested
11.21 by either a local law enforcement unit or the department.

11.22 (b) The commissioner shall encourage licensed locksmiths to develop a system for
11.23 maintaining the records required by this chapter electronically.

11.24 Subd. 2. **Methods.** On a request for an invoice or a receipt for services under subdivision
11.25 1, the licensed locksmith shall submit the item by one of the following methods:

11.26 (1) by delivering or mailing a copy of the invoice or receipt for services within five
11.27 business days after receiving the request; or

11.28 (2) by transmitting a copy of the invoice or receipt for services electronically, in a format
11.29 acceptable to the receiving local law enforcement unit or the department, within two business
11.30 days after receiving the request.

12.1 Subd. 3. **Information included.** Each copy of an invoice or receipt for services, submitted
 12.2 to the local law enforcement unit or the department, shall include:

12.3 (1) the license number of the licensed locksmith; and

12.4 (2) the information required under section 330A.18.

12.5 Subd. 4. **Confidentiality.** A copy of an invoice or receipt for services submitted under
 12.6 this section shall be kept confidential and is not a public record.

12.7 Subd. 5. **Destruction.** A local law enforcement unit or the department may destroy the
 12.8 copy of an invoice or receipt for services submitted under this section after one year from
 12.9 the date the local law enforcement unit or the department receives the copy.

12.10 **Sec. 21. [330A.21] ADVERTISING REQUIREMENTS.**

12.11 Each locksmith advertisement, business card, or any other means of providing notice to
 12.12 the public of the business providing locksmith services shall include the name of the licensed
 12.13 locksmith and the license number of the licensed locksmith.

12.14 **Sec. 22. [330A.22] KNOWING USE OF SKILLS, TOOLS, OR FACILITIES TO**
 12.15 **AID UNLICENSED LOCKSMITH.**

12.16 A person may not knowingly use, or permit the use of, for the commission of a crime,
 12.17 the licensee's, or an employee of the licensee's, skills, tools, or facilities to aid or abet an
 12.18 unlicensed locksmith in any activity for which a locksmith license is required.

12.19 **Sec. 23. [330A.23] DISREGARD BUILDING OR SAFETY LAWS.**

12.20 A licensed locksmith or employee of a licensed locksmith may not willfully or
 12.21 deliberately disregard any state or local building code or safety laws.

12.22 **Sec. 24. [330A.24] FAILURE TO COMPLETE WORK.**

12.23 A licensed locksmith or employee of a licensed locksmith may not fail in any material
 12.24 respect to complete the installation, repair, opening, or modification of a lock for the price
 12.25 stated in the contract for services.

12.26 **Sec. 25. [330A.25] PENALTIES.**

12.27 Except for a violation of section 330A.26, paragraph (a), a person that violates any
 12.28 provision of this chapter is guilty of a misdemeanor and on conviction is subject to a fine
 12.29 not exceeding \$10,000 or imprisonment not exceeding two years or both.

13.1 Sec. 26. **[330A.26] UNAUTHORIZED PRACTICE.**

13.2 (a) Except as otherwise provided in this chapter, a person may not act as, offer to act as,
13.3 hold oneself out as, or impersonate a locksmith in the state unless the person is a licensee
13.4 or employee of a licensee.

13.5 (b) A person that violates this section is guilty of a misdemeanor and, on first conviction,
13.6 is subject to a fine not exceeding \$1,000 and, on second or subsequent conviction, is subject
13.7 to a fine not exceeding \$5,000.

13.8 Sec. 27. **[330A.27] CIVIL ADMINISTRATIVE ACTION.**

13.9 (a) Subject to the notice and hearing provisions of section 330A.15, the commissioner
13.10 may bring a civil administrative action against a person that violates section 330A.26,
13.11 paragraph (a).

13.12 (b) After a hearing, if the commissioner finds that a person has violated section 330A.26,
13.13 paragraph (a), the commissioner may:

13.14 (1) order the person to cease and desist from unlawful practice; and

13.15 (2) impose a civil penalty not exceeding \$100 for each day of unlawful practice.

13.16 (c) Any person aggrieved by a decision and order of the commissioner under this section
13.17 may appeal as allowed in section 330A.16.

13.18 Sec. 28. **[330A.28] REPEATED VIOLATIONS.**

13.19 (a) This section applies only if there is no greater criminal penalty provided under this
13.20 chapter or other applicable law.

13.21 (b) A person that engages in repeated violations of the provisions of this chapter is guilty
13.22 of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000.