

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 4097**

(SENATE AUTHORS: KLEIN)

DATE	D-PG	OFFICIAL STATUS
02/22/2024	11710	Introduction and first reading Referred to Commerce and Consumer Protection
04/02/2024	13115a 13329	Comm report: To pass as amended Second reading
04/04/2024	13397a 13412	Special Order: Amended Third reading Passed
04/18/2024	13936 13937 14450	Returned from House with amendment Senate not concur, conference committee of 5 requested Senate conferees Klein; Seeberger; Frenztz; Dahms; Rasmusson
04/24/2024	14454	House conferees Stephenson; Kotyza-Witthuhn; Kraft; Cha; O'Driscoll
05/15/2024	17061C 17193 17194 17195	Conference committee report, delete everything Motion to reject CC report, did not prevail Senate adopted CC report and repassed bill Third reading
05/17/2024	17730	House adopted SCC report and repassed bill

1.1 A bill for an act

1.2 relating to commerce; adding and modifying various provisions related to insurance;

1.3 regulating financial institutions; modifying provisions governing financial

1.4 institutions; providing for certain consumer protections and privacy; modifying

1.5 provisions governing commerce; making technical changes; establishing civil and

1.6 criminal penalties; authorizing administrative rulemaking; requiring reports;

1.7 amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20,

1.8 subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions

1.9 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1,

1.10 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3;

1.11 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision;

1.12 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions

1.13 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by

1.14 adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61;

1.15 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095,

1.16 subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision

1.17 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24;

1.18 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2;

1.19 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement,

1.20 sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions;

1.21 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71,

1.22 subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5;

1.23 Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2,

1.24 sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota

1.25 Statutes, chapters 53B; 58; 65A; 325F; 325G; 332; 507; 513; proposing coding

1.26 for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota

1.27 Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision

1.28 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71,

1.29 subdivision 8.

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

2.2

**ARTICLE 1**

2.3

**INSURANCE POLICY**

2.4 Section 1. Minnesota Statutes 2022, section 60A.201, is amended by adding a subdivision  
2.5 to read:

2.6 Subd. 6. Coverage deemed unavailable. Coverage for a risk that was referred to a  
2.7 surplus lines broker by a Minnesota licensed insurance producer who is not affiliated with  
2.8 that surplus lines broker shall be deemed unavailable from a licensed insurer.

2.9 Sec. 2. Minnesota Statutes 2022, section 67A.01, subdivision 2, is amended to read:

2.10 Subd. 2. **Authorized territory.** (a) A township mutual fire insurance company may be  
2.11 authorized to write business in up to nine adjoining counties in the aggregate at the same  
2.12 time. If policyholder surplus is at least \$500,000 as reported in the company's last annual  
2.13 financial statement filed with the commissioner, the company may, if approval has been  
2.14 granted by the commissioner, be authorized to write business in ten or more counties in the  
2.15 aggregate at the same time, subject to a maximum of ~~20~~ 30 adjoining counties, in accordance  
2.16 with the following schedule:

2.17	Number of Counties	Surplus Requirement
2.18	10	\$500,000
2.19	11	600,000
2.20	12	700,000
2.21	13	800,000
2.22	14	900,000
2.23	15	1,000,000
2.24	16	1,100,000
2.25	17	1,200,000
2.26	18	1,300,000
2.27	19	1,400,000
2.28	20	1,500,000
2.29	<u>21</u>	<u>1,600,000</u>
2.30	<u>22</u>	<u>1,700,000</u>
2.31	<u>23</u>	<u>1,800,000</u>
2.32	<u>24</u>	<u>1,900,000</u>
2.33	<u>25</u>	<u>2,000,000</u>
2.34	<u>26</u>	<u>2,100,000</u>

3.1	<u>27</u>	<u>2,200,000</u>
3.2	<u>28</u>	<u>2,300,000</u>
3.3	<u>29</u>	<u>2,400,000</u>
3.4	<u>30</u>	<u>2,500,000</u>

3.5 (b) In the case of a merger of two or more companies having contiguous territories, the  
 3.6 surviving company in the merger may transact business in the entire territory of the merged  
 3.7 companies; however, the territory of the surviving company in the merger ~~may not be larger~~  
 3.8 ~~than 20~~ must be approved by the commissioner and may not be in excess of 30 counties,  
 3.9 provided the company complies with the additional reporting requirements stipulated in  
 3.10 paragraph (g).

3.11 (c) Notwithstanding paragraph (b), a policy issued by a constituent company to the  
 3.12 merger may remain effective, without respect to the policy being issued in a county outside  
 3.13 the territory of the surviving company, until the policy:

3.14 (1) expires or is terminated by the policy's terms; or

3.15 (2) is terminated or annulled and canceled in accordance with section 67A.18.

3.16 The surviving company must not amend or renew a policy issued in a county outside the  
 3.17 surviving company's territory.

3.18 ~~(e)~~ (d) A township mutual fire insurance company may write new and renewal insurance  
 3.19 on property in cities within the company's authorized territory having a population less than  
 3.20 25,000. A township mutual fire insurance company may continue to write new and renewal  
 3.21 insurance once the population increases to 25,000 or greater provided that amended and  
 3.22 restated articles are filed with the commissioner along with a certification that such city's  
 3.23 population has increased to 25,000 or greater.

3.24 ~~(d)~~ (e) A township mutual fire insurance company may write new and renewal insurance  
 3.25 on property in cities within the company's authorized territory with a population of 25,000  
 3.26 or greater, but less than 150,000, if approval has been granted by the commissioner. No  
 3.27 township mutual fire insurance company shall insure any property in cities with a population  
 3.28 of 150,000 or greater.

3.29 ~~(e)~~ (f) If a township mutual fire insurance company provides evidence to the  
 3.30 commissioner that the company had insurance in force on December 31, 2007, in a city  
 3.31 within the company's authorized territory with a population of 25,000 or greater, but less  
 3.32 than 150,000, the company may write new and renewal insurance on property in that city  
 3.33 provided that the company files amended and restated articles by July 31, 2010, naming  
 3.34 that city.

4.1 (g) If a surviving company of a merger writes in more than 20 counties, that company  
 4.2 must report to the commissioner the following items on a quarterly basis:

4.3 (1) income statement;

4.4 (2) balance sheet;

4.5 (3) insurance in force; and

4.6 (4) number of policies.

4.7 Sec. 3. Minnesota Statutes 2022, section 67A.14, subdivision 1, is amended to read:

4.8 Subdivision 1. **Kinds of property; property outside authorized territory.** (a) Township  
 4.9 mutual fire insurance companies may insure qualified property. Qualified property means  
 4.10 dwellings, household goods, appurtenant structures, farm buildings, farm personal property,  
 4.11 churches, church personal property, county fair buildings, community and township meeting  
 4.12 halls and their usual contents.

4.13 (b) Township mutual fire insurance companies may extend coverage to include an  
 4.14 insured's secondary property if the township mutual fire insurance company covers qualified  
 4.15 property belonging to the insured. Secondary property means any real or personal property  
 4.16 that is not considered qualified property for a township mutual fire insurance company to  
 4.17 cover under this chapter. The maximum amount of coverage that a township mutual fire  
 4.18 insurance company may write for secondary property is 25 percent of the total limit of  
 4.19 liability of the policy issued to an insured covering the qualified property.

4.20 (c) A township mutual fire insurance company may insure any real or personal property,  
 4.21 including qualified or secondary property, subject to the limitations in subdivision 1,  
 4.22 paragraph (b), located outside the limits of the territory in which the company is authorized  
 4.23 by its certificate or articles of incorporation to transact business, if the company is already  
 4.24 covering qualified property belonging to the insured, inside the limits of the company's  
 4.25 territory. For purposes of this paragraph, qualified property inside the limits of the company's  
 4.26 territory includes qualified property outside the territory of the surviving company to a  
 4.27 merger for the duration of the policy insuring the qualified property if the qualified property  
 4.28 was qualified property inside the territory of a constituent company to the merger.

4.29 (d) A township mutual fire insurance company may insure property temporarily outside  
 4.30 of the authorized territory of the township mutual fire insurance company.

5.1 Sec. 4. Minnesota Statutes 2022, section 507.071, is amended to read:

5.2 **507.071 TRANSFER ON DEATH DEEDS.**

5.3 Subdivision 1. **Definitions.** For the purposes of this section the following terms have  
5.4 the meanings given:

5.5 (a) "Beneficiary" or "grantee beneficiary" means a person or entity named as a grantee  
5.6 beneficiary in a transfer on death deed, including a successor grantee beneficiary.

5.7 (b) "County agency" means the county department or office designated to recover medical  
5.8 assistance benefits from the estates of decedents.

5.9 (c) "Grantor owner" means an owner, whether individually, as a joint tenant, or as a  
5.10 tenant in common, named as a grantor in a transfer on death deed upon whose death the  
5.11 conveyance or transfer of the described real property is conditioned. Grantor owner does  
5.12 not include a spouse who joins in a transfer on death deed solely for the purpose of conveying  
5.13 or releasing statutory or other marital interests in the real property to be conveyed or  
5.14 transferred by the transfer on death deed.

5.15 (d) "Owner" means a person having an ownership or other interest in all or part of the  
5.16 real property to be conveyed or transferred by a transfer on death deed either at the time the  
5.17 deed is executed or at the time the transfer becomes effective. Owner does not include a  
5.18 spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing  
5.19 statutory or other marital interests in the real property to be conveyed or transferred by the  
5.20 transfer on death deed.

5.21 (e) "Property" and "interest in real property" mean any interest in real property located  
5.22 in this state which is transferable on the death of the owner and includes, without limitation,  
5.23 an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security  
5.24 interest in, or a security pledge of, an interest in real property, including the rights to  
5.25 payments of the indebtedness secured by the security instrument, a judgment, a tax lien,  
5.26 both the seller's and purchaser's interest in a contract for deed, land contract, purchase  
5.27 agreement, or earnest money contract for the sale and purchase of real property, including  
5.28 the rights to payments under such contracts, or any other lien on, or interest in, real property.

5.29 (f) "Recorded" means recorded in the office of the county recorder or registrar of titles,  
5.30 as appropriate for the real property described in the instrument to be recorded.

5.31 (g) "State agency" means the Department of Human Services or any successor agency.

5.32 (h) "Transfer on death deed" means a deed authorized under this section.

6.1 Subd. 2. **Effect of transfer on death deed.** A deed that conveys or assigns an interest  
6.2 in real property, to a grantee beneficiary and that expressly states that the deed is only  
6.3 effective on the death of one or more of the grantor owners, transfers the interest to the  
6.4 grantee beneficiary upon the death of the grantor owner upon whose death the conveyance  
6.5 or transfer is stated to be effective, but subject to the survivorship provisions and requirements  
6.6 of section 524.2-702. Until a transfer on death deed becomes effective, it has no effect on  
6.7 title to the real property described in the deed, but it does create an insurable interest in the  
6.8 real property in favor of the designated grantee beneficiary or beneficiaries for purposes of  
6.9 insuring the real property against loss or damage that occurs on or after the transfer on death  
6.10 deed becomes effective. A transfer on death deed must comply with all provisions of  
6.11 Minnesota law applicable to deeds of real property including, but not limited to, the  
6.12 provisions of sections 507.02, 507.24, 507.34, 508.48, and 508A.48. If a spouse who is  
6.13 neither a grantor owner nor an owner joins in the execution of, or consents in writing to,  
6.14 the transfer on death deed, such joinder or consent shall be conclusive proof that upon the  
6.15 transfer becoming effective, the spouse no longer has or can claim any statutory interest or  
6.16 other marital interest in the interest in real property transferred by the transfer on death deed.  
6.17 However, such transfer shall remain an interest as identified in section 256B.15 for purposes  
6.18 of complying with and satisfying any claim or lien as authorized by subdivision 3.

6.19 Subd. 3. **Rights of creditors and rights of state and county under sections 246.53,**  
6.20 **256B.15, 256D.16, 261.04, and 514.981.** The interest transferred to a beneficiary under a  
6.21 transfer on death deed after the death of a grantor owner is transferred subject to all effective  
6.22 conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges,  
6.23 judgments, tax liens, and any other matters or encumbrances to which the interest was  
6.24 subject on the date of death of the grantor owner, upon whose death the transfer becomes  
6.25 effective including, but not limited to, any claim by a surviving spouse who did not join in  
6.26 the execution of, or consent in writing to, the transfer on death deed, and any claim or lien  
6.27 by the state or county agency authorized by sections 246.53, 256B.15, 256D.16, 261.04,  
6.28 and 514.981, if other assets of the deceased grantor's estate are insufficient to pay the amount  
6.29 of any such claim. A beneficiary to whom the interest is transferred after the death of a  
6.30 grantor owner shall be liable to account to the state or county agency with a claim or lien  
6.31 authorized by section 246.53, 256B.15, 256D.16, 261.04, or 514.981, to the extent necessary  
6.32 to discharge any such claim remaining unpaid after application of the assets of the deceased  
6.33 grantor owner's estate, but such liability shall be limited to the value of the interest transferred  
6.34 to the beneficiary. To establish compliance with this subdivision and subdivision 23, the  
6.35 beneficiary must record a clearance certificate issued in accordance with subdivision 23 in  
6.36 each county in which the real property described in the transfer on death deed is located.

7.1 Subd. 4. **Multiple grantee beneficiaries.** A transfer on death deed may designate multiple  
7.2 grantee beneficiaries to take title as joint tenants, as tenants in common or in any other form  
7.3 of ownership or tenancy that is valid under the laws of this state. If a grantee joint tenant  
7.4 dies before the grantor owner upon whose death the transfer occurs and no successor  
7.5 beneficiary for the deceased grantee is designated in the transfer on death deed, the surviving  
7.6 joint tenants are the successors and no interest lapses.

7.7 Subd. 5. **Successor grantee beneficiaries.** A transfer on death deed may designate one  
7.8 or more successor grantee beneficiaries or a class of successor grantee beneficiaries, or  
7.9 both. If the transfer on death deed designates successor grantee beneficiaries or a class of  
7.10 successor grantee beneficiaries, the deed shall state the condition under which the interest  
7.11 of the successor grantee beneficiaries would vest.

7.12 Subd. 6. **Multiple joint tenant grantors.** If an interest in real property is owned as joint  
7.13 tenants, a transfer on death deed executed by all of the owners and, if required by section  
7.14 507.02, their respective spouses, if any, that conveys an interest in real property to one or  
7.15 more grantee beneficiaries transfers the interest to the grantee beneficiary or beneficiaries  
7.16 effective only after the death of the last surviving grantor owner. If the last surviving joint  
7.17 tenant owner did not execute the transfer on death deed, the deed is ineffective to transfer  
7.18 any interest and the deed is void. An estate in joint tenancy is not severed or affected by the  
7.19 subsequent execution of a transfer on death deed and the right of a surviving joint tenant  
7.20 owner who did not execute the transfer on death deed shall prevail over a grantee beneficiary  
7.21 named in a transfer on death deed unless the deed specifically states that it severs the joint  
7.22 tenancy ownership.

7.23 Subd. 7. **Execution by attorney-in-fact.** A transfer on death deed may be executed by  
7.24 a duly appointed attorney-in-fact pursuant to a power of attorney which grants the  
7.25 attorney-in-fact the authority to execute deeds.

7.26 Subd. 8. **Recording requirements and authorization.** A transfer on death deed is valid  
7.27 if the deed is recorded in a county in which at least a part of the real property described in  
7.28 the deed is located and is recorded before the death of the grantor owner upon whose death  
7.29 the conveyance or transfer is effective. Notwithstanding the definition of recorded under  
7.30 subdivision 1, if the real property is registered property, a transfer on death deed that was  
7.31 recorded incorrectly or incompletely is valid if the deed was recorded before the death of  
7.32 the grantor owner in the office of the county recorder or the registrar of titles in a county  
7.33 in which at least part of the real property is located, and is memorialized on the certificate  
7.34 of title after death. A transfer on death deed is not effective for purposes of section 507.34,  
7.35 508.47, or 508A.47 until the deed is properly recorded in the county in which the real

8.1 property is located. When a transfer on death deed is presented for recording, no certification  
8.2 by the county auditor as to transfer of ownership and current and delinquent taxes shall be  
8.3 required or made and the transfer on death deed shall not be required to be accompanied  
8.4 by a certificate of real estate value. A transfer on death deed that otherwise satisfies all  
8.5 statutory requirements for recording may be recorded and shall be accepted for recording  
8.6 in the county in which the property described in the deed is located. If any part of the property  
8.7 described in the transfer on death deed is registered property, the registrar of titles shall  
8.8 accept the transfer on death deed for recording only if at least one of the grantors who  
8.9 executes the transfer on death deed appears of record to have an ownership interest or other  
8.10 interest in the real property described in the deed. No certification or approval of a transfer  
8.11 on death deed shall be required of the examiner of titles prior to recording of the deed in  
8.12 the office of the registrar of titles.

8.13       Subd. 9. **Deed to trustee or other entity.** A transfer on death deed may transfer an  
8.14 interest in real property to the trustee of an inter vivos trust even if the trust is revocable, to  
8.15 the trustee of a testamentary trust or to any other entity legally qualified to hold title to real  
8.16 property under the laws of this state.

8.17       Subd. 10. **Revocation or modification of transfer on death deed.** (a) A transfer on  
8.18 death deed may be revoked at any time by the grantor owner or, if there is more than one  
8.19 grantor owner, by any of the grantor owners. A revocation revokes the transfer on death  
8.20 deed in its entirety. To be effective, the revocation must be recorded in a county in which  
8.21 at least a part of the real property is located before the death of the grantor owner or owners  
8.22 who execute the revocation. Notwithstanding the definition of recorded under subdivision  
8.23 1, if the real property is registered property, a revocation that was recorded incorrectly or  
8.24 incompletely is effective if it was recorded before the death of the grantor owner in the  
8.25 office of the county recorder or the registrar of titles in a county in which at least part of  
8.26 the real property is located, and is memorialized on the certificate of title after death. The  
8.27 revocation is not effective for purposes of section 507.34, 508.47, or 508A.47 until the  
8.28 revocation is properly recorded in a county in which the real property is located.

8.29       (b) If a grantor owner conveys to a third party, subsequent to the recording of the transfer  
8.30 on death deed, by means other than a transfer on death deed, all or a part of such grantor  
8.31 owner's interest in the property described in the transfer on death deed, no transfer of the  
8.32 conveyed interest shall occur on such grantor owner's death and the transfer on death deed  
8.33 shall be ineffective as to the conveyed or transferred interests, but the transfer on death deed  
8.34 remains effective with respect to the conveyance or transfer on death of any other interests

9.1 described in the transfer on death deed owned by the grantor owner at the time of the grantor  
9.2 owner's death.

9.3 (c) A transfer on death deed is a "governing instrument" within the meaning of section  
9.4 524.2-804 and, except as may otherwise be specifically provided for in the transfer on death  
9.5 deed, is subject to the same provisions as to revocation, revival, and nonrevocation set forth  
9.6 in section 524.2-804.

9.7 Subd. 11. **Antilapse; deceased beneficiary; words of survivorship.** (a) Except when  
9.8 a successor grantee beneficiary is designated in the transfer on death deed for the grantee  
9.9 beneficiary who did not survive the grantor owner, if a grantee beneficiary who is a  
9.10 grandparent or lineal descendant of a grandparent of the grantor owner fails to survive the  
9.11 grantor owner, the issue of the deceased grantee beneficiary who survive the grantor owner  
9.12 take in place of the deceased grantee beneficiary. If they are all of the same degree of kinship  
9.13 to the deceased grantee beneficiary, they take equally. If they are of unequal degree, those  
9.14 of more remote degree take by right of representation.

9.15 (b) For the purposes of this subdivision, words of survivorship such as, in a conveyance  
9.16 to an individual, "if he or she survives me," or, in a class gift, to "my surviving children,"  
9.17 are a sufficient indication of intent to condition the conveyance or transfer upon the  
9.18 beneficiary surviving the grantor owner.

9.19 (c) When issue of a deceased grantee beneficiary or members of a class take in place of  
9.20 the named grantee beneficiary pursuant to subdivision 5 or paragraph (a) or (b) or when a  
9.21 beneficiary dies and has no issue under paragraph (a), an affidavit of survivorship stating  
9.22 the names and shares of the beneficiaries or stating that a deceased beneficiary had no issue  
9.23 is not conclusive and a court order made in accordance with Minnesota probate law  
9.24 determining the beneficiaries and shares must also be recorded.

9.25 Subd. 12. **Lapse.** If all beneficiaries and all successor beneficiaries, if any, designated  
9.26 in a transfer on death deed, and also all successor beneficiaries who would take under the  
9.27 antilapse provisions of subdivision 11, fail to survive the grantor owner or the last survivor  
9.28 of the grantor owners if there are multiple grantor owners, if the beneficiary is a trust which  
9.29 has been revoked prior to the grantor owner's death, or if the beneficiary is an entity no  
9.30 longer in existence at the grantor owner's death, no transfer shall occur and the transfer on  
9.31 death deed is void.

9.32 Subd. 13. **Multiple transfer on death deeds.** If a grantor owner executes and records  
9.33 more than one transfer on death deed conveying the same interest in real property or a  
9.34 greater interest in the real property, or conveying part of the property in the earlier transfer

10.1 on death deed, the transfer on death deed that has the latest acknowledgment date and that  
10.2 is recorded before the death of the grantor owner upon whose death the conveyance or  
10.3 transfer is conditioned is the effective transfer on death deed and all other transfer on death  
10.4 deeds, if any, executed by the grantor owner or the grantor owners are ineffective to transfer  
10.5 any interest and are void, except that if the later transfer on death deed included only part  
10.6 of the land of the earlier deed, the earlier deed is effective for the lands not included in the  
10.7 subsequent deed, absent language to the contrary in the subsequent deed.

10.8 Subd. 14. **Nonademption; unpaid proceeds of sale, condemnation, or insurance;**  
10.9 **sale by conservator or guardian.** If at the time of the death of the grantor owner upon  
10.10 whose death the conveyance or transfer is stated to be effective, the grantor owner did not  
10.11 own a part or all of the real property described in the transfer on death deed, no conveyance  
10.12 or transfer to the beneficiary of the nonowned part of the real property shall occur upon the  
10.13 death of the grantor owner and the transfer on death deed is void as to the nonowned part  
10.14 of the real property, but the beneficiary shall have the same rights to unpaid proceeds of  
10.15 sale, condemnation or insurance, and, if sold by a conservator or guardian of the grantor  
10.16 owner during the grantor owner's lifetime, the same rights to a general pecuniary devise, as  
10.17 that of a specific devisee as set forth in section 524.2-606.

10.18 Subd. 15. **Nonexoneration.** Except as otherwise provided in subdivision 3, a conveyance  
10.19 or transfer under a transfer on death deed passes the described property subject to any  
10.20 mortgage or security interest existing at the date of death of the grantor owner, without right  
10.21 of exoneration, regardless of any statutory obligations to pay the grantor owner's debts upon  
10.22 death and regardless of a general directive in the grantor owner's will to pay debts.

10.23 Subd. 16. **Disclaimer by beneficiary.** A grantee beneficiary's interest under a transfer  
10.24 on death deed may be disclaimed as provided in sections 524.2-1101 to 524.2-1116, or as  
10.25 otherwise provided by law.

10.26 Subd. 17. **Effect on other conveyances.** This section does not prohibit other methods  
10.27 of conveying property that are permitted by law and that have the effect of postponing  
10.28 ownership or enjoyment of an interest in real property until the death of the owner. This  
10.29 section does not invalidate any deed that is not a transfer on death deed and that is otherwise  
10.30 effective to convey title to the interests and estates described in the deed that is not recorded  
10.31 until after the death of the owner.

10.32 Subd. 18. **Notice, consent, and delivery not required.** The signature, consent or  
10.33 agreement of, or notice to, a grantee beneficiary under a transfer on death deed, or delivery

11.1 of the transfer on death deed to the grantee beneficiary, is not required for any purpose  
11.2 during the lifetime of the grantor owner.

11.3 Subd. 19. **Nonrevocation by will.** A transfer on death deed that is executed,  
11.4 acknowledged, and recorded in accordance with this section is not revoked by the provisions  
11.5 of a will.

11.6 Subd. 20. **Proof of survivorship and clearance from public assistance claims and**  
11.7 **liens; recording.** An affidavit of identity and survivorship with a certified copy of a record  
11.8 of death as an attachment may be combined with a clearance certificate under this section  
11.9 and the combined documents may be recorded separately or as one document in each county  
11.10 in which the real estate described in the clearance certificate is located. The affidavit must  
11.11 include the name and mailing address of the person to whom future property tax statements  
11.12 should be sent. The affidavit, record of death, and clearance certificate, whether combined  
11.13 or separate, shall be prima facie evidence of the facts stated in each, and the registrar of  
11.14 titles may rely on the statements to transfer title to the property described in the clearance  
11.15 certificate, except in cases where a court order is required pursuant to the provisions of  
11.16 subdivision 11, paragraph (c).

11.17 Subd. 21. **After-acquired property.** Except as provided in this subdivision, a transfer  
11.18 on death deed is not effective to transfer any interest in real property acquired by a grantor  
11.19 owner subsequent to the date of signing of a transfer on death deed. A grantor owner may  
11.20 provide by specific language in a transfer on death deed that the transfer on death deed will  
11.21 apply to any interest in the described property acquired by the grantor owner after the signing  
11.22 or recording of the deed.

11.23 Subd. 22. **Anticipatory alienation prohibited.** The interest of a grantee beneficiary  
11.24 under a transfer on death deed which has not yet become effective is not subject to alienation;  
11.25 assignment; encumbrance; appointment or anticipation by the beneficiary; garnishment;  
11.26 attachment; execution or bankruptcy proceedings; claims for alimony, support, or  
11.27 maintenance; payment of other obligations by any person against the beneficiary; or any  
11.28 other transfer, voluntary or involuntary, by or from any beneficiary.

11.29 Subd. 23. **Clearance for public assistance claims and liens.** Any person claiming an  
11.30 interest in real property conveyed or transferred by a transfer on death deed, or the person's  
11.31 attorney or other agent, may apply to the county agency in the county in which the real  
11.32 property is located for a clearance certificate for the real property described in the transfer  
11.33 on death deed. The application for a clearance certificate and the clearance certificate must  
11.34 contain the legal description of each parcel of property covered by the clearance certificate.

12.1 The county agency shall provide a sufficient number of clearance certificates to allow a  
 12.2 clearance certificate to be recorded in each county in which the real property described in  
 12.3 the transfer on death deed is located. The real property described in the clearance certificate  
 12.4 is bound by any conditions or other requirements imposed by the county agency as specified  
 12.5 in the clearance certificate. If the real property is registered property, a new certificate of  
 12.6 title must not be issued until the clearance certificate is recorded. If the clearance certificate  
 12.7 shows the continuation of a medical assistance claim or lien after issuance of the clearance  
 12.8 certificate, the real property remains subject to the claim or lien. If the real property is  
 12.9 registered property, the clearance certificate must be carried forward as a memorial in any  
 12.10 new certificate of title. The application shall contain the same information and shall be  
 12.11 submitted, processed, and resolved in the same manner and on the same terms and conditions  
 12.12 as provided in section 525.313 for a clearance certificate in a decree of descent proceeding,  
 12.13 except that a copy of a notice of hearing does not have to accompany the application. The  
 12.14 application may contain a statement that the applicant, after reasonably diligent inquiry, is  
 12.15 not aware of the existence of a predeceased spouse or the existence of a claim which could  
 12.16 be recovered under section 246.53, 256B.15, 256D.16, 261.04, or 514.981. If the county  
 12.17 agency determines that a claim or lien exists under section 246.53, 256B.15, 256D.16,  
 12.18 261.04, or 514.981, the provisions of section 525.313 shall apply to collection, compromise,  
 12.19 and settlement of the claim or lien. A person claiming an interest in real property transferred  
 12.20 or conveyed by a transfer on death deed may petition or move the district court, as  
 12.21 appropriate, in the county in which the real property is located or in the county in which a  
 12.22 probate proceeding affecting the estate of the grantor of the transfer on death deed is pending,  
 12.23 for an order allowing sale of the real property free and clear of any public assistance claim  
 12.24 or lien but subject to disposition of the sale proceeds as provided in section 525.313. On a  
 12.25 showing of good cause and subject to such notice as the court may require, the court without  
 12.26 hearing may issue an order allowing the sale free and clear of any public assistance claim  
 12.27 or lien on such terms and conditions as the court deems advisable to protect the interests of  
 12.28 the state or county agency.

12.29 Subd. 24. **Form of transfer on death deed.** A transfer on death deed may be substantially  
 12.30 in the following form:

12.31 **Transfer on Death Deed**

12.32 I (we) ..... (grantor owner or owners and spouses, if any, with  
 12.33 marital status designated), grantor(s), hereby convey(s) and quitclaim(s) to  
 12.34 ..... (grantee beneficiary, whether one or more) effective (check  
 12.35 only one of the following)

13.1 .... on the death of the grantor owner, if only one grantor is named above, or on the  
 13.2 death of the last of the grantor owners to die, if more than one grantor owner is named  
 13.3 above, or

13.4 .... on the death of (name of grantor owner)

13.5 ..... (must be one of the grantor owners named above), the  
 13.6 following described real property:

13.7 (Legal description)

13.8 If checked, the following optional statement applies:

13.9 ....When effective, this instrument conveys any and all interests in the described real  
 13.10 property acquired by the grantor owner(s) before, on, or after the date of this  
 13.11 instrument.

13.12 .....  
 13.13 (Signature of grantor(s))

13.14 (acknowledgment)

13.15 Subd. 25. **Form of instrument of revocation.** An instrument of revocation may be  
 13.16 substantially in the following form:

13.17 Revocation of Transfer on Death Deed

13.18 The undersigned hereby revokes the transfer on death deed recorded on ....., ...,  
 13.19 as Document No. .... (or in Book ..... of ....., Page ....) in the office of the  
 13.20 (County Recorder) (Registrar of Titles) of ..... County, Minnesota, affecting real  
 13.21 property legally described as follows:

13.22 (legal description)

13.23 Dated:  
 13.24 .....

13.25 Signature

13.26 (acknowledgment)

13.27 Subd. 26. **Jurisdiction.** In counties where the district court has a probate division, the  
 13.28 application of subdivision 11 or other issues of interpretation or validity of the transfer on  
 13.29 death deed, and actions to enforce a medical assistance lien or claim against real property  
 13.30 described in a transfer on death deed and any matter raised in connection with enforcement  
 13.31 shall be determined in the probate division. ~~Notwithstanding any other law to the contrary,~~  
 13.32 ~~the provisions of section 256B.15 shall apply to any proceeding to enforce a medical~~  
 13.33 ~~assistance lien or claim under chapter 524 or 525.~~ In other counties, the district court shall

14.1 have jurisdiction to determine any matter affecting real property purporting to be transferred  
14.2 by a transfer on death deed. Notwithstanding any other law to the contrary, the provisions  
14.3 of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or  
14.4 claim under chapter 524 or 525.

14.5 Sec. 5. **[507.072] PROPERTY INSURANCE FOR GRANTEE BENEFICIARIES**  
14.6 **OF TRANSFER ON DEATH DEEDS.**

14.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions  
14.8 apply unless the context indicates otherwise.

14.9 (b) "Grantee beneficiary" has the meaning given in section 507.071, subdivision 1.

14.10 (c) "Insurance policy" means an insurance policy governed by chapter 65A.

14.11 (d) "Transfer on death deed" means a deed described in section 507.071.

14.12 (e) "Grantor owner" has the meaning given in section 507.071, subdivision 1.

14.13 (f) "Extended coverage" or "temporary extended coverage" means insurance coverage  
14.14 continuing beyond the death of the named insured.

14.15 Subd. 2. **Insurance policy to include grantee beneficiary.** An insurer providing an  
14.16 insurance policy on real property transferred by a transfer on death deed shall provide  
14.17 temporary extended coverage on the real property to the designated grantee beneficiary for  
14.18 a period commencing on the date of death of the grantor owner and ending when the grantee  
14.19 beneficiary replaces the insurance policy on the insured property with an insurance policy  
14.20 or the expiration of the time limitations set forth in subdivision 4, whichever occurs first.

14.21 Subd. 3. **Notice to the insurer.** To obtain temporary extended coverage for a transfer  
14.22 on death deed as provided in this section, the grantor owner must notify the insurer of the  
14.23 existence of a transfer on death deed. The notice shall include the names and contact  
14.24 information of all designated grantee beneficiaries.

14.25 Subd. 4. **Coverage extended.** The coverage extended under this section applies only  
14.26 with respect to the insurance policy insuring the real property of the grantor owner. The  
14.27 period of extended coverage shall not exceed 30 days from the date of the grantor owner's  
14.28 death or the expiration date of the insurance policy, whichever is less. An insurer is not  
14.29 required to provide notice to the grantee beneficiary for cancellation of coverage following  
14.30 the shorter of the 30 days or expiration date of the policy or the placement of replacement  
14.31 insurance coverage.

15.1 Subd. 5. **Proof demanded; policy conditions.** Before making any payment for a claim  
15.2 under this section, the insurer may require proof that the claimant is a grantee beneficiary  
15.3 under a transfer on death deed, the transfer on death deed was recorded as provided in  
15.4 section 507.071, and that an affidavit of survivorship and death certificate of the grantor  
15.5 owner was recorded as provided in section 507.071. The grantee beneficiary shall comply  
15.6 with the conditions of the policy.

15.7 Subd. 6. **Insurable interest.** A grantee beneficiary does not hold an insurable interest  
15.8 in the real property described in a transfer on death deed prior to the death of the grantor  
15.9 owner. Any claim on the insured real property described in a transfer on death deed initiated  
15.10 before the death of the grantor owner or the death benefits associated with the policy prior  
15.11 to the death of the grantor owner shall be settled with the estate of the grantor owner, not  
15.12 with the grantee beneficiary. A grantee beneficiary is not entitled to recover benefits under  
15.13 an insurance policy extended as provided in this section in an amount greater than the grantee  
15.14 beneficiary's insurable interest at the time of loss or damage. A grantee beneficiary is not  
15.15 entitled to any amounts paid out in prior claims on the property. If the transfer on death  
15.16 deed designates multiple grantee beneficiaries, nothing in this section requires the insurer  
15.17 to pay an amount for loss or damage to the insured real property that exceeds the amount  
15.18 that would be owed to the grantor owner if the grantor owner was living at the time of loss  
15.19 or damage.

15.20 Subd. 7. **Warnings on transfer on death deeds.** (a) On or after August 1 of the year  
15.21 of the effective date of this section, a transfer on death deed shall contain the following  
15.22 warnings in substantially the following form:

15.23 "Warning to Grantor Owner: Temporary extended coverage of any fire and casualty  
15.24 insurance policy on the property under Minnesota Statutes, chapter 65A, exists only if the  
15.25 grantor owner has given notice to the insurer under Minnesota Statutes, section 507.072,  
15.26 subdivision 3, including the existence of a transfer on death deed and the names and contact  
15.27 information of all designated grantee beneficiaries. Any temporary extended coverage  
15.28 terminates on the earliest of (1) 30 days after the date of the grantor owner's death, (2) the  
15.29 expiration date of the policy, or (3) upon placement of a replacement insurance policy.

15.30 Warning to Grantee Beneficiary: A grantee beneficiary shall not presume insurance  
15.31 coverage continues after the death of the grantor owner. Upon the death of the grantor  
15.32 owner, the grantee beneficiary should determine whether the provisions of Minnesota  
15.33 Statutes, section 507.072, apply and consult with an insurance agent or attorney."

16.1 (b) The failure to include warnings in a transfer on death deed in accordance with this  
 16.2 subdivision shall not invalidate the transfer on death deed or affect recording of the transfer  
 16.3 on death deed.

16.4 Sec. 6. **EFFECTIVE DATE.**

16.5 Sections 4 and 5 are effective on the day following final enactment and apply to insurance  
 16.6 policies issued or renewed in Minnesota on or after August 1, 2024. Sections 4 and 5 do  
 16.7 not apply to insurance policies issued or renewed prior to August 1, 2024, or to transfer on  
 16.8 death deeds recorded prior to that date unless the grantor owner provides the notice specified  
 16.9 by section 5, subdivision 3.

## 16.10 ARTICLE 2

### 16.11 FINANCIAL INSTITUTIONS

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

16.13 Subdivision 1. Terms. For the purposes of this chapter, the terms defined in this section  
 16.14 have the meanings given them.

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

16.19 Subd. 3. Commissioner. "Commissioner" means the commissioner of commerce.

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

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

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

16.29 (3) provides nonpublic personal information to a financial institution in connection with  
 16.30 obtaining or seeking to obtain financial, investment, or economic advisory services, regardless

17.1 of whether the financial institution establishes a continuing advisory relationship with the  
17.2 individual; or

17.3 (4) has a loan for personal, family, or household purposes in which the financial institution  
17.4 has ownership or servicing rights, even if the financial institution or one or more other  
17.5 institutions that hold ownership or servicing rights in conjunction with the financial institution  
17.6 hires an agent to collect on the loan.

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

17.8 (1) is a consumer of another financial institution that uses a different financial institution  
17.9 to act solely as an agent for, or provide processing or other services to, the consumer's  
17.10 financial institution;

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

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

17.13 (4) is a participant or a beneficiary of an employee benefit plan that the financial  
17.14 institution sponsors or for which the financial institution acts as a trustee or fiduciary.

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

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

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

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

17.19 (4) holds an investment product through a financial institution, including but not limited  
17.20 to when the financial institution acts as a custodian for securities or for assets in an individual  
17.21 retirement arrangement;

17.22 (5) enters into an agreement or understanding with a financial institution whereby the  
17.23 financial institution undertakes to arrange or broker a home mortgage loan, or credit to  
17.24 purchase a vehicle, for the consumer;

17.25 (6) enters into a lease of personal property on a nonoperating basis with a financial  
17.26 institution;

17.27 (7) obtains financial, investment, or economic advisory services from a financial  
17.28 institution for a fee;

17.29 (8) becomes a financial institution's client to obtain tax preparation or credit counseling  
17.30 services from the financial institution;

18.1 (9) obtains career counseling while: (i) seeking employment with a financial institution  
18.2 or the finance, accounting, or audit department of any company; or (ii) employed by a  
18.3 financial institution or department of any company;

18.4 (10) is obligated on an account that a financial institution purchases from another financial  
18.5 institution, regardless of whether the account is in default when purchased, unless the  
18.6 financial institution does not locate the consumer or attempt to collect any amount from the  
18.7 consumer on the account;

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

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

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

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

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

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

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

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

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

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

18.30 Subd. 8. **Customer relationship.** "Customer relationship" means a continuing relationship  
18.31 between a consumer and a financial institution under which the financial institution provides

19.1 to the consumer one or more financial products or services that are used primarily for  
19.2 personal, family, or household purposes.

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

19.7 Subd. 10. **Federally insured depository financial institution.** "Federally insured  
19.8 depository financial institution" means a bank, credit union, savings and loan association,  
19.9 trust company, savings association, savings bank, industrial bank, or industrial loan company  
19.10 organized under the laws of the United States or any state of the United States, when the  
19.11 bank, credit union, savings and loan association, trust company, savings association, savings  
19.12 bank, industrial bank, or industrial loan company has federally insured deposits.

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

19.19 Subd. 12. **Financial institution.** "Financial institution" means a consumer small loan  
19.20 lender under section 47.60, a person owning or maintaining electronic financial terminals  
19.21 under section 47.62, a trust company under chapter 48A, a loan and thrift company under  
19.22 chapter 53, a currency exchange under chapter 53A, a money transmitter under chapter 53B,  
19.23 a sales finance company under chapter 53C, a regulated loan lender under chapter 56, a  
19.24 residential mortgage originator or servicer under chapter 58, a student loan servicer under  
19.25 chapter 58B, a credit service organization under section 332.54, a debt management service  
19.26 provider or person providing debt management services under chapter 332A, or a debt  
19.27 settlement service provider or person providing debt settlement services under chapter 332B.

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

19.32 Subd. 14. **Information system.** "Information system" means a discrete set of electronic  
19.33 information resources organized to collect, process, maintain, use, share, disseminate, or  
19.34 dispose of electronic information, as well as any specialized system, including but not

20.1 limited to industrial process controls systems, telephone switching and private branch  
20.2 exchange systems, and environmental controls systems, that contains customer information  
20.3 or that is connected to a system that contains customer information.

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

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

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

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

20.9 Subd. 16. **Nonpublic personal information.** (a) "Nonpublic personal information"  
20.10 means:

20.11 (1) personally identifiable financial information; or

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

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

20.18 (c) Nonpublic personal information does not include:

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

20.21 (2) any list, description, or other grouping of consumers, including publicly available  
20.22 information pertaining to the list, description, or other grouping of consumers, that is derived  
20.23 without using any personally identifiable financial information that is not publicly available;  
20.24 or

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

20.29 Subd. 17. **Notification event.** "Notification event" means the acquisition of unencrypted  
20.30 customer information without the authorization of the individual to which the information  
20.31 pertains. Customer information is considered unencrypted for purposes of this subdivision  
20.32 if the encryption key was accessed by an unauthorized person. Unauthorized acquisition is

21.1 presumed to include unauthorized access to unencrypted customer information unless the  
 21.2 financial institution has reliable evidence showing that there has not been, or could not  
 21.3 reasonably have been, unauthorized acquisition of customer information.

21.4 Subd. 18. **Penetration testing.** "Penetration testing" means a test methodology in which  
 21.5 assessors attempt to circumvent or defeat the security features of an information system by  
 21.6 attempting to penetrate databases or controls from outside or inside a financial institution's  
 21.7 information systems.

21.8 Subd. 19. **Personally identifiable financial information.** (a) "Personally identifiable  
 21.9 financial information" means any information:

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

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

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

21.15 (b) Personally identifiable financial information includes:

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

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

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

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

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

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

21.30 (7) information from a consumer report.

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

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

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

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

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

22.10 (2) widely distributed media; or

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

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

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

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

22.20 (c) For purposes of this subdivision, a financial institution has a reasonable basis to  
22.21 believe that information is lawfully made available to the general public if the financial  
22.22 institution has taken steps to determine: (1) that the information is of the type that is available  
22.23 to the general public; and (2) whether an individual can direct that the information not be  
22.24 made available to the general public and, if so, that the financial institution's consumer has  
22.25 not directed that the information not be made available to the general public. A financial  
22.26 institution has a reasonable basis to believe that mortgage information is lawfully made  
22.27 available to the general public if the financial institution determines the information is of  
22.28 the type included on the public record in the jurisdiction where the mortgage would be  
22.29 recorded. A financial institution has a reasonable basis to believe that an individual's  
22.30 telephone number is lawfully made available to the general public if the financial institution  
22.31 has located the telephone number in the telephone book or the consumer has informed the  
22.32 financial institution that the telephone number is not unlisted.

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

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

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

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

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

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

23.18 (c) The information security program must include the elements set forth in section  
 23.19 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as  
 23.20 established under subdivision 2.

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

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

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

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

23.27 **Sec. 3. [46A.03] ELEMENTS.**

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

23.30 Subd. 2. **Qualified individual.** (a) A financial institution must designate a qualified  
 23.31 individual responsible for overseeing, implementing, and enforcing the financial institution's

24.1 information security program. The qualified individual may be employed by the financial  
24.2 institution, an affiliate, or a service provider.

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

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

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

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

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

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

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

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

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

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

24.26 (3) requirements describing how:

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

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

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

24.30 (1) reexamine the reasonably foreseeable internal and external risks to the security,  
24.31 confidentiality, and integrity of customer information that might result in the unauthorized

25.1 disclosure, misuse, alteration, destruction, or other compromise of customer information;  
25.2 and

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

25.5 Subd. 4. **Risk control.** A financial institution must design and implement safeguards to  
25.6 control the risks the financial institution identifies through the risk assessment under  
25.7 subdivision 3, including by:

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

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

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

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

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

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

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

25.32 (6) developing, implementing, and maintaining procedures to securely dispose of  
25.33 customer information in any format no later than two years after the last date the information

26.1 is used in connection with providing a product or service to the customer which relates,  
26.2 unless: (i) the information is necessary for business operations or for other legitimate business  
26.3 purposes; (ii) is otherwise required to be retained by law or regulation; or (iii) if targeted  
26.4 disposal of the information is not reasonably feasible due to the manner in which the  
26.5 information is maintained;

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

26.8 (8) adopting procedures for change management; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28.1 (6) documentation and reporting regarding security events and related incident response  
28.2 activities; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29.10 (b) The notice must include:

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

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

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

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

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

29.16 (6) a statement (i) disclosing whether a law enforcement official has provided the financial  
29.17 institution with a written determination indicating that providing notice to the public regarding  
29.18 the breach would impede a criminal investigation or cause damage to national security, and  
29.19 (ii) if a written determination described under item (i) was provided to the financial  
29.20 institution, providing contact information that enables the commissioner to contact the law  
29.21 enforcement official. A law enforcement official may request an initial delay of up to 45  
29.22 days following the date that notice was provided to the commissioner. The delay may be  
29.23 extended for an additional period of up to 60 days if the law enforcement official seeks an  
29.24 extension in writing. An additional delay may be permitted only if the commissioner  
29.25 determines that public disclosure of a security event continues to impede a criminal  
29.26 investigation or cause damage to national security.

29.27 Subd. 2. **Notification event treated as discovered.** A notification event must be treated  
29.28 as discovered on the first day when the event is known to a financial institution. A financial  
29.29 institution is deemed to have knowledge of a notification event if the event is known to any  
29.30 person, other than the person committing the breach, who is the financial institution's  
29.31 employee, officer, or other agent.

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

30.2 (a) The commissioner has the power to examine and investigate the affairs of any covered  
 30.3 financial institution to determine whether the financial institution has been or is engaged in  
 30.4 any conduct that violates this chapter. This power is in addition to the powers granted to  
 30.5 the commissioner under section 46.01.

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

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

30.10 Subdivision 1. **Financial institution information.** (a) Any documents, materials, or  
 30.11 other information in the control or possession of the department that are furnished by a  
 30.12 licensee or a licensee's employee or agent acting on behalf of a financial institution pursuant  
 30.13 to section 46A.06 or that are obtained by the commissioner in an investigation or examination  
 30.14 pursuant to section 46A.07: (1) are classified as confidential, protected nonpublic, or both;  
 30.15 (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence  
 30.16 in any private civil action.

30.17 (b) Notwithstanding paragraph (a), clauses (1) to (3), the commissioner is authorized to  
 30.18 use the documents, materials, or other information in the furtherance of any regulatory or  
 30.19 legal action brought as a part of the commissioner's duties.

30.20 Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who  
 30.21 received documents, materials, or other information while acting under the authority of the  
 30.22 commissioner is permitted or required to testify in a private civil action concerning  
 30.23 confidential documents, materials, or information subject to subdivision 1.

30.24 Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's  
 30.25 duties under sections 46A.01 to 46A.08, the commissioner may:

30.26 (1) share documents, materials, or other information, including the confidential and  
 30.27 privileged documents, materials, or information subject to subdivision 1, with other state,  
 30.28 federal, and international regulatory agencies, with the Conference of State Bank Supervisors,  
 30.29 the Conference of State Bank Supervisors' affiliates or subsidiaries, and with state, federal,  
 30.30 and international law enforcement authorities, provided that the recipient agrees in writing  
 30.31 to maintain the confidentiality and privileged status of the document, material, or other  
 30.32 information;

31.1 (2) receive documents, materials, or information, including otherwise confidential and  
 31.2 privileged documents, materials, or information, from the Conference of State Bank  
 31.3 Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and from  
 31.4 regulatory and law enforcement officials of other foreign or domestic jurisdictions, and  
 31.5 must maintain as confidential or privileged any document, material, or information received  
 31.6 with notice or the understanding that the document, material, or information is confidential  
 31.7 or privileged under the laws of the jurisdiction that is the source of the document, material,  
 31.8 or information;

31.9 (3) share documents, materials, or other information subject to subdivision 1 with a  
 31.10 third-party consultant or vendor, provided the consultant agrees in writing to maintain the  
 31.11 confidentiality and privileged status of the document, material, or other information; and

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

31.14 Subd. 4. **No waiver of privilege or confidentiality; information retention.** (a) The  
 31.15 disclosure of documents, materials, or information to the commissioner under this section  
 31.16 or as a result of sharing as authorized in subdivision 3 does not result in a waiver of any  
 31.17 applicable privilege or claim of confidentiality in the documents, materials, or information.

31.18 (b) A document, material, or information disclosed to the commissioner under this section  
 31.19 about a cybersecurity event must be retained and preserved by the financial institution for  
 31.20 five years.

31.21 Subd. 5. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the  
 31.22 commissioner from releasing final, adjudicated actions that are open to public inspection  
 31.23 pursuant to chapter 13 to a database or other clearinghouse service maintained by the  
 31.24 Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates,  
 31.25 or the Conference of State Bank Supervisors' subsidiaries.

31.26 Subd. 6. **Classification, protection, and use of information by others.** Documents,  
 31.27 materials, or other information in the possession or control of the Conference of State Bank  
 31.28 Supervisors or a third-party consultant pursuant to sections 46A.01 to 46A.08: (1) are  
 31.29 classified as confidential, protected nonpublic, and privileged; (2) are not subject to subpoena;  
 31.30 and (3) are not subject to discovery or admissible in evidence in a private civil action.

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

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

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

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

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

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

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

32.12 (e) A single service charge, which includes any consideration, not otherwise specified  
32.13 herein as an "actual closing cost" paid by the borrower and received and retained by the  
32.14 lender for or related to the acquisition, making, refinancing or modification of a conventional  
32.15 or cooperative apartment loan, and also includes any consideration received by the lender  
32.16 for making a borrower's interest rate commitment or for making a borrower's loan  
32.17 commitment, whether or not an actual loan follows the commitment. The term service charge  
32.18 does not include forward commitment fees. The service charge shall not exceed one percent  
32.19 of the original bona fide principal amount of the conventional or cooperative apartment  
32.20 loan, except that in the case of a construction loan, the service charge shall not exceed two  
32.21 percent of the original bona fide principal amount of the loan. That portion of the service  
32.22 charge imposed because the loan is a construction loan shall be itemized and a copy of the  
32.23 itemization furnished the borrower. A lender shall not collect from a borrower the additional  
32.24 one percent service charge permitted for a construction loan if it does not perform the service  
32.25 for which the charge is imposed or if third parties perform and charge the borrower for the  
32.26 service for which the lender has imposed the charge.

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

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

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

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

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

33.27 (6) "Forward commitment fee" means a fee or other consideration paid to a lender for  
33.28 the purpose of securing a binding forward commitment by or through the lender to make  
33.29 conventional loans to two or more credit worthy purchasers, including future purchasers,  
33.30 of residential units, or a fee or other consideration paid to a lender for the purpose of securing  
33.31 a binding forward commitment by or through the lender to make conventional loans to two  
33.32 or more credit worthy purchasers, including future purchasers, of units to be created out of  
33.33 existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender  
33.34 for the purpose of securing a binding forward commitment by or through the lender to make  
33.35 cooperative apartment loans to two or more credit worthy purchasers, including future

34.1 purchasers, of a share or shares of stock or a membership certificate or certificates in a  
34.2 cooperative apartment corporation; provided, that the forward commitment rate of interest  
34.3 does not exceed the maximum lawful rate of interest effective as of the date the forward  
34.4 commitment is issued by the lender.

34.5 (7) "Borrower's interest rate commitment" means a binding commitment made by a  
34.6 lender to a borrower wherein the lender agrees that, if a conventional or cooperative  
34.7 apartment loan is made following issuance of and pursuant to the commitment, the  
34.8 conventional or cooperative apartment loan shall be made at a rate of interest not in excess  
34.9 of the rate of interest agreed to in the commitment, provided that the rate of interest agreed  
34.10 to in the commitment is not in excess of the maximum lawful rate of interest effective as  
34.11 of the date the commitment is issued by the lender to the borrower.

34.12 (8) "Borrower's loan commitment" means a binding commitment made by a lender to a  
34.13 borrower wherein the lender agrees to make a conventional or cooperative apartment loan  
34.14 pursuant to the provisions, including the interest rate, of the commitment, provided that the  
34.15 commitment rate of interest does not exceed the maximum lawful rate of interest effective  
34.16 as of the date the commitment is issued and the commitment when issued and agreed to  
34.17 shall constitute a legally binding obligation on the part of the mortgagee or lender to make  
34.18 a conventional or cooperative apartment loan within a specified time period in the future at  
34.19 a rate of interest not exceeding the maximum lawful rate of interest effective as of the date  
34.20 the commitment is issued by the lender to the borrower; provided that a lender who issues  
34.21 a borrower's loan commitment pursuant to the provisions of a forward commitment is  
34.22 authorized to issue the borrower's loan commitment at a rate of interest not to exceed the  
34.23 maximum lawful rate of interest effective as of the date the forward commitment is issued  
34.24 by the lender.

34.25 (9) "Finance charge" means the total cost of a conventional or cooperative apartment  
34.26 loan including extensions or grant of credit regardless of the characterization of the same  
34.27 and includes interest, finders fees, and other charges levied by a lender directly or indirectly  
34.28 against the person obtaining the conventional or cooperative apartment loan or against a  
34.29 seller of real property securing a conventional loan or a seller of a share or shares of stock  
34.30 or a membership certificate or certificates in a cooperative apartment corporation securing  
34.31 a cooperative apartment loan, or any other party to the transaction except any actual closing  
34.32 costs and any forward commitment fee. The finance charges plus the actual closing costs  
34.33 and any forward commitment fee, charged by a lender shall include all charges made by a  
34.34 lender other than the principal of the conventional or cooperative apartment loan. The finance  
34.35 charge, with respect to wraparound mortgages, shall be computed based upon the face

35.1 amount of the wraparound mortgage note, which face amount shall consist of the aggregate  
35.2 of those funds actually advanced by the wraparound lender and the total outstanding principal  
35.3 balances of the prior note or notes which have been made a part of the wraparound mortgage  
35.4 note.

35.5 (10) "Lender" means any person making a conventional or cooperative apartment loan,  
35.6 or any person arranging financing for a conventional or cooperative apartment loan. The  
35.7 term also includes the holder or assignee at any time of a conventional or cooperative  
35.8 apartment loan.

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

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

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

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

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

35.30 Subd. 2. **Approval order.** (a) If no objection is received by the commissioner within  
35.31 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must  
35.32 provide written consent approving the application without a hearing if ~~it is found~~ the  
35.33 commissioner finds that ~~(a):~~ (1) the applicant bank meets current industry standards of

36.1 capital adequacy, management quality, and asset condition, ~~(b); (2)~~ the establishment of the  
 36.2 proposed detached facility ~~will improve~~ improves the quality or increase the availability of  
 36.3 banking services in the community to be served; ~~and (c) (3)~~ the establishment of the proposed  
 36.4 detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing  
 36.5 financial institutions in the community to be served.

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

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

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

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

36.27 Sec. 12. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

36.28 Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus  
 36.29 made upon first mortgage security on improved real estate in any state in which the bank  
 36.30 or a ~~branch established under section 49.411~~ detached facility of the bank is located, or in  
 36.31 any state adjoining a state in which the bank or a ~~branch established under section 49.411~~  
 36.32 detached facility of the bank is located, shall not constitute a liability of the maker of the  
 36.33 notes secured by such mortgages within the meaning of the foregoing provision limiting

37.1 liability, but shall be an actual liability of the maker. These mortgage loans shall be limited  
 37.2 to, and in no case exceed, 50 percent of the cash value of the security covered by the  
 37.3 mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment  
 37.4 Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee  
 37.5 or for which a conditional guarantee has been issued, which loans shall in no case exceed  
 37.6 60 percent of the cash value of the security covered by such mortgage. For the purposes of  
 37.7 this subdivision, real estate is improved when substantial and permanent development or  
 37.8 construction has contributed substantially to its value, and agricultural land is improved  
 37.9 when farm crops are regularly raised on such land without further substantial improvements.

37.10 Sec. 13. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended  
 37.11 to read:

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

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

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

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

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

37.18 Sec. 14. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended  
 37.19 to read:

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

37.29 Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

37.30 **53B.29 EXEMPTIONS.**

37.31 This chapter does not apply to:

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

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

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

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

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

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

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

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

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

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

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

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

38.31 (7) a federally insured depository financial institution; bank holding company; office of  
38.32 an international banking corporation; foreign bank that establishes a federal branch pursuant

39.1 to the International Bank Act, United States Code, title 12, section 3102, as amended or  
39.2 recodified from time to time; corporation organized pursuant to the Bank Service Corporation  
39.3 Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from  
39.4 time to time; or corporation organized under the Edge Act, United States Code, title 12,  
39.5 sections 611 to 633, as amended or recodified from time to time;

39.6 (8) electronic funds transfer of governmental benefits for a federal, state, county, or  
39.7 governmental agency by a contractor on behalf of the United States or a department, agency,  
39.8 or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or  
39.9 instrumentality thereof;

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

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

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

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

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

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

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

39.31 (14) payroll processing services providers; or

40.1 ~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the  
40.2 exemption is in the public interest, and (ii) the regulation of the person is not necessary for  
40.3 the purposes of this chapter.

40.4 Sec. 16. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to  
40.5 read:

40.6 Subd. 15a. **Nationwide Multistate Licensing System and Registry.** "Nationwide  
40.7 Multistate Licensing System and Registry" has the meaning given in section 58A.02,  
40.8 subdivision 8.

40.9 Sec. 17. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

40.10 Subd. 18. **Residential mortgage loan.** "Residential mortgage loan" means a loan secured  
40.11 primarily by either: (1) a mortgage, deed of trust, or other equivalent security interest on  
40.12 residential real ~~property~~ estate; or (2) certificates of stock or other evidence of ownership  
40.13 interest in and proprietary lease from corporations, partnerships, or other forms of business  
40.14 organizations formed for the purpose of cooperative ownership of residential real ~~property~~  
40.15 estate.

40.16 Sec. 18. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

40.17 Subd. 21. **Residential real estate.** "Residential real estate" means real property located  
40.18 in Minnesota upon which a dwelling, as defined in United States Code, title 15, section  
40.19 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies  
40.20 the real property.

40.21 Sec. 19. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

40.22 Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person  
40.23 shall act as a residential mortgage originator, or make residential mortgage loans without  
40.24 first obtaining a license from the commissioner according to the licensing procedures  
40.25 provided in this chapter.

40.26 (b) A licensee must be either a partnership, limited liability partnership, association,  
40.27 limited liability company, corporation, or other form of business organization, and must  
40.28 have and maintain a surety bond in the amounts prescribed under section 58.08.

40.29 (c) The following persons are exempt from the residential mortgage originator licensing  
40.30 requirements:

41.1 (1) a person who is not in the business of making residential mortgage loans and who  
41.2 makes no more than three such loans, with its own funds, during any 12-month period;

41.3 (2) a financial institution as defined in section 58.02, subdivision 10;

41.4 (3) an agency of the federal government, or of a state or municipal government;

41.5 (4) an employee or employer pension plan making loans only to its participants;

41.6 (5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a  
41.7 specific order issued by a court of competent jurisdiction;

41.8 (6) a person who is a bona fide nonprofit organization that meets all the criteria required  
41.9 by the federal Secure and Fair Enforcement Licensing Act in Regulation H, adopted pursuant  
41.10 to Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii);

41.11 ~~(6)~~ (7) a person exempted by order of the commissioner; or

41.12 ~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b,  
41.13 or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

41.14 (i) performs only clerical or support duties in connection with assisting a consumer in  
41.15 filling out a residential mortgage loan application but does not in any way offer or negotiate  
41.16 loan terms, or hold themselves out as a housing counselor;

41.17 (ii) does not receive any direct or indirect compensation or gain from any individual or  
41.18 company for assisting consumers with a residential mortgage loan application, in excess of  
41.19 the customary salary or commission from the employer in connection with the sales  
41.20 transaction; and

41.21 (iii) discloses to the borrower in writing:

41.22 (A) if a corporate affiliation with a lender exists;

41.23 (B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the  
41.24 lowest or best terms available and the consumer has the right to choose their lender; and

41.25 (C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated  
41.26 lender.

41.27 (d) For the purposes of this subdivision, "housing counselor" means an individual who  
41.28 provides assistance and guidance about residential mortgage loan terms including rates,  
41.29 fees, or other costs.

41.30 (e) The disclosures required under paragraph (c), clause ~~(7)~~ (8), item (iii), must be made  
41.31 on a one-page form prescribed by the commissioner and developed in consultation with the

42.1 Manufactured and Modular Home Association. The form must be posted on the department's  
42.2 website.

42.3 Sec. 20. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

42.4 Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August  
42.5 1, 1999, no person shall engage in activities or practices that fall within the definition of  
42.6 "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first  
42.7 obtaining a license from the commissioner according to the licensing procedures provided  
42.8 in this chapter.

42.9 (b) The following persons are exempt from the residential mortgage servicer licensing  
42.10 requirements:

42.11 (1) a person licensed as a residential mortgage originator;

42.12 (2) an employee of one licensee or one person holding a certificate of exemption based  
42.13 on an exemption under this subdivision;

42.14 (3) a person servicing loans made with its own funds, if no more than three such loans  
42.15 are made in any 12-month period;

42.16 (4) a financial institution as defined in section 58.02, subdivision 10;

42.17 (5) an agency of the federal government, or of a state or municipal government;

42.18 (6) an employee or employer pension plan making loans only to its participants;

42.19 (7) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a  
42.20 specific order issued by a court of competent jurisdiction; ~~or~~

42.21 (8) a person who is a bona fide nonprofit organization that meets all the criteria required  
42.22 by the federal Secure and Fair Enforcement Licensing Act in Regulation H, Code of Federal  
42.23 Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii); or

42.24 ~~(8)~~ (9) a person exempted by order of the commissioner.

42.25 Sec. 21. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

42.26 Subdivision 1. **Exempt person.** (a) An exempt person, as defined by section 58.04,  
42.27 subdivision 1, paragraph (c), and subdivision 2, paragraph (b), is exempt from the licensing  
42.28 requirements of this chapter, but is subject to all other provisions of this chapter.

42.29 (b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision  
42.30 4, even if the institution is otherwise an exempt person.

43.1 Sec. 22. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

43.2 Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a  
 43.3 certificate of exemption from the commissioner to qualify as an exempt person under section  
 43.4 58.04, subdivision 1, paragraph (c); (1) a financial institution under section 58.04,  
 43.5 subdivision 1, paragraph (c), clause (2); (2) a bona fide nonprofit organization under section  
 43.6 58.04, subdivision 1, paragraph (c), clause (6); or (3) a person exempted by order of the  
 43.7 commissioner under section 58.04, subdivision 1, paragraph (c), clause (6); or (7).

43.8 (b) The following persons must obtain a certificate of exemption from the commissioner  
 43.9 to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b); ~~as:~~ (1) a  
 43.10 financial institution under section 58.04, subdivision 2, paragraph (b), clause (4); (2) a bona  
 43.11 fide nonprofit organization under section 58.04, subdivision 2, paragraph (b), clause (8); or  
 43.12 (3) a person exempted by order of the commissioner under clause ~~(8)~~ (9).

43.13 Sec. 23. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to  
 43.14 read:

43.15 Subd. 5. **Background checks.** In connection with an application for a residential mortgage  
 43.16 loan originator or servicer license, any person in control of an applicant must, at a minimum,  
 43.17 provide the Nationwide Multistate Licensing System and Registry information concerning  
 43.18 the person's identity, including:

43.19 (1) fingerprints for submission to the Federal Bureau of Investigation and a governmental  
 43.20 agency or entity authorized to receive the information for a state, national, and international  
 43.21 criminal history background check; and

43.22 (2) personal history and experience in a form prescribed by the Nationwide Multistate  
 43.23 Licensing System and Registry, including the submission of authorization for the Nationwide  
 43.24 Multistate Licensing System and Registry and the commissioner to obtain:

43.25 (i) an independent credit report obtained from a consumer reporting agency described  
 43.26 in United States Code, title 15, section 1681a(p); and

43.27 (ii) information related to administrative, civil, or criminal findings by a governmental  
 43.28 jurisdiction.

43.29 Sec. 24. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to  
 43.30 read:

43.31 Subd. 6. **Requesting and distributing criminal information; agency.** For the purposes  
 43.32 of this section and in order to reduce the points of contact the Federal Bureau of Investigation

44.1 may have to maintain for purposes of subdivision 5, clauses (1) and (2), the commissioner  
 44.2 may use the Nationwide Multistate Licensing System and Registry as a channeling agent  
 44.3 to request information from and distribute information to the United States Department of  
 44.4 Justice or any governmental agency.

44.5 Sec. 25. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to  
 44.6 read:

44.7 **Subd. 7. Requesting and distributing noncriminal information; agency.** For the  
 44.8 purposes of this section and in order to reduce the points of contact the commissioner may  
 44.9 have to maintain for purposes of subdivision 5, clause (2), the commissioner may use the  
 44.10 Nationwide Multistate Licensing System and Registry as a channeling agent to request and  
 44.11 distribute information from and to any source, as directed by the commissioner.

44.12 Sec. 26. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

44.13 **Subd. 1a. Residential mortgage originators.** (a) An applicant for a residential mortgage  
 44.14 originator license must file with the department a surety bond in the amount of ~~\$100,000~~  
 44.15 \$125,000, issued by an insurance company authorized to do so in this state. The bond must  
 44.16 cover all mortgage loan originators who are employees or independent agents of the applicant.  
 44.17 The bond must be available for the recovery of expenses, fines, and fees levied by the  
 44.18 commissioner under this chapter and for losses incurred by borrowers as a result of a  
 44.19 licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48,  
 44.20 and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

44.21 (b) The bond must be submitted with the originator's license application and evidence  
 44.22 of continued coverage must be submitted with each renewal. Any change in the bond must  
 44.23 be submitted for approval by the commissioner, within ten days of its execution. The bond  
 44.24 or a substitute bond shall remain in effect during all periods of licensing.

44.25 (c) Upon filing of the mortgage call report as required by section ~~58A.17~~ 58.141, a  
 44.26 licensee shall maintain or increase ~~its~~ the licensee's surety bond to reflect the total dollar  
 44.27 amount of the closed residential mortgage loans originated in this state in the preceding  
 44.28 year according to the table in this paragraph. A licensee may decrease ~~its~~ the licensee's  
 44.29 surety bond according to the table in this paragraph if the surety bond required is less than  
 44.30 the amount of the surety bond on file with the department.

44.31	Dollar Amount of Closed Residential	Surety Bond Required
44.32	Mortgage Loans	
44.33	\$0 to <del>\$5,000,000</del> <u>\$10,000,000</u>	<del>\$100,000</del> <u>\$125,000</u>

45.1	<del>\$5,000,000.01</del> <u>\$10,000,000.01 to \$10,000,000</u>	
45.2	<u>\$25,000,000</u>	<del>\$125,000</del> <u>\$150,000</u>
45.3	<del>\$10,000,000.01</del> <u>\$25,000,000.01 to</u>	
45.4	<del>\$25,000,000</del> <u>\$100,000,000</u>	<del>\$150,000</del> <u>\$200,000</u>
45.5	Over <del>\$25,000,000</del> <u>\$100,000,000</u>	<del>\$200,000</del> <u>\$300,000</u>

45.6 For purposes of this subdivision, "mortgage loan originator" has the meaning given the  
45.7 term in section 58A.02, subdivision 7.

45.8 Sec. 27. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

45.9 Subd. 2. **Residential mortgage servicers.** (a) A residential mortgage servicer licensee  
45.10 shall continuously maintain a surety bond or irrevocable letter of credit in an amount not  
45.11 less than ~~\$100,000~~ \$125,000 in a form approved by the commissioner, issued by an insurance  
45.12 company or bank authorized to do so in this state. The bond or irrevocable letter of credit  
45.13 must be available for the recovery of expenses, fines, and fees levied by the commissioner  
45.14 under this chapter, and for losses or damages incurred by borrowers or other aggrieved  
45.15 parties as the result of a licensee's noncompliance with the requirements of this chapter,  
45.16 sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to  
45.17 activities regulated by this chapter.

45.18 (b) The bond or irrevocable letter of credit must be submitted with the servicer's license  
45.19 application and evidence of continued coverage must be submitted with each renewal. Any  
45.20 change in the bond or letter of credit must be submitted for approval by the commissioner,  
45.21 within ten days of its execution. The bond or a substitute bond must remain in effect during  
45.22 all periods of a license.

45.23 (c) Upon filing the mortgage call report under section 58.141, a licensee must maintain  
45.24 or increase the licensee's surety bond to reflect the total dollar amount of unpaid principal  
45.25 balance for residential mortgage loans serviced in Minnesota during the preceding quarter  
45.26 according to the table in this paragraph. A licensee may decrease the licensee's surety bond  
45.27 according to the table in this paragraph if the surety bond required is less than the amount  
45.28 of the surety bond on file with the department.

45.29	<u>Dollar Amount of Unpaid Principal Balance</u>	<u>Surety Bond Required</u>
45.30	<u>for Serviced Residential Mortgage Loans</u>	
45.31	<u>\$0 to \$10,000,000</u>	<u>\$125,000</u>
45.32	<u>\$10,000,000.01 to \$50,000,000</u>	<u>\$200,000</u>
45.33	<u>Over \$50,000,000</u>	<u>\$300,000</u>

46.1 Sec. 28. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

46.2 Subd. 3. **Consumer education account; money credited and appropriated.** (a) The  
 46.3 consumer education account is created in the special revenue fund. Money credited to this  
 46.4 account may be appropriated to the commissioner ~~for the purpose of making~~ to: (1) make  
 46.5 grants to programs and campaigns designed to help consumers avoid being victimized by  
 46.6 unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner  
 46.7 incurs to provide outreach and education related to affordable housing and home ownership  
 46.8 education. The commissioner must give preference shall be given for grants to programs  
 46.9 and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies,  
 46.10 institutions, companies, and organizations.

46.11 (b) A sum sufficient is appropriated annually from the consumer education account to  
 46.12 the commissioner to make the grants described in paragraph (a).

46.13 Sec. 29. Minnesota Statutes 2022, section 58.115, is amended to read:

46.14 **58.115 EXAMINATIONS.**

46.15 The commissioner has under this chapter the same powers with respect to examinations  
 46.16 that the commissioner has under section 46.04. In addition to the powers under section  
 46.17 46.04, the commissioner may accept examination reports prepared by a state agency that  
 46.18 has comparable supervisory powers and examination procedures. The authority under section  
 46.19 49.411, subdivision 7, applies to examinations of institutions under this chapter.

46.20 Sec. 30. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

46.21 Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or  
 46.22 servicer, including a person required to be licensed under this chapter, and no person exempt  
 46.23 from the licensing requirements of this chapter under section 58.04, except as otherwise  
 46.24 provided in paragraph (b), shall:

46.25 (1) fail to maintain a trust account to hold trust funds received in connection with a  
 46.26 residential mortgage loan;

46.27 (2) fail to deposit all trust funds into a trust account within three business days of receipt;  
 46.28 commingle trust funds with funds belonging to the licensee or exempt person; or use trust  
 46.29 account funds for any purpose other than that for which they are received;

46.30 (3) unreasonably delay the processing of a residential mortgage loan application, or the  
 46.31 closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable

47.1 delay includes but is not limited to those factors identified in section 47.206, subdivision  
47.2 7, paragraph (d);

47.3 (4) fail to disburse funds according to its contractual or statutory obligations;

47.4 (5) fail to perform in conformance with its written agreements with borrowers, investors,  
47.5 other licensees, or exempt persons;

47.6 (6) charge a fee for a product or service where the product or service is not actually  
47.7 provided, or misrepresent the amount charged by or paid to a third party for a product or  
47.8 service;

47.9 (7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property  
47.10 law;

47.11 (8) violate any provision of any other applicable state or federal law regulating residential  
47.12 mortgage loans including, without limitation, sections 47.20 to 47.208 and 47.58;

47.13 (9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading  
47.14 statement or representation in connection with a residential loan transaction including,  
47.15 without limitation, a false, deceptive, or misleading statement or representation regarding  
47.16 the borrower's ability to qualify for any mortgage product;

47.17 (10) conduct residential mortgage loan business under any name other than that under  
47.18 which the license or certificate of exemption was issued;

47.19 (11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for  
47.20 the purpose of influencing the independent judgment of the appraiser with respect to the  
47.21 value of real estate that is to be covered by a residential mortgage or is being offered as  
47.22 security according to an application for a residential mortgage loan;

47.23 (12) issue any document indicating conditional qualification or conditional approval for  
47.24 a residential mortgage loan, unless the document also clearly indicates that final qualification  
47.25 or approval is not guaranteed, and may be subject to additional review;

47.26 (13) make or assist in making any residential mortgage loan with the intent that the loan  
47.27 will not be repaid and that the residential mortgage originator will obtain title to the property  
47.28 through foreclosure;

47.29 (14) provide or offer to provide for a borrower, any brokering or lending services under  
47.30 an arrangement with a person other than a licensee or exempt person, provided that a person  
47.31 may rely upon a written representation by the residential mortgage originator that it is in  
47.32 compliance with the licensing requirements of this chapter;

48.1 (15) claim to represent a licensee or exempt person, unless the person is an employee  
48.2 of the licensee or exempt person or unless the person has entered into a written agency  
48.3 agreement with the licensee or exempt person;

48.4 (16) fail to comply with the record keeping and notification requirements identified in  
48.5 section 58.14 or fail to abide by the affirmations made on the application for licensure;

48.6 (17) represent that the licensee or exempt person is acting as the borrower's agent after  
48.7 providing the nonagency disclosure required by section 58.15, unless the disclosure is  
48.8 retracted and the licensee or exempt person complies with all of the requirements of section  
48.9 58.16;

48.10 (18) make, provide, or arrange for a residential mortgage loan that is of a lower investment  
48.11 grade if the borrower's credit score or, if the originator does not utilize credit scoring or if  
48.12 a credit score is unavailable, then comparable underwriting data, indicates that the borrower  
48.13 may qualify for a residential mortgage loan, available from or through the originator, that  
48.14 is of a higher investment grade, unless the borrower is informed that the borrower may  
48.15 qualify for a higher investment grade loan with a lower interest rate and/or lower discount  
48.16 points, and consents in writing to receipt of the lower investment grade loan;

48.17 For purposes of this section, "investment grade" refers to a system of categorizing  
48.18 residential mortgage loans in which the loans are distinguished by interest rate or discount  
48.19 points or both charged to the borrower, which vary according to the degree of perceived  
48.20 risk of default based on factors such as the borrower's credit, including credit score and  
48.21 credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior  
48.22 bankruptcy or foreclosure;

48.23 (19) make, publish, disseminate, circulate, place before the public, or cause to be made,  
48.24 directly or indirectly, any advertisement or marketing materials of any type, or any statement  
48.25 or representation relating to the business of residential mortgage loans that is false, deceptive,  
48.26 or misleading;

48.27 (20) advertise loan types or terms that are not available from or through the licensee or  
48.28 exempt person on the date advertised, or on the date specified in the advertisement. For  
48.29 purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage  
48.30 terms, including interest rates, discount points, and closing costs provided by licensees or  
48.31 exempt persons to a print or electronic medium that presents the information to the public;

48.32 (21) use or employ phrases, pictures, return addresses, geographic designations, or other  
48.33 means that create the impression, directly or indirectly, that a licensee or other person is a

49.1 governmental agency, or is associated with, sponsored by, or in any manner connected to,  
49.2 related to, or endorsed by a governmental agency, if that is not the case;

49.3 (22) violate section 82.77, relating to table funding;

49.4 (23) make, provide, or arrange for a residential mortgage loan all or a portion of the  
49.5 proceeds of which are used to fully or partially pay off a "special mortgage" unless the  
49.6 borrower has obtained a written certification from an authorized independent loan counselor  
49.7 that the borrower has received counseling on the advisability of the loan transaction. For  
49.8 purposes of this section, "special mortgage" means a residential mortgage loan originated,  
49.9 subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit  
49.10 organization, that bears one or more of the following nonstandard payment terms which  
49.11 substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal  
49.12 or interest are not required or can be deferred under specified conditions; (iii) principal or  
49.13 interest is forgivable under specified conditions; or (iv) where no interest or an annual  
49.14 interest rate of two percent or less is charged in connection with the loan. For purposes of  
49.15 this section, "authorized independent loan counselor" means a nonprofit, third-party  
49.16 individual or organization providing home buyer education programs, foreclosure prevention  
49.17 services, mortgage loan counseling, or credit counseling certified by the United States  
49.18 Department of Housing and Urban Development, the Minnesota Home Ownership Center,  
49.19 the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks  
49.20 America;

49.21 (24) make, provide, or arrange for a residential mortgage loan without verifying the  
49.22 borrower's reasonable ability to pay the scheduled payments of the following, as applicable:  
49.23 principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage  
49.24 insurance premiums. For loans in which the interest rate may vary, the reasonable ability  
49.25 to pay shall be determined based on a fully indexed rate and a repayment schedule which  
49.26 achieves full amortization over the life of the loan. For all residential mortgage loans, the  
49.27 borrower's income and financial resources must be verified by tax returns, payroll receipts,  
49.28 bank records, or other similarly reliable documents.

49.29 Nothing in this section shall be construed to limit a mortgage originator's or exempt  
49.30 person's ability to rely on criteria other than the borrower's income and financial resources  
49.31 to establish the borrower's reasonable ability to repay the residential mortgage loan, including  
49.32 criteria established by the United States Department of Veterans Affairs or the United States  
49.33 Department of Housing and Urban Development for interest rate reduction refinancing loans  
49.34 or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage  
49.35 Association or Federal Home Loan Mortgage Corporation; however, such other criteria

50.1 must be verified through reasonably reliable methods and documentation. The mortgage  
 50.2 originator's analysis of the borrower's reasonable ability to repay may include, but is not  
 50.3 limited to, consideration of the following items, if verified: (1) the borrower's current and  
 50.4 expected income; (2) current and expected cash flow; (3) net worth and other financial  
 50.5 resources other than the consumer's equity in the dwelling that secures the loan; (4) current  
 50.6 financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7)  
 50.7 employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax  
 50.8 returns; (12) pension statements; and (13) employment payment records, provided that no  
 50.9 mortgage originator shall disregard facts and circumstances that indicate that the financial  
 50.10 or other information submitted by the consumer is inaccurate or incomplete. A statement  
 50.11 by the borrower to the residential mortgage originator or exempt person of the borrower's  
 50.12 income and resources or sole reliance on any single item listed above is not sufficient to  
 50.13 establish the existence of the income or resources when verifying the reasonable ability to  
 50.14 pay;

50.15 (25) engage in "churning." As used in this section, "churning" means knowingly or  
 50.16 intentionally making, providing, or arranging for a residential mortgage loan when the new  
 50.17 residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower  
 50.18 considering all of the circumstances, including the terms of both the new and refinanced  
 50.19 loans, the cost of the new loan, and the borrower's circumstances; In order to demonstrate  
 50.20 a reasonable, tangible net benefit to the borrower, the circumstances must be documented  
 50.21 in writing and must be signed by the borrower and lender three days before the closing date.  
 50.22 The written analysis must, with respect to the prior loan and the new loan, document the:  
 50.23 (i) origination date; (ii) loan amount; (iii) loan balance; (iv) loan term; (v) loan program;  
 50.24 (vi) type of loan; (vii) interest rate; (viii) monthly amount of principal and interest paid; (ix)  
 50.25 monthly amount of private mortgage insurance paid; (x) loan purpose; (xi) loan origination  
 50.26 cost; (xii) cash to borrower, if applicable; and (xiii) time to recoup the loan cost, if applicable,  
 50.27 expressed in months;

50.28 (26) the first time a residential mortgage originator orally informs a borrower of the  
 50.29 anticipated or actual periodic payment amount for a first-lien residential mortgage loan  
 50.30 which does not include an amount for payment of property taxes and hazard insurance, the  
 50.31 residential mortgage originator must inform the borrower that an additional amount will be  
 50.32 due for taxes and insurance and, if known, disclose to the borrower the amount of the  
 50.33 anticipated or actual periodic payments for property taxes and hazard insurance. This same  
 50.34 oral disclosure must be made each time the residential mortgage originator orally informs  
 50.35 the borrower of a different anticipated or actual periodic payment amount change from the

51.1 amount previously disclosed. A residential mortgage originator need not make this disclosure  
 51.2 concerning a refinancing loan if the residential mortgage originator knows that the borrower's  
 51.3 existing loan that is anticipated to be refinanced does not have an escrow account; or

51.4 (27) make, provide, or arrange for a residential mortgage loan, other than a reverse  
 51.5 mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance  
 51.6 with any repayment option offered pursuant to the terms of the loan will result in negative  
 51.7 amortization during any six-month period.

51.8 (b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered  
 51.9 bank, savings bank, or credit union, an institution chartered by Congress under the Farm  
 51.10 Credit Act, or to a person making, providing, or arranging a residential mortgage loan  
 51.11 originated or purchased by a state agency or a tribal or local unit of government. This  
 51.12 paragraph supersedes any inconsistent provision of this chapter.

51.13 Sec. 31. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

51.14 Subdivision 1. Mortgage call reports. A residential mortgage originator or servicer  
 51.15 must submit reports of condition to the Nationwide Multistate Licensing System and Registry.  
 51.16 Reports submitted under this subdivision must be in the form and contain the information  
 51.17 required by the Nationwide Multistate Licensing System and Registry.

51.18 Subd. 2. Report to Nationwide Multistate Licensing System and Registry. Subject  
 51.19 to section 58A.14, the commissioner must regularly report violations of this chapter, as well  
 51.20 as enforcement actions and other relevant information, to the Nationwide Multistate Licensing  
 51.21 System and Registry.

51.22 Subd. 3. Unique identifier; display. The unique identifier of any person originating a  
 51.23 residential mortgage loan must be clearly displayed on all residential mortgage loan  
 51.24 application forms, solicitations, or advertisements, including business cards or websites,  
 51.25 and any other documents the commissioner establishes by rule or order.

51.26 Sec. 32. **[60M.01] DEFINITIONS.**

51.27 Subdivision 1. Terms. For the purposes of this chapter, the terms defined in this section  
 51.28 have the meanings given.

51.29 Subd. 2. Bail bond. "Bail bond" is an instrument that is the tool utilized to guarantee  
 51.30 the appearance of an individual and secure the monetary requirement of the bond.

52.1 Subd. 3. **Bail bond agency.** "Bail bond agency" means an agency contracted by a surety  
 52.2 to supervise or otherwise manage the bail bond business written in Minnesota by producers  
 52.3 appointed by the surety.

52.4 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce.

52.5 Subd. 5. **Department.** "Department" means the Department of Commerce.

52.6 Subd. 6. **Depositor.** "Depositor" means:

52.7 (1) an individual that has paid money to a surety, bail bond agency, or producer as  
 52.8 premium or premium towards a bail bond product transaction, as defined in section 60M.02;  
 52.9 or

52.10 (2) an individual that deposited money, property, or assets with a surety, bail bond  
 52.11 agency, or producer to be held as collateral or used towards the liability of a bail bond  
 52.12 product transaction, as defined in section 60M.03.

52.13 Subd. 7. **Negotiate.** "Negotiate" means the act of conferring directly with or offering  
 52.14 advice directly to a purchaser or prospective purchaser of a particular insurance contract  
 52.15 concerning any of the substantive benefits, terms, or conditions of the contract, if the person  
 52.16 engaged in the act either sells insurance or obtains insurance from insurers for purchasers.

52.17 Subd. 8. **Net premium.** "Net premium" means a bond's premium, less any commission  
 52.18 agreed to in advance and in writing between a producer and the surety or bail bond agency.

52.19 Subd. 9. **Personal information.** "Personal information" has the meaning given in section  
 52.20 72A.491, subdivision 17.

52.21 Subd. 10. **Principal.** "Principal" is an individual who has engaged with a bail bond  
 52.22 agency or producer to arrange for the individual's bail bond to be posted on the individual's  
 52.23 behalf, securing the individual's release pretrial on a bail bond.

52.24 Subd. 11. **Privileged information.** "Privileged information" has the meaning given in  
 52.25 section 72A.491, subdivision 19.

52.26 Subd. 12. **Producer.** "Producer" means a person that is licensed to write bail bonds, has  
 52.27 been approved by the state court administrator's office, is a contractor or employee for a  
 52.28 bail bond agency, and is appointed by a surety to execute or countersign bail bonds for the  
 52.29 surety in connection with judicial proceedings.

52.30 Subd. 13. **Sell.** "Sell" means to exchange a bail bond product for money on behalf of a  
 52.31 surety company.

53.1 Subd. 14. **Surety.** "Surety" means a domestic, foreign, or alien insurance company that  
53.2 is licensed to transact surety business in Minnesota under section 60A.06.

53.3 Sec. 33. **[60M.02] PREMIUMS.**

53.4 Subdivision 1. **Premiums; generally.** (a) Regardless of whether a producer is an  
53.5 employee or an independent contractor, a producer must charge the approved, filed rate of  
53.6 the surety being used to post a bail bond. Except as provided in subdivision 2 or in a situation  
53.7 where cash bail is set by the court under subdivision 5, the rate charged must not be less  
53.8 than the surety's filed rate.

53.9 (b) A producer is prohibited from providing a premium rebate.

53.10 (c) A producer may charge travel or other related fees, provided the producer complies  
53.11 with section 60K.46, subdivision 2.

53.12 Subd. 2. **Minimum premium.** A producer must charge a minimum premium of \$100.  
53.13 Any premium amount must be included in the surety's rate filing with the commissioner.

53.14 Subd. 3. **Bail bonds less than \$10,000.** (a) A producer is prohibited from posting a bail  
53.15 bond with a penal sum of \$10,000 or less unless the producer has:

53.16 (1) received at least 50 percent of the total premium owed under the surety's rate filing;

53.17 (2) provided the depositor with a receipt that indicates the premium paid; and

53.18 (3) if the full premium is not collected before posting the bond, a signed promissory  
53.19 note must be obtained requiring the unpaid premium in full within four months of the date  
53.20 the bond is posted.

53.21 (b) A promissory note issued under paragraph (a), clause (3), must be made on a surety  
53.22 or bail bond agency form as approved by the commissioner. The maximum annual interest  
53.23 rate allowed on a promissory note under this subdivision is six percent. A promissory note  
53.24 may authorize collection of the actual costs incurred to collect the premium, including  
53.25 reasonable attorney fees, in the event of a default.

53.26 Subd. 4. **Bail bonds greater than \$10,000.** (a) A producer is prohibited from posting  
53.27 a bail bond with a penal sum greater than \$10,000 unless the producer has:

53.28 (1) received at least 30 percent of the total premium owed under the surety's rate filing;

53.29 (2) provided the depositor with a receipt that indicates the premium paid; and

54.1 (3) if the full premium is not collected before posting the bond, a signed promissory  
54.2 note must be obtained requiring the unpaid premium in full within 12 months of the date  
54.3 the bond is posted.

54.4 (b) A promissory note issued under paragraph (a), clause (3), must be made on a surety  
54.5 or bail bond agency form as approved by the commissioner. The maximum annual interest  
54.6 rate allowed on a promissory note under this subdivision is six percent. A promissory note  
54.7 may authorize collection of the actual costs incurred to collect the premium, including  
54.8 reasonable attorney fees, in the event of a default.

54.9 Subd. 5. **Alternative premium structure.** (a) A bail bond agency or producer may  
54.10 include an alternative premium structure as part of the bail bond agency or producer's surety  
54.11 rate filing submitted to the commissioner.

54.12 (b) If a court sets cash bail at 15 percent or less of the bond's penal amount, a surety,  
54.13 bail bond agency, or producer may charge an alternative premium that is as low as one-half  
54.14 of the cash bail amount set by the court. An alternative premium charged under this  
54.15 subdivision is subject to the minimum premium requirement under subdivision 2.

54.16 (c) A bail bond agency or producer is required to obtain from the court documentation  
54.17 indicating the cash bail amount set by the court and must maintain the documentation in  
54.18 the bond file.

54.19 (d) A bail bond agency and producer must maintain a log of all bonds where an alternative  
54.20 premium was charged under this subdivision.

54.21 (e) Subdivisions 3 and 4 apply to the payment of an alternative premium structure under  
54.22 this subdivision.

54.23 Subd. 6. **Late payments.** If a payment, including a minimum monthly payment, that is  
54.24 required under a promissory note executed pursuant to subdivision 3 or 4 is more than 90  
54.25 days late, the bail bond agency or producer must, within 20 days of the date a payment  
54.26 becomes 90 days late:

54.27 (1) for amounts owed that are \$2,500 or less, assign the debt to a Minnesota-licensed  
54.28 debt collector; or

54.29 (2) for amounts owed that are greater than \$2,500:

54.30 (i) file a civil action against the delinquent premium payer; and

54.31 (ii) make all reasonable efforts to:

54.32 (A) serve a summons and complaint;

55.1 (B) enter judgment, unless the matter is settled while the action is pending; and

55.2 (C) enforce the judgment, which may be satisfied by assigning the debt to a licensed  
55.3 debt collector.

55.4 Subd. 7. **Form of payment.** A surety, bail bond agency, or producer may only accept  
55.5 cash, money orders, checks, wire transfers, electronic funds transfers, debit cards, prepaid  
55.6 cash cards, or credit cards as a premium payment method. Any balance owed must be  
55.7 evidenced by a promissory note, as provided under subdivision 3 or 4.

55.8 Subd. 8. **Premium trust account.** (a) A payment made to or received by the producer,  
55.9 bail bond agency, or surety must be deposited into a premium trust account that is maintained  
55.10 by the producer, bail bond agency, or surety within seven business days.

55.11 (b) A premium trust account must be used only for premium payments and travel or  
55.12 other related fees authorized under subdivision 1, paragraph (c). A producer, bail bond  
55.13 agency, or surety is prohibited from depositing any other money into a premium trust  
55.14 account.

55.15 (c) A deposit into a premium trust account must be accompanied by a deposit slip that:

55.16 (1) separately designates the principal; and

55.17 (2) lists the power of attorney number of the bond for which the payment is being  
55.18 collected.

55.19 (d) Money may be withdrawn from a premium trust account only to:

55.20 (1) pay the net premium to the surety or bail bond agency;

55.21 (2) pay a surety or bail bond agency any build-up fund or escrow account required by  
55.22 a contract executed by the producer and the surety or bail bond agency;

55.23 (3) pay or reimburse travel or other related fees authorized under subdivision 1, paragraph  
55.24 (c);

55.25 (4) pay or reimburse the producer any fees or charges deducted electronically by credit  
55.26 card processing vendors, provided the fees and charges comply with section 60K.46,  
55.27 subdivision 2; and

55.28 (5) distribute any excess amounts to the operating account.

56.1 Sec. 34. **[60M.03] COLLATERAL.**

56.2 **Subdivision 1. Collateral generally.** When collateral is accepted, the producer, surety,  
 56.3 or bail bond agency must provide a written and numbered receipt to the depositor. The  
 56.4 receipt must:

56.5 (1) contain the date; depositor's name and address; bail bond agency's name and address;  
 56.6 surety's name and address; defendant's name; bond amount; and cash amount or a detailed  
 56.7 description of the collateral, if the collateral is not cash; and

56.8 (2) be signed by:

56.9 (i) the producer, surety, or bail bond agency; and

56.10 (ii) the depositor.

56.11 **Subd. 2. Collateral received; transfer; control.** (a) Except as otherwise provided under  
 56.12 paragraph (b), a producer or bail bond agency must transfer all cash and noncash collateral  
 56.13 that the producer or bail bond agency receives to the surety.

56.14 (b) A surety may, at the surety's discretion, permit: (1) a producer to transfer all cash  
 56.15 and noncash collateral that the producer receives to the bail bond agency; and (2) the bail  
 56.16 bond agency to retain possession and control over the cash and noncash collateral without  
 56.17 transferring the cash and noncash collateral to the surety. If a surety exercises the surety's  
 56.18 discretion under this paragraph, the bail bond agency assumes the surety's responsibilities  
 56.19 and responsibilities under this section. A producer is prohibited from retaining possession  
 56.20 or control of cash or noncash collateral beyond the time periods established in this section.

56.21 **Subd. 3. Cash collateral trust account.** (a) All cash collateral must be deposited into  
 56.22 a cash collateral account maintained by a surety or bail bond agency as provided in  
 56.23 subdivision 2, paragraph (b), within seven business days of the date the cash collateral is  
 56.24 received.

56.25 (b) All checks, money orders, wire transfers, or similar money transfer for collateral  
 56.26 must be made payable to the bail bond agency and deposited into the surety's or bail bond  
 56.27 agency's collateral account within ten business days of the date the payment was received.

56.28 (c) When required by law, a bail bond agency or producer must: (1) file an IRS Form  
 56.29 8300 and informational notice; and (2) retain a copy of the filed IRS Form 8300 and  
 56.30 informational notice in the bail bond agency's or producer's files.

56.31 **Subd. 4. Separate cash collateral account.** At the surety's discretion, the surety or a  
 56.32 bail bond agency may maintain a separate cash collateral trust account. A cash collateral

57.1 trust account may be an interest-bearing account or a noninterest-bearing account. If the  
57.2 separate cash collateral trust account is an interest-bearing account, the interest earned is  
57.3 for the benefit of the depositor.

57.4 Subd. 5. **Surety liable.** The surety is liable to return any cash or noncash collateral that  
57.5 a producer or bail bond agency collects, less any amounts owed under subdivision 9,  
57.6 paragraph (b), even if the collected collateral is not transferred to the surety.

57.7 Subd. 6. **Prohibitions.** (a) A surety, bail bond agency, or producer is prohibited from  
57.8 collecting cash collateral in excess of the bond's penal sum. A surety, bail bond agency, or  
57.9 producer is prohibited from collecting physical collateral that may be considered  
57.10 unreasonably higher than the excess of the bond's penal sum, based upon fair market value,  
57.11 less any outstanding liabilities or lien at the time of the transaction.

57.12 (b) A surety, bail bond agency, or producer is prohibited from using collateral for personal  
57.13 benefit or gain.

57.14 (c) A surety, bail bond agency, or producer is prohibited from taking a quitclaim deed  
57.15 on real property as collateral for a bond.

57.16 Subd. 7. **Collateral log.** (a) A bail bond agency or producer must maintain a collateral  
57.17 log that includes:

57.18 (1) the power of attorney number;

57.19 (2) the principal's name;

57.20 (3) the depositor's name;

57.21 (4) the cash collateral amount, including whether the cash collateral is being held in an  
57.22 interest-bearing account;

57.23 (5) if the collateral is noncash collateral, a detailed description of the collateral;

57.24 (6) the date the collateral was taken; and

57.25 (7) the dates the collateral was sent to the surety, returned to the depositor, liquidated,  
57.26 or applied to a loss or cost incurred by the producer, bail bond agency, or surety.

57.27 (b) For purposes of paragraph (a), an indemnity agreement does not constitute collateral  
57.28 and is not required to be included in the collateral log. For purposes of paragraph (a), clause  
57.29 (7), the amount of a loss incurred must be listed separately from other costs in the collateral  
57.30 log.

58.1 Subd. 8. **Mortgages and deeds of trust.** (a) A mortgage or deed of trust taken as  
58.2 collateral for a bond must name the surety as a mortgagee. At the discretion of the surety,  
58.3 a bail bond agency may be named as the mortgagee in lieu of the surety being named as the  
58.4 mortgagee.

58.5 (b) A producer is prohibited from being named as a mortgagee for a mortgage or deed  
58.6 of trust taken as collateral for a bond.

58.7 Subd. 9. **Return of collateral.** (a) A surety or bail bond agency that controls the collateral  
58.8 must return cash and noncash collateral to the depositor named in the collateral receipt  
58.9 within 21 days of the date the depositor provides the surety or bail bond agency with written  
58.10 proof that the bond has been discharged.

58.11 (b) If the depositor owes the surety, bail bond agency, or producer a premium; is liable  
58.12 for a loss or expense related to a breach of the bond; or is liable pursuant to the terms of an  
58.13 indemnity or other agreement, the surety or bail bond agency may retain from the collateral  
58.14 all money required to satisfy the depositor's debts.

58.15 (c) If all of the depositor's debts secured by collateral are satisfied, the surety or bail  
58.16 bond agency must provide documentation to release any liens, security interests, mortgages,  
58.17 or other security interests that were filed or obtained in relation to the collateral. The  
58.18 documentation must be provided within 21 days of the date the depositor provides the surety  
58.19 or bail bond agency with written proof that the bond has been discharged.

58.20 Subd. 10. **Bond or indemnity agreement; breach.** If a bond or indemnity agreement  
58.21 is breached and the surety, bail bond agency, or producer suffers a loss, the surety or bail  
58.22 bond agency that controls the collateral must send to the depositor written notice that notifies  
58.23 the depositor that the surety or bail bond agency intends to liquidate noncash collateral. The  
58.24 written notice must be sent by certified mail to the depositor's last known address at least  
58.25 30 days before the date the surety or bail bond agency liquidates the noncash collateral.

58.26 Subd. 11. **Compliance with Minnesota law.** Any action taken to enforce or foreclose  
58.27 on cash or noncash collateral must comply with Minnesota law.

58.28 Subd. 12. **Collateral documentation; audit and inspection.** (a) All collateral and related  
58.29 documentation held in trust by the surety or bail bond agency must be made available for  
58.30 immediate audit and inspection by the department.

58.31 (b) All collateral and related documentation held in trust by the bail bond agency must  
58.32 be made available for immediate audit and inspection by the surety.

59.1 Sec. 35. [60M.04] PRODUCER AUDITS.

59.2 Subdivision 1. Premium audits. (a) By April 30 each year, a surety must audit each  
59.3 licensed bail bond producer's bonds written during the previous calendar year to ensure the  
59.4 licensed bail bond producer has complied with this subdivision.

59.5 (b) The premium audits must include a review of an adequate sample of bonds written  
59.6 by each bail bond producer. A review sample is adequate if it consists of the lesser of: (1)  
59.7 20 percent of the bonds written by the bail bond producer; (2) 24 bonds; or (3) all of the  
59.8 bonds written by the bail bond producer, if the bail bond producer wrote fewer than 12  
59.9 bonds during the previous calendar year. The audit sample must include the four largest  
59.10 bonds written by the bail bond producer and four bonds that charged an alternative premium  
59.11 under section 60M.02, subdivision 5, if applicable. Of the remaining bonds audited and to  
59.12 the extent the quantity of bonds supports the percentages, 50 percent must be randomly  
59.13 selected bonds with a penal sum that is \$10,000 or less, and 50 percent must be randomly  
59.14 selected bonds with a penal sum that is greater than \$10,000.

59.15 (c) The premium audit must be conducted at the producer's office or the bail bond  
59.16 agency's office, depending on which entity maintains the physical records. The surety must  
59.17 not disclose to the producer or bail bond agency, or anyone affiliated with the surety or bail  
59.18 bond agency, which files the surety intends to audit until the surety's on-site audit of the  
59.19 producer begins.

59.20 (d) For each bond audited, the surety must confirm that:

59.21 (1) the proper premium was charged and collected, including a review of the premium  
59.22 account statements and deposit slips;

59.23 (2) a proper premium receipt is in the producer's file;

59.24 (3) if the full premium was not paid before the bond was posted, a proper promissory  
59.25 note was executed; and

59.26 (4) if the premium was not paid as required, the producer complied with section 60M.02,  
59.27 subdivision 6.

59.28 (e) An annual premium audit under this section must also include a follow-up review  
59.29 of each bond audited the previous year for which full premium had not yet been collected  
59.30 at the time the audit occurred. For each bond subject to a follow-up review, the surety must:

59.31 (1) review the premium account and deposit slips to confirm that the full premium was  
59.32 collected; or

60.1 (2) if full payment of the premium was not received, confirm that the producer complied  
 60.2 with section 60M.02, subdivision 6.

60.3 (f) A bail bond agency or producer is prohibited from acting on behalf of the surety to  
 60.4 conduct the bail bond agency's or producer's own bail bond agency or producer audits.

60.5 Subd. 2. **Collateral audits.** (a) By April 30 each year, a surety must audit each licensed  
 60.6 bail bond producer's bonds written during the previous calendar year to ensure the licensed  
 60.7 bail bond producer has complied with this subdivision.

60.8 (b) A collateral audit under this subdivision must include confirmation that:

60.9 (1) a collateral log was maintained;

60.10 (2) a cash collateral account exists;

60.11 (3) the balance of the cash collateral indicated on the collateral log is identical to the  
 60.12 amount held in the collateral trust account; and

60.13 (4) a collateral receipt exists for collateral collected, as represented by a sampling of the  
 60.14 lesser of: (i) 20 percent of all bonds secured by collateral; or (ii) 12 bonds that were secured  
 60.15 by collateral.

60.16 Subd. 3. **Audits report.** (a) By May 31 each year, a surety must prepare a report of the  
 60.17 audits conducted under this section during that year. The report must include:

60.18 (1) a list of the bonds audited under subdivision 1 for each producer, including the power  
 60.19 of attorney number used for each audited bond and whether full premium payment was  
 60.20 made by the date the audit occurred;

60.21 (2) a list of the bonds included in a follow-up review of the previous year's audit,  
 60.22 including whether full premium payment was collected by the date the audit occurred;

60.23 (3) the compliance certifications required under section 60M.07, subdivision 4; and

60.24 (4) details regarding any violations discovered during the audit or a statement that no  
 60.25 violations were discovered, as applicable.

60.26 (b) The annual report under this subdivision must be maintained for a period of at least  
 60.27 36 months from the date the report is complete. Annual reports must be submitted to the  
 60.28 commissioner by June 30 each year.

60.29 Sec. 36. **[60M.05] SOLICITATION.**

60.30 Subdivision 1. **Solicitation generally.** (a) A producer is prohibited from, in or on the  
 60.31 grounds of a jail, prison, or other location where an incarcerated person is confined, or in

61.1 or on the grounds of a court unless requested by the principal, a potential indemnitor, or the  
61.2 legal counsel of a principal:

61.3 (1) approaching, enticing, inviting, or soliciting a person to use a bail bonds's services;

61.4 (2) distributing, displaying, or wearing an item that advertises a bail bonds's services;

61.5 (3) no producer or bail bond agency is permitted to solicit by calling or leaving messages  
61.6 for principals on jail phones or any other messaging devices available to principals, while  
61.7 in custody; or

61.8 (4) no producer or bail bond agency is permitted to place money on the canteen or books  
61.9 of any individual held in custody.

61.10 (b) Notwithstanding paragraph (a), clause (3), permissible print advertising in a jail is  
61.11 limited to:

61.12 (1) a listing in a telephone directory; and

61.13 (2) posting the producer's or bail bond agency's name, address, and telephone number  
61.14 in a designated location within the jail, as approved by the jail.

61.15 Subd. 2. **Identification; marketing material.** A producer is prohibited from wearing  
61.16 or displaying any information, other than identification approved by the surety or bail bond  
61.17 agency, which constitutes marketing material that a surety or bail bond agency must approve  
61.18 and maintain under Minnesota Rules, chapter 2790. A producer is prohibited from displaying  
61.19 any information constituting marketing material in or on the property or grounds of: (1) a  
61.20 jail, prison, or other location where incarcerated people are confined; or (2) a court.

61.21 Subd. 3. **Other prohibited conduct.** (a) A producer is prohibited from loitering in or  
61.22 about the courthouse, jail, or any other place where individuals are held in custody.

61.23 (b) A producer is prohibited from making unauthorized and unsolicited cold calls without  
61.24 having first spoken with the principal.

61.25 (c) A producer is prohibited from soliciting a bond to a person by recorded or electronic  
61.26 communication, or by live telephone contact, unless the producer otherwise complies with  
61.27 applicable state and federal law, including but not limited to:

61.28 (1) the National Do Not Call Registry under Code of Federal Regulations, title 16, part  
61.29 310; and

61.30 (2) the Telephone Consumer Protection Act of 1991, Code of Federal Regulations, title  
61.31 47, part 64.1200.

62.1 (d) A surety, bail bond agency, or producer is prohibited from obtaining a credit check  
62.2 on a person unless the person has authorized the surety, bail bond agency, or producer to  
62.3 do so in writing. The surety, bail bond agency, or producer must retain the written  
62.4 authorization provided by the person subject to the credit check.

62.5 Subd. 4. **Compliance with other law.** (a) A surety, bail bond agency, and producer  
62.6 must comply with all federal and state privacy laws related to information provided to a  
62.7 producer during the application process and during bond underwriting by a bond principal,  
62.8 indemnitor, or other person.

62.9 (b) A surety, bail bond agency, and producer must comply with sections 60K.46,  
62.10 subdivision 6; 72A.494; 72A.496, subdivision 1; 72A.501; and 72A.502, subdivision 1.

62.11 (c) A surety, bail bond agency, and producer must receive preauthorization before  
62.12 collecting and disclosing personal or privileged information about an applicant or proposed  
62.13 insured, and must provide all notices otherwise required by Minnesota law.

62.14 (d) A surety, bail bond agency, and producer must otherwise comply with all applicable  
62.15 Minnesota law.

62.16 Subd. 5. **Insurance transaction.** The act of soliciting, underwriting, negotiating, or  
62.17 selling a bail bond constitutes an insurance transaction.

62.18 Sec. 37. **[60M.06] UNLICENSED INDIVIDUALS; NO REBATES OR PAYMENT.**

62.19 (a) With the exception of a contracted bail enforcement agent offering a reward for  
62.20 information that assists in the location and apprehension of a principal under section 629.63,  
62.21 a surety, bail bond agency, or producer is prohibited from paying a fee or commission, or  
62.22 otherwise giving or promising anything of value, to: (1) a jailer, police officer, peace officer,  
62.23 or any other person who has the power to arrest or hold an individual in custody; or (2) a  
62.24 judge, public official, or public employee.

62.25 (b) A surety, bail bond agency, or producer is prohibited from paying a fee or rebate, or  
62.26 otherwise giving or promising anything of value, to the individual seeking the producer's  
62.27 services or the individual seeking the producer's services on another individual's behalf.

62.28 (c) A surety, bail bond agency, or producer is prohibited from paying a fee or commission,  
62.29 or otherwise giving or promising anything of value, to a person for selling, soliciting, or  
62.30 negotiating a bail bond if the person is not properly licensed as a producer.

63.1 (d) A surety, bail bond agency, or producer is prohibited from paying a fee, rebate, or  
 63.2 commission, or otherwise giving or promising anything of value, to an inmate for referring  
 63.3 business or for any other reason related to soliciting, negotiating, or selling a bail bond.

63.4 Sec. 38. [60M.07] OTHER PROVISIONS.

63.5 Subdivision 1. **Compliance with standards of conduct.** A producer must comply with  
 63.6 the Minnesota Court Administrator's Office's bail bond procedures and standards of conduct,  
 63.7 including but not limited to while in or on the property of courts, jails, or other detention  
 63.8 facilities in Minnesota. A surety or bail bond agency must require the surety or bail bond  
 63.9 agency's producers to affirm that the producer complies with any changes to the bail bond  
 63.10 procedures and standards of conduct as the changes are posted to the Minnesota state court  
 63.11 website or the Minnesota Court Administrator's Office's website.

63.12 Subd. 2. **No waiver.** A producer is prohibited from soliciting or accepting a waiver of  
 63.13 any requirement under this chapter.

63.14 Subd. 3. **Record maintenance.** (a) A bail bond agency and producer must maintain the  
 63.15 following records on each bond for at least seven years after the date the bond is terminated:

63.16 (1) power of attorney;

63.17 (2) premium receipts;

63.18 (3) the promissory note for unpaid premium, if any;

63.19 (4) the cash bond amount set by the court, if an amount less than the filed rate is accepted  
 63.20 for the premium;

63.21 (5) all documents related to any lawsuit filed to collect the premium;

63.22 (6) indemnity agreements;

63.23 (7) collateral receipts, if any;

63.24 (8) proof that collateral was returned, if any;

63.25 (9) proof of bond exoneration or forfeiture payment;

63.26 (10) all records relating to liquidating and converting collateral, including fees or costs;  
 63.27 and

63.28 (11) proof of any expenses incurred or losses paid by the surety, bail bond agency, or  
 63.29 producer.

64.1 (b) A bail bond agency and producer must maintain all premium account, collateral  
64.2 account, and operating account bank records, including deposit slips, for at least seven years  
64.3 after the records are made available.

64.4 (c) All records that a bail bond agency or producer maintain under this chapter must be  
64.5 kept in the bail bond agency or producer's office or storage location, as applicable. If a bail  
64.6 bond agency or producer's relationship with a surety is terminated, the information and  
64.7 documentation must be immediately transferred to:

64.8 (1) the bail bond agency, if the producer is terminated; or

64.9 (2) the surety, if the bail bond agency is terminated.

64.10 (d) A bail bond agency and producer's records must be available for the commissioner  
64.11 or the surety to inspect, with or without notice.

64.12 Subd. 4. **Compliance certification.** (a) During the surety's annual audit of a producer,  
64.13 the producer must sign a compliance certification form that attests to the producer's  
64.14 compliance with this chapter during the previous calendar year.

64.15 (b) Before a producer is appointed by a surety and at each license renewal thereafter, a  
64.16 producer must sign an affidavit of compliance form in which the producer acknowledges  
64.17 the producer is familiar and continually complies with the requirements under this chapter.  
64.18 The surety must retain completed affidavits and send requested affidavits to the commissioner  
64.19 within ten days of the date an affidavit is requested.

64.20 (c) The commissioner must establish the compliance certification and affidavit of  
64.21 compliance forms for use under this subdivision.

64.22 Subd. 5. **Producer termination; notice.** (a) If a producer's relationship with a surety is  
64.23 voluntarily or involuntarily terminated due to a violation of this chapter or because the  
64.24 surety determined the producer violated this chapter during an annual audit, the surety must,  
64.25 within 30 days of the date the producer is terminated, provide the commissioner with the  
64.26 terminated producer's name and the reason the producer was terminated.

64.27 (b) Another surety is prohibited from appointing a producer subject to a termination  
64.28 under paragraph (a) unless the department approves the appointment.

64.29 Subd. 6. **Access to information.** A surety, bail bonds agency, and producer are considered  
64.30 a government associated entity and are allowed to apply and be granted access to the  
64.31 Minnesota Government Access system under the Court Access Rules.

65.1 Subd. 7. Surrender of a principal for bail revocation. The courts, jails, and sheriff  
 65.2 offices in Minnesota must comply with section 629.63, allowing for a principal to be  
 65.3 surrendered and received by the jail of the county that the bail bond was originated from  
 65.4 and to be held in custody until the principal can have a court hearing where the surety, bail  
 65.5 bond agency, or producer can give evidence and make motion for the revocation and  
 65.6 discharge of the bail bond.

65.7 Subd. 8. Forfeiture timing requirement. The court must order a bail bond forfeited  
 65.8 and send notice to the surety, bail bond agency, or producer no later than 30 days from the  
 65.9 date of a principal failing to appear at a scheduled hearing. If a court fails to forfeit a bail  
 65.10 bond within 30 days of a principal failing to appear or fail to send notice within seven days  
 65.11 of the forfeiture to the surety, bail bond agency, or producer, the court must allow for a  
 65.12 reinstatement and discharge of the bail bond without penalty. If a court fails to take action  
 65.13 against the bail bond within 30 days of a principal failing to appear at a hearing, the court  
 65.14 must allow for revocation and discharge without penalty.

65.15 Sec. 39. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

65.16 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**  
 65.17 **CORPORATE OFFERING REGISTRATION.**

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

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

65.23 (A) before the initial offer of a federal covered security in this state, all records that are  
 65.24 part of a federal registration statement filed with the Securities and Exchange Commission  
 65.25 under the Securities Act of 1933 and a consent to service of process complying with section  
 65.26 80A.88 signed by the issuer;

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

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

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

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

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

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

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

66.25       (2) **Availability.** Registration under this section is available only to the issuer of securities  
66.26 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.  
66.27 The issuer must be organized under the laws of one of the states or possessions of the United  
66.28 States. The securities offered must be exempt from registration under the Securities Act of  
66.29 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

67.1 (B) an investment company;

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

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

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

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

67.16 (iii) is currently subject to a state administrative enforcement order or judgment entered  
67.17 by a state securities administrator or the Securities and Exchange Commission within five  
67.18 years before the filing of the small corporate offering registration application, or is subject  
67.19 to a federal or state administrative enforcement order or judgment in which fraud or deceit,  
67.20 including, but not limited to, making untrue statements of material facts or omitting to state  
67.21 material facts, was found and the order or judgment was entered within five years before  
67.22 the filing of the small corporate offering registration application;

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

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

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

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

68.10 (4) **Filing and effectiveness of registration statement.** A small corporate offering  
68.11 registration statement must be filed with the administrator. If no stop order is in effect and  
68.12 no proceeding is pending under section 80A.54, such registration statement shall become  
68.13 effective automatically at the close of business on the 20th day after filing of the registration  
68.14 statement or the last amendment of the registration statement or at such earlier time as the  
68.15 administrator may designate by rule or order. For the purposes of a nonissuer transaction,  
68.16 other than by an affiliate of the issuer, all outstanding securities of the same class identified  
68.17 in the small corporate offering registration statement as a security registered under this  
68.18 chapter are considered to be registered while the small corporate offering registration  
68.19 statement is effective. A small corporate offering registration statement is effective for one  
68.20 year after its effective date or for any longer period designated in an order under this chapter.  
68.21 A small corporate offering registration statement may be withdrawn only with the approval  
68.22 of the administrator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

69.27 **The initial notice filing made in Minnesota is effective for 12 months after the date the**  
69.28 **filing is made.**

69.29 **(2) Renewal.** For each additional 12-month period in which the same offering is  
69.30 continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew  
69.31 the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked

70.1 "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing  
 70.2 must be made on or before the date notice filing expires.

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

70.6 Sec. 40. Minnesota Statutes 2022, section 80A.61, is amended to read:

70.7 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**  
 70.8 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**  
 70.9 **REPRESENTATIVE.**

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

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

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

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

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

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

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

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

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

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

71.18 (i) proof of compliance by the investment adviser representative with the examination  
71.19 requirements of:

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

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

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

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

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

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

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

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

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

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

72.9 Sec. 41. Minnesota Statutes 2022, section 80A.66, is amended to read:

72.10 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

72.11 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act  
72.12 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940  
72.13 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish  
72.14 minimum financial requirements for broker-dealers registered or required to be registered  
72.15 under this chapter and investment advisers registered or required to be registered under this  
72.16 chapter.

72.17 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934  
72.18 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15  
72.19 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this  
72.20 chapter and an investment adviser registered or required to be registered under this chapter  
72.21 shall file such financial reports as are required by a rule adopted or order issued under this  
72.22 chapter. If the information contained in a record filed under this subsection is or becomes  
72.23 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting  
72.24 amendment.

72.25 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934  
72.26 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15  
72.27 U.S.C. Section 80b-22):

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

72.32 (2) broker-dealer records required to be maintained under paragraph (1) may be  
72.33 maintained in any form of data storage acceptable under Section 17(a) of the Securities

73.1 Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the  
73.2 administrator; and

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

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

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

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

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

73.18 (A) the amount of assets under management;

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

73.21 (C) counterparty credit risk exposure;

73.22 (D) trading and investment positions;

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

73.24 (F) types of assets held;

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

73.27 (H) trading practices; and

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

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

74.4 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be  
74.5 registered under this chapter and of an investment adviser registered or required to be  
74.6 registered under this chapter, including the records of a private fund described in paragraph  
74.7 (d) and the records of investment advisers to private funds, are subject to such reasonable  
74.8 periodic, special, or other audits or inspections by a representative of the administrator,  
74.9 within or without this state, as the administrator considers necessary or appropriate in the  
74.10 public interest and for the protection of investors. An audit or inspection may be made at  
74.11 any time and without prior notice. The administrator may copy, and remove for audit or  
74.12 inspection copies of, all records the administrator reasonably considers necessary or  
74.13 appropriate to conduct the audit or inspection. The administrator may assess a reasonable  
74.14 charge for conducting an audit or inspection under this subsection.

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

74.29 (g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act  
74.30 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940  
74.31 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a  
74.32 customer except under the supervision of a broker-dealer and an investment adviser  
74.33 representative may not have custody of funds or securities of a client except under the  
74.34 supervision of an investment adviser or a federal covered investment adviser. A rule adopted  
74.35 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer

75.1 regarding custody of funds or securities of a customer and on an investment adviser regarding  
75.2 custody of securities or funds of a client.

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

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

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

75.13 Sec. 42. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

75.14 Subd. 3. **Escrow or impoundment of fees and other funds by commissioner.** If the  
75.15 commissioner finds that the applicant has failed to demonstrate that adequate financial  
75.16 arrangements have been made to fulfill obligations to provide real estate, improvements,  
75.17 equipment, inventory, training or other items included in the offering, the commissioner  
75.18 may by rule or order require the escrow ~~or~~, impoundment, or deferral of franchise fees and  
75.19 other funds paid by the franchisee or subfranchisor until no later than the time of opening  
75.20 of the franchise business.

75.21 Sec. 43. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

75.22 Subd. 26. **Standards of professional practice.** "Standards of professional practice"  
75.23 means the version of the uniform standards of professional appraisal practice of the  
75.24 ~~Appraisers Appraisal Standards Board of the Appraisal Foundation in effect as of January~~  
75.25 ~~1, 1991, or other version of these standards the commissioner may by order designate on~~  
75.26 the date the appraiser signs the appraisal report.

75.27 Sec. 44. Minnesota Statutes 2022, section 82B.094, is amended to read:

75.28 **82B.094 SUPERVISION OF TRAINEE REAL PROPERTY APPRAISERS.**

75.29 (a) A certified residential real property appraiser or a certified general real property  
75.30 appraiser, in good standing, may engage a trainee real property appraiser to assist in the

76.1 performance of real estate appraisals, provided that the certified residential real property  
76.2 appraiser or a certified general real property appraiser:

76.3 (1) has been licensed in good standing as either a certified residential real property  
76.4 appraiser or a certified general real property appraiser for the three-year period immediately  
76.5 preceding the individual's application to become a supervisor;

76.6 (2) has completed a ~~six-hour~~ course, approved in advance by the commissioner and  
76.7 provided by an education provider approved by the commissioner, that is specifically oriented  
76.8 to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A~~  
76.9 ~~course approved by the commissioner for the purposes of this section must be given the~~  
76.10 ~~course title "Minnesota Supervisor/Trainee Appraiser Course";~~

76.11 (3) has not been the subject of any license or certificate suspension or revocation or has  
76.12 not been prohibited from supervising activities in this state or any other state within the  
76.13 three years immediately preceding the individual's application to become a supervisor;

76.14 (4) has no more than three trainee real property appraisers working under supervision  
76.15 at any one time;

76.16 (5) actively and personally supervises the trainee real property appraiser, which includes  
76.17 ensuring that research of general and specific data has been adequately conducted and  
76.18 properly reported, application of appraisal principles and methodologies has been properly  
76.19 applied, that the analysis is sound and adequately reported, and that any analyses, opinions,  
76.20 or conclusions are adequately developed and reported so that the appraisal report is not  
76.21 misleading;

76.22 (6) discusses with the trainee real property appraiser any necessary and appropriate  
76.23 changes that are made to a report, involving any trainee appraiser, before it is transmitted  
76.24 to the client. Changes not discussed with the trainee real property appraiser that are made  
76.25 by the supervising appraiser must be provided in writing to the trainee real property appraiser  
76.26 upon completion of the appraisal report;

76.27 (7) accompanies the trainee real property appraiser on the inspections of the subject  
76.28 properties and drive-by inspections of the comparable sales on all appraisal assignments  
76.29 for which the trainee will perform work until the trainee appraiser is determined to be  
76.30 competent, in accordance with the competency rule of USPAP for the property type;

76.31 (8) accepts full responsibility for the appraisal report by signing and certifying that the  
76.32 report complies with USPAP; and

77.1 (9) reviews and signs the trainee real property appraiser's appraisal report or reports or  
 77.2 if the trainee appraiser is not signing the report, states in the appraisal the name of the trainee  
 77.3 and scope of the trainee's significant contribution to the report.

77.4 (b) The supervising appraiser must review and sign the applicable experience log required  
 77.5 to be kept by the trainee real property appraiser.

77.6 (c) The supervising appraiser must notify the commissioner within ten days when the  
 77.7 supervision of a trainee real property appraiser has terminated or when the trainee appraiser  
 77.8 is no longer under the supervision of the supervising appraiser.

77.9 (d) The supervising appraiser must maintain a separate work file for each appraisal  
 77.10 assignment.

77.11 (e) The supervising appraiser must verify that any trainee real property appraiser that is  
 77.12 subject to supervision is properly licensed and in good standing with the commissioner.

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

77.14 Sec. 45. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

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

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

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

77.24 Sec. 46. Minnesota Statutes 2022, section 82B.13, subdivision 1, is amended to read:

77.25 Subdivision 1. **Trainee real property appraiser.** As a prerequisite for licensing as a  
 77.26 trainee real property appraiser, an applicant must present evidence satisfactory to the  
 77.27 commissioner that the person has successfully completed a ~~six-hour~~ course that is specifically  
 77.28 oriented to the requirements and responsibilities of supervisory appraisers and trainee  
 77.29 appraisers. ~~A course approved by the commissioner for the purposes of this subdivision~~  
 77.30 ~~must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This~~ The

78.1 course under this subdivision must not be counted toward qualifying education to upgrade  
 78.2 to a higher level appraiser license.

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

78.4 Sec. 47. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

78.5 Subdivision 1. **License renewals.** (a) The commissioner must determine that a licensed  
 78.6 real estate appraiser has met the continuing education requirements of this chapter before  
 78.7 the commissioner renews a license. This determination must be based on, for a resident  
 78.8 appraiser, course completion records uploaded electronically in a manner prescribed by the  
 78.9 commissioner and, for a nonresident appraiser, course completion records presented by  
 78.10 electronic transmission or uploaded electronically in a manner prescribed by the  
 78.11 commissioner.

78.12 ~~The basic continuing education requirement for renewal of a license is the completion~~  
 78.13 ~~by the applicant either as a student or as an instructor, during the immediately preceding~~  
 78.14 ~~term of licensing, of at least 30 classroom hours of instruction in courses or seminars that~~  
 78.15 ~~have received the approval of the commissioner. Classroom hour credit must not be accepted~~  
 78.16 ~~for courses of less than two hours. As part of the continuing education requirements of this~~  
 78.17 ~~section, the commissioner must require that all real estate appraisers successfully complete~~  
 78.18 ~~the seven-hour national USPAP update course every two years. If the applicant's immediately~~  
 78.19 ~~preceding term of licensing consisted of six or more months, but fewer than 24 months, the~~  
 78.20 ~~applicant must provide evidence of completion of 15 hours of instruction during the license~~  
 78.21 ~~period. The credit hours required under this section may be credited to a person for distance~~  
 78.22 ~~education courses that meet Appraiser Qualifications Board criteria. An approved prelicense~~  
 78.23 ~~education course may be taken for continuing education credit.~~

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

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

78.27 Sec. 48. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

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

79.1 Sec. 49. **RULEMAKING.**

79.2 The commissioner of commerce must adopt rules to conform with the changes made in  
 79.3 Minnesota Statutes, sections 80A.66 and 80C.05 with respect to investment advisor  
 79.4 registration continuing education and franchise fees deferral, respectively. The commissioner  
 79.5 of commerce may use the good cause exemption under Minnesota Statutes, section 14.388,  
 79.6 subdivision 1, clause (3), to amend the rule under this section, and Minnesota Statutes,  
 79.7 section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

79.8 Sec. 50. **RULEMAKING.**

79.9 The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply  
 79.10 with the changes made in this act. The commissioner of commerce may use the good cause  
 79.11 exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend  
 79.12 the rule under this section. Minnesota Statutes, section 14.386, does not apply, except as  
 79.13 provided under Minnesota Statutes, section 14.388.

79.14 Sec. 51. **REPEALER.**

79.15 (a) Minnesota Statutes 2022, sections 45.014; and 58.08, subdivision 3, are repealed.

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

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

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

79.19 Sec. 52. **EFFECTIVE DATE.**

79.20 Sections 1 and 2 are effective August 1, 2024, and apply to loans executed on or after  
 79.21 that date.

79.22 **ARTICLE 3**79.23 **COMMERCIAL REGULATION AND CONSUMER PROTECTION**

79.24 Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:

79.25 Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A,  
 79.26 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph  
 79.27 (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78;  
 79.28 471.617; ~~and 471.982;~~ and 513.80, unless the context indicates otherwise, the terms defined  
 79.29 in this section have the meanings given them.

80.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
80.2 subdivision to read:

80.3 Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of  
80.4 a string of characters that act as a record of and provides proof that the transaction was  
80.5 verified and added to the blockchain.

80.6 Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
80.7 subdivision to read:

80.8 Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in  
80.9 Minnesota who has been a customer with a virtual currency kiosk operator for less than 96  
80.10 hours. After the 96-hour period has elapsed from the day of first signing up as a customer  
80.11 with a virtual currency kiosk operator, the customer is considered an existing customer and  
80.12 no longer subject to the new customer transaction limit described in this act.

80.13 Sec. 4. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
80.14 subdivision to read:

80.15 Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a  
80.16 kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more  
80.17 than a 96-hour period. A new customer automatically converts to an existing customer after  
80.18 the 96-hour period has elapsed. An existing customer is subject to the transaction limits  
80.19 described in this act.

80.20 Sec. 5. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
80.21 subdivision to read:

80.22 Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric  
80.23 identifier representing a destination for a virtual currency transfer that is associated with a  
80.24 virtual currency wallet.

80.25 Sec. 6. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
80.26 subdivision to read:

80.27 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal  
80.28 acting as a mechanical agent of the virtual currency kiosk operator to enable the operator  
80.29 to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency,  
80.30 including but not limited to by (1) connecting directly to a separate virtual currency exchanger

81.1 that performs the actual virtual currency transmission, or (2) drawing upon the virtual  
81.2 currency in the possession of the electronic terminal's operator.

81.3 Sec. 7. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
81.4 subdivision to read:

81.5 Subd. 11. **Virtual currency wallet.** "Virtual currency wallet" means a software  
81.6 application or other mechanism providing a means for holding, storing, and transferring  
81.7 virtual currency.

81.8 Sec. 8. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
81.9 subdivision to read:

81.10 Subd. 12. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means  
81.11 a corporation, limited liability company, limited liability partnership, foreign entity, or any  
81.12 other person or entity qualified to do business in the state of Minnesota and that operates a  
81.13 virtual currency kiosk within the state of Minnesota.

81.14 Sec. 9. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
81.15 subdivision to read:

81.16 Subd. 13. **Virtual currency kiosk transaction.** "Virtual currency kiosk transaction"  
81.17 means a transaction conducted or performed, in whole or in part, by electronic means via  
81.18 a virtual currency kiosk. Virtual currency kiosk transaction also means a transaction made  
81.19 at a virtual currency kiosk to purchase currency with fiat currency or to sell virtual currency  
81.20 for fiat currency.

81.21 Sec. 10. [53B.75] **VIRTUAL CURRENCY KIOSKS.**

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

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

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

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

82.7 (4) there is no assurance that a person who accepts virtual currency as payment today  
82.8 will do so in the future;

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

82.11 (6) virtual currency transactions are irreversible and are used by scammers, including  
82.12 those impersonating loved ones, threatening jail time, stating your identity is stolen, and  
82.13 insisting you withdraw money from your bank account and purchase cryptocurrency;

82.14 (7) the nature of virtual currency means that any technological difficulties experienced  
82.15 by the virtual currency kiosk operator may prevent access to or use of a person's virtual  
82.16 currency; and

82.17 (8) any bond maintained by the licensee for the benefit of a person may not cover all  
82.18 losses the persons incur.

82.19 (b) The virtual currency kiosk operator must provide an additional disclosure, which  
82.20 must be acknowledged by the person, written prominently and in bold type, and provided  
82.21 separately from the disclosures above, stating: "WARNING: LOSSES DUE TO  
82.22 FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE  
82.23 AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE."

82.24 Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant  
82.25 terms and conditions generally associated with the products, services, and activities of the  
82.26 operator and virtual currency. A virtual currency kiosk operator must make the disclosures  
82.27 in clear, conspicuous, and legibly written English, displayed on a separate screen from other  
82.28 disclosures and information, in bold-face sans serif font in a size in line with other texts  
82.29 displayed. These disclosures must address at least the following:

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

82.31 (2) the person's right to:

82.32 (i) stop payment of a virtual currency transfer and the procedure to stop the payment;

83.1 (ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of  
83.2 transaction; and

83.3 (iii) prior notice of a change in the rules or policies of the operator;

83.4 (3) under what circumstances the operator will, without a court or government order,  
83.5 disclose a person's account information to third parties; and

83.6 (4) other disclosures that are customarily provided in connection with the opening of a  
83.7 person's account.

83.8 (b) Before each virtual currency transaction for, on behalf of, or with a person, the virtual  
83.9 currency kiosk operator must disclose the transaction's terms and conditions in clear,  
83.10 conspicuous, and legibly written English, displayed on a separate screen from other  
83.11 disclosures and information, in bold-face sans serif font in a size in line with other texts  
83.12 displayed. These disclosures must address at least the following:

83.13 (1) the amount of the transaction;

83.14 (2) any fees, expenses, and charges, including applicable exchange rates;

83.15 (3) the type and nature of the transaction;

83.16 (4) a warning that, once completed, the transaction may not be undone;

83.17 (5) a daily virtual currency transaction limit of no more than \$2,000 for new customers;

83.18 (6) the difference in the virtual currency's sale price versus the current market price; and

83.19 (7) other disclosures that are customarily given in connection with a virtual currency  
83.20 transaction.

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

83.28 (1) the operator's name and contact information, including a telephone number to answer  
83.29 questions and register complaints;

83.30 (2) the type, value, date, and precise time of the transaction, transactional hash, and each  
83.31 virtual currency address;

- 84.1 (3) the fees charged;
- 84.2 (4) the exchange rate;
- 84.3 (5) a statement of the operator's liability for nondelivery or delayed delivery;
- 84.4 (6) a statement of the operator's refund policy; and
- 84.5 (7) any additional information the commissioner of commerce may require.

84.6 Subd. 4. **New customer hold.** The first transaction of a new customer must be subject

84.7 to a 48-hour holding period in which the customer may reverse and cancel their transaction

84.8 for a full refund.

84.9 Subd. 5. **Transaction limits.** (a) There is an established maximum daily transaction

84.10 limit of \$2,000 for each new customer of a virtual currency kiosk.

84.11 (b) The maximum daily transaction limit of an existing customer shall be decided by

84.12 each virtual currency kiosk operator in compliance with federal law.

84.13 Sec. 11. Minnesota Statutes 2022, section 58B.02, subdivision 8, is amended to read:

84.14 Subd. 8. **Student loan.** "Student loan" means a government, commercial, or foundation

84.15 ~~loan~~ extension of credit for actual costs paid for tuition and reasonable education and living

84.16 expenses.

84.17 Sec. 12. Minnesota Statutes 2022, section 58B.02, is amended by adding a subdivision to

84.18 read:

84.19 Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making,

84.20 or extending student loans. Lender does not include, to the extent that state regulation is

84.21 preempted by federal law:

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

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

84.24 (3) an operating subsidiary where each owner is wholly owned by the same bank or

84.25 credit union.

85.1 Sec. 13. Minnesota Statutes 2022, section 58B.03, is amended by adding a subdivision to  
85.2 read:

85.3 Subd. 10. **Annual report.** (a) Beginning March 15, 2025, a student loan servicer that  
85.4 secures, makes, or extends student loans in Minnesota must report to the commissioner on  
85.5 the form the commissioner provides:

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

85.9 (2) the total outstanding dollar amount owed by borrowers residing in Minnesota who  
85.10 received student loans from the student loan servicer;

85.11 (3) the total number of student loans owed by borrowers residing in Minnesota who  
85.12 received student loans from the student loan servicer;

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

85.15 (5) the total dollar amount of student loans provided by the student loan servicer to  
85.16 borrowers who resided in Minnesota in the prior calendar year;

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

85.20 (7) the rate of default for borrowers residing in Minnesota who obtained student loans  
85.21 from the student loan servicer, if applicable;

85.22 (8) the rate of default for borrowers residing in Minnesota who obtained student loans  
85.23 from the student loan servicer associated with each school identified under clause (1), if  
85.24 applicable;

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

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

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

86.1 (12) the total dollar amount and number of student loans provided by the student loan  
86.2 servicer to borrowers residing in Minnesota used to refinance a prior student loan or federal  
86.3 student loan in the prior calendar year;

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

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

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

86.12 (b) A student loan servicer that acquires or assumes student loans in Minnesota must  
86.13 report to the commissioner on the form the commissioner provides:

86.14 (1) a list of all schools attended by borrowers residing in Minnesota who used, for  
86.15 attendance, any outstanding student loans assumed or acquired by the student loan servicer;

86.16 (2) the total outstanding dollar amount and number of student loans that have been  
86.17 acquired or assumed by the student loan servicer and owed by borrowers who reside in  
86.18 Minnesota;

86.19 (3) the total outstanding dollar amount and number of student loans owed by borrowers  
86.20 who reside in Minnesota that have been assumed or acquired by the student loan servicer,  
86.21 associated with each school identified under clause (1);

86.22 (4) the total dollar amount and number of student loans owed by borrowers who resided  
86.23 in Minnesota that were acquired or assumed by the student loan servicer in the prior calendar  
86.24 year;

86.25 (5) the total dollar amount and number of student loans that were acquired or assumed  
86.26 by the student loan servicer and owed by borrowers who resided in Minnesota in the prior  
86.27 year, associated with each school identified under clause (1);

86.28 (6) the rate of default for student loans acquired or assumed by the student loan servicer,  
86.29 if applicable;

86.30 (7) the rate of default for student loans acquired or assumed by the student loan servicer  
86.31 associated with each school identified under clause (1), if applicable;

87.1 (8) the total outstanding dollar amount and number of student loans owed by borrowers  
87.2 residing in Minnesota who had a cosigner for the student loans, if applicable;

87.3 (9) the total outstanding dollar amount and number of student loans that were acquired  
87.4 or assumed by the student loan servicer and owed by borrowers residing in Minnesota to  
87.5 refinance a prior student loan or federal student loan;

87.6 (10) the total dollar amount and number of student loans for which the student loan  
87.7 servicer had sued to collect from borrowers residing in Minnesota in the prior calendar year;  
87.8 and

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

87.11 (c) The commissioner of commerce shall share data collected under this subdivision  
87.12 with the commissioner of higher education.

87.13 Sec. 14. Minnesota Statutes 2022, section 58B.06, subdivision 4, is amended to read:

87.14 **Subd. 4. Transfer of student loan.** (a) If a borrower's student loan servicer changes  
87.15 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer  
87.16 must:

87.17 (1) require the new student loan servicer to honor all benefits that were made available,  
87.18 or which may have become available, to a borrower from the original student loan servicer  
87.19 or is authorized under the student loan contract, including any benefits for which the student  
87.20 loan borrower has not yet qualified unless that benefit is no longer available under the federal  
87.21 or state laws and regulations; and

87.22 (2) transfer to the new student loan servicer all information regarding the borrower, the  
87.23 account of the borrower, and the borrower's student loan, including but not limited to the  
87.24 repayment status of the student loan and the benefits described in clause (1).

87.25 (b) The student loan servicer must complete the transfer under paragraph (a), clause (2),  
87.26 less than 45 days from the date of the sale, assignment, or transfer of the servicing.

87.27 (c) A sale, assignment, or transfer of the servicing must be completed no less than seven  
87.28 days from the date the next payment is due on the student loan.

87.29 (d) A new student loan servicer must adopt policies and procedures to verify that the  
87.30 original student loan servicer has met the requirements of paragraph (a).

88.1 Sec. 15. Minnesota Statutes 2022, section 58B.06, subdivision 5, is amended to read:

88.2 Subd. 5. **Income-driven repayment.** (a) A student loan servicer must evaluate a borrower  
88.3 for eligibility for an income-driven repayment program before placing a borrower in  
88.4 forbearance or default.

88.5 (b) A student loan servicer must provide the following information on the student loan  
88.6 servicer's website:

88.7 (1) a description of any income-driven repayment programs available under the student  
88.8 loan contract or federal or state laws and regulations; and

88.9 (2) information on the policies and procedures the student loan servicer implements to  
88.10 facilitate the evaluation of student loan income-driven repayment program requests, including  
88.11 accurate information regarding any options that may be available to the borrower through  
88.12 the promissory note or that may have been marketed to the borrower through marketing  
88.13 materials.

88.14 Sec. 16. Minnesota Statutes 2022, section 58B.07, subdivision 1, is amended to read:

88.15 Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or  
88.16 indirectly employ any scheme, device, or artifice to attempt to defraud or mislead a borrower.

88.17 Sec. 17. Minnesota Statutes 2022, section 58B.07, subdivision 3, is amended to read:

88.18 Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or  
88.19 negligently misapply student loan payments to the outstanding balance of a student loan.

88.20 Sec. 18. Minnesota Statutes 2022, section 58B.07, subdivision 9, is amended to read:

88.21 Subd. 9. **Incorrect information regarding student loan ~~forgiveness~~ loans.** (a) A  
88.22 student loan servicer must not misrepresent the availability of student loan forgiveness for  
88.23 which the servicer has reason to know the borrower is eligible. This includes but is not  
88.24 limited to student loan forgiveness programs specific to military borrowers, borrowers  
88.25 working in public service, or borrowers with disabilities.

88.26 (b) A student loan servicer must not provide incorrect information related to forbearance.  
88.27 If a student loan servicer suggests placing a borrower in forbearance in lieu of a repayment  
88.28 program that would result in savings to the borrower and the borrower relies on this  
88.29 information, the student loan servicer shall be subject to the penalties provided under section  
88.30 58B.09.

89.1 Sec. 19. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
89.2 read:

89.3 Subd. 11. **Property.** A student loan servicer must not obtain property by fraud or  
89.4 misrepresentation.

89.5 Sec. 20. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
89.6 read:

89.7 Subd. 12. **Customer service.** A student loan servicer must not allow a borrower to  
89.8 remain on hold during an individual call for more than two hours unless the student loan  
89.9 servicer returns the borrower's phone call within 24 hours of the two hours expiring. A  
89.10 student loan servicer must not allow a call on hold to automatically lapse or end upon  
89.11 reaching a duration of two hours to satisfy this requirement.

89.12 Sec. 21. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
89.13 read:

89.14 Subd. 13. **Abusive acts or practices.** A student loan servicer must not engage in abusive  
89.15 acts or practices when servicing a student loan in this state. An act or practice is abusive in  
89.16 connection with the servicing of a student loan if that act or practice:

89.17 (1) materially interferes with the ability of a borrower to understand a term or condition  
89.18 of a student loan; or

89.19 (2) takes unreasonable advantage of any of the following:

89.20 (i) a lack of understanding on the part of a borrower of the material risks, costs, or  
89.21 conditions of the student loan;

89.22 (ii) the inability of a borrower to protect the interests of the borrower when selecting or  
89.23 using a student loan or feature, term, or condition of a student loan; or

89.24 (iii) the reasonable reliance by the borrower on a student loan servicer to act in the  
89.25 interests of the borrower.

89.26 Sec. 22. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
89.27 read:

89.28 Subd. 14. **Violations.** A violation of this section is an unlawful practice under section  
89.29 325D.44.

90.1 Sec. 23. Minnesota Statutes 2022, section 58B.09, is amended by adding a subdivision to  
90.2 read:

90.3 Subd. 4. **Private right of action.** (a) A borrower who suffers damage as a result of the  
90.4 failure of a student loan servicer to comply with this chapter may bring an action on a  
90.5 borrower's own behalf and on behalf of a similarly situated class of persons against that  
90.6 student loan servicer to recover or obtain:

90.7 (1) actual damages, except that the total award of damages must be at least \$500 per  
90.8 plaintiff, per violation;

90.9 (2) an order enjoining the methods, acts, or practices;

90.10 (3) restitution of property;

90.11 (4) punitive damages;

90.12 (5) reasonable attorney fees; and

90.13 (6) any other relief that the court deems proper.

90.14 (b) In addition to any other remedies provided by this subdivision or otherwise provided  
90.15 by law, if a student loan servicer is shown, by a preponderance of the evidence, to have  
90.16 engaged in conduct that substantially interferes with a borrower's right to an alternative  
90.17 payment arrangement; loan forgiveness, cancellation, or discharge; or any other financial  
90.18 benefit established under the terms of a borrower's promissory note or under the Higher  
90.19 Education Act of 1965, United States Code, title 20, section 1070a, et seq., a borrower is  
90.20 entitled to damages of at least \$1,500 per plaintiff, per violation.

90.21 (c) At least 45 days before bringing an action for damages or injunctive relief under this  
90.22 chapter, a borrower must:

90.23 (1) provide written notice to the student loan servicer alleged to have violated this chapter  
90.24 regarding the nature of the alleged violations; and

90.25 (2) demand that the student loan servicer correct and remedy the method, act, or practice  
90.26 identified in the notice under clause (1).

90.27 (d) The notice required by this subdivision must be sent by certified or registered mail,  
90.28 return receipt requested, to the student loan servicer's address on file with the Department  
90.29 of Commerce or to the student loan servicer's principal place of business in Minnesota.

90.30 (e) An action for damages or injunctive relief brought by a borrower only on the  
90.31 individual borrower's behalf must not be maintained under paragraph (a) upon a showing  
90.32 by a student loan servicer that an appropriate correction and remedy is given, or is agreed

91.1 to be given within a reasonable time, to the borrower within 30 days after the notice is  
91.2 received.

91.3 (f) An action for damages brought by a borrower on both the borrower's behalf and on  
91.4 behalf of a similarly situated class of persons must not be maintained under paragraph (a)  
91.5 upon a showing by a student loan servicer alleged to have employed or committed a method,  
91.6 act, or practice declared unlawful if:

91.7 (1) all borrowers similarly situated have been identified or a reasonable effort to identify  
91.8 other borrowers has been made;

91.9 (2) all borrowers identified have been notified that, upon the borrower's request, the  
91.10 student loan servicer must make the appropriate correction and remedy;

91.11 (3) the correction and remedy requested by the borrower has been given or is given  
91.12 within a reasonable amount of time; and

91.13 (4) the student loan servicer has ceased from engaging, or if immediate cessation is  
91.14 impossible or unreasonably expensive under the circumstances, the student loan servicer  
91.15 ceases to engage within a reasonable amount of time, in the method, act, or practice.

91.16 (g) An attempt to comply with a demand described in paragraph (c) by a student loan  
91.17 servicer that receives the demand is construed as an offer to compromise and is inadmissible  
91.18 as evidence under Minnesota Rules of Evidence, rule 408. An attempt to comply with a  
91.19 demand is not an admission of engaging in an act or practice declared unlawful by paragraph  
91.20 (a). Evidence of compliance or attempts to comply with this section may be introduced by  
91.21 a defendant to establish good faith or to show compliance with paragraph (a).

91.22 (h) An award of damages must not be given in an action based on a method, act, or  
91.23 practice in violation of paragraph (a) if the student loan servicer alleged to have employed  
91.24 or committed that method, act, or practice:

91.25 (1) proves by a preponderance of the evidence that the violation was not intentional and  
91.26 resulted from a bona fide error, notwithstanding the use of reasonable procedures adopted  
91.27 to avoid that error; and

91.28 (2) makes an appropriate correction, repair, replacement, or other remedy under  
91.29 paragraphs (e) and (f).

91.30 (i) The commissioner must administer and enforce this section and must adopt rules and  
91.31 issue orders consistent with the authority under this section.

92.1 Sec. 24. [65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES;  
 92.2 COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.

92.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
 92.4 the meanings given.

92.5 (b) "Association" has the meaning given in section 515B.1-103, clause (4).

92.6 (c) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

92.7 (d) "Assessable loss" means a covered loss under the terms of the policy applicable  
 92.8 under subdivision 2, paragraphs (a) and (b).

92.9 Subd. 2. Loss assessment. (a) If a loss assessment is charged by an association to an  
 92.10 individual unit owner the insurance policy in force at the time of the assessable loss must  
 92.11 pay the loss assessment, subject to the limits provided in the policy, notwithstanding any  
 92.12 policy provisions regarding when loss assessment coverage accrues, and subject to any  
 92.13 other terms, conditions, and exclusions in the policy, if the following conditions are met:

92.14 (1) the unit owner at the time of the assessable loss is the owner of the property listed  
 92.15 on the policy at the time the loss assessment is charged;

92.16 (2) if the insurance policy in force at the time of the assessable loss provides loss  
 92.17 assessment coverage; and

92.18 (3) a loss assessment and the event or occurrence which triggers a loss assessment shall  
 92.19 be considered a single loss for underwriting and rating purposes.

92.20 (b) If a loss assessment is charged by an association to an individual unit owner the  
 92.21 insurance policy in force at the time the loss assessment is charged must pay the assessment,  
 92.22 subject to the limits provided in the policy, notwithstanding any policy provisions regarding  
 92.23 when loss assessment coverage accrues, and subject to any other terms, conditions, and  
 92.24 exclusions in the policy, if the following conditions are met:

92.25 (1) the unit owner at the time of the loss assessment is charged is different than the unit  
 92.26 owner at the time of the assessable loss; and

92.27 (2) the insurance policy in force at the time the loss assessment is charged provides loss  
 92.28 assessment coverage.

92.29 (c) For a loss assessment under paragraph (b), an insurer may require evidence  
 92.30 documenting that the transfer of ownership occurred prior to the assessment before the  
 92.31 insurer affords coverage.

93.1 Sec. 25. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended  
93.2 to read:

93.3 Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time  
93.4 gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping  
93.5 manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading  
93.6 or shipping manifest must include the identity and the volume percentage or gallons of  
93.7 oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do  
93.8 not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline,  
93.9 the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in  
93.10 Minnesota." This subdivision does not apply to sales or transfers of gasoline between  
93.11 refineries, between terminals, or between a refinery and a terminal.

93.12 (b) A delivery ticket required under section 239.092 for biofuel blended with gasoline  
93.13 must state the volume percentage of biofuel blended into gasoline delivered through a meter  
93.14 into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14  
93.15 ~~and~~, 16, and 17.

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

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

93.28 Sec. 26. Minnesota Statutes 2022, section 239.791, is amended by adding a subdivision  
93.29 to read:

93.30 Subd. 17. **Bulk delivery of premium grade gasoline; exemption.** (a) A person  
93.31 responsible for the product may offer for sale, sell, or deliver a bulk delivery of unleaded  
93.32 premium grade gasoline, as defined in section 239.751, subdivision 4, that is not oxygenated  
93.33 in accordance with subdivision 1 if the conditions in paragraphs (b) to (d) are met.

94.1 (b) Nonoxygenated gas is only for use in vehicles that qualify for an exemption under  
 94.2 subdivision 12, paragraph (a).

94.3 (c) No more than one bulk fuel storage tank on the premises may be used for storage of  
 94.4 the nonoxygenated gasoline.

94.5 (d) The bulk fuel delivery is 500 gallons or less.

94.6 Sec. 27. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 1, is amended  
 94.7 to read:

94.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision  
 94.9 have the meanings given.

94.10 (b) "Essential consumer good or service" means a good or service that is vital and  
 94.11 necessary for the health, safety, and welfare of the public, including without limitation:  
 94.12 food; water; fuel; gasoline; shelter; construction materials; transportation; health care  
 94.13 services; pharmaceuticals; and medical, personal hygiene, sanitation, and cleaning supplies.

94.14 (c) "Restoration and mitigation services provider" means a person or business that  
 94.15 provides a service to prevent further damage to property following a fire, smoke, water, or  
 94.16 storm event. Services include but are not limited to boarding up property, water extraction,  
 94.17 drying, smoke or odor removal, cleaning, and personal property inventory, removal, and  
 94.18 storage.

94.19 (d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of  
 94.20 goods and services.

94.21 (e) "Tree trimmer" means a person registered under section 18G.07.

94.22 ~~(d)~~ (f) "Unconscionably excessive price" means a price that represents a gross disparity  
 94.23 compared to the seller's average price of an essential good or service, offered for sale or  
 94.24 sold in the usual course of business, in the 60-day period before an abnormal market  
 94.25 disruption is declared under subdivision 2. None of the following is an unconscionably  
 94.26 excessive price:

94.27 (1) a price that is substantially related to an increase in the cost of manufacturing,  
 94.28 obtaining, replacing, providing, or selling a good or service;

94.29 (2) a price that is no more than 25 percent above the seller's average price during the  
 94.30 60-day period before an abnormal market disruption is declared under subdivision 2;

94.31 (3) a price that is consistent with the fluctuations in applicable commodity markets or  
 94.32 seasonal fluctuations; or

95.1 (4) a contract price, or the results of a price formula, that was established before an  
95.2 abnormal market disruption is declared under subdivision 2.

95.3 Sec. 28. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 5, is amended  
95.4 to read:

95.5 Subd. 5. **Prices and rates.** Upon the occurrence of a weather event classified as a severe  
95.6 thunderstorm pursuant to the criteria established by the National Oceanic and Atmospheric  
95.7 Administration, a residential building contractor, tree trimmer, or restoration and mitigation  
95.8 services provider operating within the geographic region impacted by the weather event  
95.9 and repairing damage caused by the weather event shall not:

95.10 (1) charge an unconscionably excessive price for labor in comparison to the market price  
95.11 charged for comparable services in the geographic region impacted by the weather event;  
95.12 or

95.13 (2) charge an insurance company a rate that exceeds what the residential building  
95.14 contractor, tree trimmer, or restoration and mitigation services provider would otherwise  
95.15 ~~charges members~~ charge a member of the general public.

95.16 Sec. 29. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 6, is amended  
95.17 to read:

95.18 Subd. 6. **Civil penalty.** A person who is found to have violated ~~this section~~ subdivision  
95.19 4 is subject to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum  
95.20 penalty of \$25,000 per day. No other penalties may be imposed for the same conduct  
95.21 regulated under ~~this section~~ subdivision 4.

95.22 Sec. 30. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 7, is amended  
95.23 to read:

95.24 Subd. 7. **Enforcement authority.** (a) The attorney general may investigate and bring  
95.25 an action using the authority under section 8.31 against a seller ~~or~~, residential building  
95.26 contractor, tree trimmer, or restoration and mitigation services provider for an alleged  
95.27 violation of this section.

95.28 (b) Nothing in this section creates a private cause of action in favor of a person injured  
95.29 by a violation of this section.

96.1 Sec. 31. Minnesota Statutes 2022, section 325F.03, is amended to read:

96.2 **325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.**

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

96.14 Sec. 32. Minnesota Statutes 2022, section 325F.04, is amended to read:

96.15 **325F.04 FLAME RESISTANT TENTS AND SLEEPING BAGS.**

96.16 No person, firm, or corporation may sell or offer for sale or manufacture for sale in this  
 96.17 state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent  
 96.18 are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or~~  
 96.19 ~~manufacture for sale in this state any sleeping bag unless it meets the standards of the~~  
 96.20 ~~commissioner of public safety for flame resistancy.~~ Tents and sleeping bags subject to  
 96.21 section 325F.03 shall be conspicuously labeled as being durably flame resistant.

96.22 Sec. 33. Minnesota Statutes 2022, section 325F.05, is amended to read:

96.23 **325F.05 RULES.**

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

97.1 Sec. 34. [325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1-  
97.2 DIFLUOROETHANE (DFE).

97.3 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
97.4 the meanings given.

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

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

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

97.12 Subd. 2. Requirements for retail sale. A retailer must only sell an aerosol duster that  
97.13 contains DFE:

97.14 (1) from behind the counter;

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

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

97.18 Subd. 3. Purchasing limit. (a) A retailer is prohibited from selling more than three cans  
97.19 of an aerosol duster containing DFE to a customer in a single transaction.

97.20 (b) A retailer is prohibited from selling aerosol dusters containing DFE through same  
97.21 day pick up services or same day delivery services.

97.22 Subd. 4. Exemption. (a) Subdivisions 2 and 3 do not apply to a business purchasing  
97.23 aerosol dusters online.

97.24 (b) Office wholesalers can sell more than three cans of aerosol dusters containing DFE  
97.25 to a business they have a contract with.

97.26 Subd. 5. Labeling. (a) An aerosol duster manufactured after May 31, 2025, must not be  
97.27 sold in this state unless the aerosol duster clearly warns against the dangers of intentionally  
97.28 misusing duster aerosol products.

97.29 (b) The font size of this warning shall be the same or larger than other warning language.  
97.30 The font color and background of the label must be in contrasting colors.

97.31 (c) The label on each can of aerosol duster containing DFE must contain the following:

98.1 (1) the words "DANGER: DEATH! Breathing this product to get high can kill you!";  
 98.2 and

98.3 (2) the poison control phone number, 1-800-222-1222.

98.4 (d) In order to comply with paragraph (a), a label may include, but is not limited to the  
 98.5 words:

98.6 (1) "Deliberate misuse by concentrating and inhaling the contents can be harmful or  
 98.7 fatal!"; and

98.8 (2) "Intentional misuse by deliberately concentrating and inhaling the vapors can be  
 98.9 harmful or fatal!".

98.10 (e) The safety symbols and color standards of the label described in this section must  
 98.11 conform with the ANSI Z535 safety signage standards guidelines established by the American  
 98.12 National Standards Institute.

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

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

98.18 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to purchases  
 98.19 of aerosol dusters made on or after that date.

98.20 Sec. 35. **[325F.676] TICKET SALES.**

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

98.23 (b) "Commissioner" means the commissioner of commerce.

98.24 (c) "Entertainment" means all forms of entertainment, including but not limited to  
 98.25 theatrical or operatic performances, concerts, motion pictures, entertainment at fairgrounds,  
 98.26 amusement parks, athletic competitions and other sports, and all other forms of diversion,  
 98.27 recreation, or show.

98.28 (d) "Internet domain name" means a globally unique, hierarchical reference to an Internet  
 98.29 host or service, which is assigned through a centralized Internet naming authority and which  
 98.30 is composed of a series of character strings separated by periods with the rightmost string  
 98.31 specifying the top of the hierarchy.

99.1 (e) "Online ticket marketplace" means the administrator of a website or other electronic  
99.2 service, including an agent, employee, or assignee of such administrator, that sells tickets  
99.3 or maintains a platform to facilitate the sale of tickets.

99.4 (f) "Operator" means a person, including an agent, employee, or assignee of such person,  
99.5 who:

99.6 (1) owns, operates, or controls a place of entertainment;

99.7 (2) produces entertainment; or

99.8 (3) sells a ticket to a place of entertainment for original sale.

99.9 (g) "Person" means a party, individual, partnership, association, corporation, or other  
99.10 legal entity.

99.11 (h) "Place of entertainment" means an entertainment facility, including but not limited  
99.12 to an amphitheater, theater, stadium, arena, racetrack, museum, amusement park, venue,  
99.13 club, or other place where performances, concerts, exhibits, athletic games, contests, or  
99.14 other forms of entertainment are held. For the purposes of this section, place of entertainment  
99.15 does not include movie theaters.

99.16 (i) "Ticket reseller" means a person that offers or sells tickets for resale after the original  
99.17 sale to an entertainment event located in this state and includes an operator to the extent  
99.18 that the operator offers or sells tickets for resale. Sales by a ticket reseller includes sales by  
99.19 any means, including but not limited to in-person, or by telephone, mail, delivery service,  
99.20 facsimile, Internet, email, or other electronic means. A ticket reseller does not include a  
99.21 person that purchases a ticket solely for their own use or the use of their invitees, employees,  
99.22 or agents.

99.23 (j) "URL" means a uniform resource locator for a website on the Internet.

99.24 Subd. 2. **Disclosures.** (a) An operator, ticket reseller, or online ticket marketplace must,  
99.25 at all times during the ticket listing and purchasing process, disclose in an easily readable  
99.26 and conspicuous manner and in dollars:

99.27 (1) the total cost of the ticket, inclusive of all fees and surcharges that must be paid in  
99.28 order to purchase the ticket;

99.29 (2) the portion of the ticket price that represents a service charge; and

99.30 (3) any other fee or surcharge to the purchaser.

99.31 (b) The disclosure of subtotals, fees, charges, and all other components of the total price  
99.32 must not be false or misleading, and shall not be presented more prominently or in the same

100.1 or larger size than the total price. The disclosure of subtotals, fees, charges, and all other  
100.2 components of the total price may be displayed in a way that allows the purchaser to hide  
100.3 or minimize the itemized list. The price of a ticket must not increase with respect to a  
100.4 particular person after the ticket is first displayed to such person, excluding reasonable fees  
100.5 for the delivery of nonelectronic tickets based on the delivery method selected by the  
100.6 purchaser and any additional purchases made by the purchaser, which must be disclosed  
100.7 prior to accepting payment.

100.8 (c) A ticket reseller and online ticket marketplace must disclose in an easily readable  
100.9 and conspicuous manner on its website or electronic service:

100.10 (1) that the website or electronic service is owned or operated by a ticket reseller or  
100.11 online ticket marketplace and that the price of a resale ticket offered for sale may be higher  
100.12 or lower than the original purchase price;

100.13 (2) that the purchaser is responsible for checking with the place of entertainment for  
100.14 information on changes to the event or cancellations prior to the event's start time; and

100.15 (3) the refund policy of the ticket reseller or online ticket marketplace.

100.16 A ticket reseller or online ticket marketplace must require a purchaser to confirm having  
100.17 read the disclosures required by this paragraph before completing a transaction.

100.18 (d) A ticket reseller or online ticket marketplace must provide proof of purchase to the  
100.19 purchaser that must include all event and ticket information within 24 hours of the purchase,  
100.20 including:

100.21 (1) that the purchaser is responsible for checking with the place of entertainment for  
100.22 information on changes to the event or cancellations prior to the event's start time; and

100.23 (2) the refund policy of the ticket reseller or online ticket marketplace.

100.24 (e) An online ticket marketplace must not use any combination of text, images, trademark,  
100.25 copyright, web designs, or Internet addresses that is identical or substantially similar to text,  
100.26 images, trademark, copyright, web designs, or Internet addresses associated with a place of  
100.27 entertainment without the written permission of the place of entertainment duly authorized  
100.28 to provide such permission. This paragraph does not prohibit an online ticket marketplace  
100.29 from using text containing the name of a place of entertainment or of an event in order to  
100.30 describe the location of the event or the event itself. This paragraph does not prohibit an  
100.31 online ticket marketplace from providing information or images identifying the specific  
100.32 seat or area the purchaser will occupy in the place of entertainment.

101.1 (f) The obligations of paragraphs (a) to (d) do not apply to any person, unless the person  
101.2 engaged in annual aggregate transactions that were equal to or greater than \$5,000.

101.3 Subd. 3. **Prohibitions.** (a) A ticket reseller or online ticket marketplace must not:

101.4 (1) sell or offer to sell more than one copy of the same ticket to a place of entertainment;

101.5 (2) employ another person directly or indirectly to wait in line to purchase tickets for  
101.6 the purpose of reselling the tickets if the practice is prohibited or if the place of entertainment  
101.7 has posted a policy prohibiting the practice;

101.8 (3) sell or offer to sell a ticket without first informing the person of the location of the  
101.9 place of entertainment and the ticket's assigned seat, including but not limited to the seat  
101.10 number, row, and section number of the seat;

101.11 (4) sell or offer to sell a ticket for which there is no assigned seat without first informing  
101.12 the person of the general admission area to which the ticket corresponds; or

101.13 (5) advertise, offer for sale, or contract for the sale of a ticket before the ticket has been  
101.14 made available to the public, including via presale, without first obtaining permission from  
101.15 the place of entertainment, and having actual or constructive possession of such ticket,  
101.16 unless the ticket reseller owns the ticket pursuant to a season ticket package purchased by  
101.17 the ticket reseller.

101.18 (b) A person must not use or cause to be used an Internet domain name or subdomain  
101.19 thereof in an operator, ticket reseller, or online ticket marketplace website's URL that contains  
101.20 any of the following, unless acting on behalf of the place of entertainment, event, or person  
101.21 scheduled to perform or appear at the event:

101.22 (1) the name of a place of entertainment;

101.23 (2) the name of an event, including the name of a person scheduled to perform or appear  
101.24 at the event; or

101.25 (3) a name substantially similar to those described in clause (1) or (2).

101.26 (c) A person must not:

101.27 (1) circumvent any portion of the process for purchasing a ticket on the Internet or for  
101.28 admission to a place of entertainment, including but not limited to security or identity  
101.29 validation measures or an access control system; or

101.30 (2) disguise the identity of a purchaser for the purpose of purchasing a number of tickets  
101.31 for admission to a place of entertainment that exceeds the maximum number of tickets  
101.32 allowed for purchase by a person.

102.1 (d) A person must not sell a ticket obtained in violation of paragraph (c) if the person:

102.2 (1) participated in or had the ability to control the conduct committed in violation of  
102.3 paragraph (c); or

102.4 (2) knew that the ticket was acquired in violation of paragraph (c).

102.5 (e) An operator, online ticket marketplace, or ticket reseller must not sell a ticket unless:

102.6 (1) the ticket is in the possession or constructive possession of the operator, online ticket  
102.7 marketplace, or ticket reseller; or

102.8 (2) the operator, online ticket marketplace, or ticket reseller has a written contract with  
102.9 the place of entertainment to obtain the ticket.

102.10 (f) Pursuant to United States Code, title 15, section 45c, circumvention of a security  
102.11 measure, access control system, or other technological control measure used by an online  
102.12 ticket marketplace to enforce posted event ticket purchasing limits or to maintain the integrity  
102.13 of posted online ticket purchasing order rules is prohibited.

102.14 Subd. 4. **Commissioner data requests; data practices.** (a) Upon request by the  
102.15 commissioner, an online ticket marketplace must disclose to the commissioner information  
102.16 about technology and methods used in an alleged violation of subdivision 3, paragraph (f).  
102.17 Data collected or maintained by the commissioner under this subdivision are civil  
102.18 investigative data under section 13.39, and the commissioner may share with the attorney  
102.19 general any not public data, as defined in section 13.02, subdivision 8a, received under this  
102.20 subdivision.

102.21 (b) The commissioner may enforce this section under section 45.027.

102.22 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to tickets  
102.23 sold on or after that date.

102.24 Sec. 36. **[325F.782] DEFINITIONS.**

102.25 Subdivision 1. **Scope.** For purposes of sections 325F.782 to 325F.7822, the following  
102.26 terms have the meanings given.

102.27 Subd. 2. **Minor.** "Minor" means an individual who is younger than 21 years of age.

102.28 Subd. 3. **Vapor product.** "Vapor product" means a noncombustible product that employs  
102.29 a heating element, power source, electronic circuit, or other electronic, chemical, or  
102.30 mechanical means, regardless of shape or size, that can be used to produce vapor from  
102.31 nicotine or any other substance, and the use or inhalation of which simulates smoking. Vapor

103.1 product includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic  
 103.2 pipe, or similar product or device. Vapor product also includes a vapor cartridge or other  
 103.3 container of nicotine or other substance in a solution or other form that is intended to be  
 103.4 used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe,  
 103.5 or similar product or device.

103.6 Sec. 37. **[325F.7821] PROHIBITION ON DECEPTIVE VAPOR PRODUCTS.**

103.7 A person or entity must not market, promote, label, brand, advertise, distribute, offer  
 103.8 for sale, or sell a vapor product by:

103.9 (1) imitating a product that is not a vapor product, including but not limited to:

103.10 (i) a food or brand of food commonly marketed to minors, including but not limited to  
 103.11 candy, desserts, and beverages;

103.12 (ii) school supplies commonly used by minors, including but not limited to erasers,  
 103.13 highlighters, pens, and pencils; and

103.14 (iii) a product based on or depicting a character, personality, or symbol known to appeal  
 103.15 to minors, including but not limited to a celebrity; a character in a comic book, movie,  
 103.16 television show, or video game; and a mythical creature;

103.17 (2) attempting to conceal the nature of the vapor product from parents, teachers, or other  
 103.18 adults; or

103.19 (3) using terms for, describing, or depicting any product described in clause (1).

103.20 Sec. 38. **[325F.812] CELLULAR TELEPHONE CASES.**

103.21 Subdivision 1. **Certain cellular telephone cases; prohibition.** A person is prohibited  
 103.22 from purchasing, possessing, importing, manufacturing, selling, holding for sale, or  
 103.23 distributing a cellular telephone case, stand, or cover that is a facsimile of or reasonably  
 103.24 appears to be a firearm, including but not limited to a pistol or revolver.

103.25 Subd. 2. **Enforcement.** This section may be enforced by the attorney general under  
 103.26 section 8.31, but a court may not impose a civil penalty of more than \$500 for a violation  
 103.27 of this section.

104.1 Sec. 39. Minnesota Statutes 2022, section 325G.24, is amended to read:

104.2 **325G.24 RIGHT OF CANCELLATION.**

104.3 Subdivision 1. Right of cancellation. (a) Any person who has elected to become a  
104.4 member of a club may unilaterally cancel such membership, in the person's exclusive  
104.5 discretion, by giving written notice of cancellation at any time before midnight of the third  
104.6 business day following the date on which membership was attained. Notice of cancellation  
104.7 may be given personally or by mail.

104.8 (b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed  
104.9 and postage prepaid. ~~Notice of cancellation need not take a particular form and is sufficient~~  
104.10 ~~if it indicates, by any form of written expression, the intention of the member not to be~~  
104.11 ~~bound by the contract.~~

104.12 (c) Cancellation under this subdivision shall be without liability on the part of the member  
104.13 and the member shall be entitled to a refund, within ten days after notice of cancellation is  
104.14 given, of the entire consideration paid for the contract. Rights of cancellation may not be  
104.15 waived or otherwise surrendered.

104.16 Subd. 2. Right of member unilateral termination. (a) Any person who has elected to  
104.17 become a member of a club may unilaterally terminate such membership, in the person's  
104.18 exclusive discretion, by giving notice of termination at any time.

104.19 (b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed,  
104.20 and postage prepaid.

104.21 (c) A club must not impose a termination fee or any other liability on the member for  
104.22 termination under this subdivision.

104.23 (d) Termination under this subdivision is effective at the end of the membership term  
104.24 in which the member provides the notice of termination. If membership is at-will without  
104.25 a defined membership term, then termination under this subdivision is effective immediately,  
104.26 unless the member indicates a future effective date of termination, in which event the date  
104.27 indicated by the member is the effective date of termination.

104.28 (e) If a member provides notice of termination at any time before midnight of the third  
104.29 business day following the date on which membership was attained, the club must treat the  
104.30 notice as a notice of cancellation under subdivision 1, unless the member specifically  
104.31 provides for a future termination effective date.

104.32 Subd. 3. Notice requirements. (a) A club must accept a notice of cancellation or notice  
104.33 of termination that has been given:

105.1 (1) verbally, including but not limited to personally or over the telephone to customer  
 105.2 or account service members;

105.3 (2) in writing, including but not limited to via mail, email, or an online message through  
 105.4 the club's website directed to customer or account service members;

105.5 (3) through a termination election as described in section 325G.60; or

105.6 (4) in any other manner or medium by which the member initially accepted membership  
 105.7 to the club and that is no more burdensome to the member than was the initial acceptance.

105.8 (b) The process to cancel must be stated clearly and be easily accessible and completed  
 105.9 with ease.

105.10 Subd. 4. **No waiver.** A right of cancellation or right of termination under this section  
 105.11 may not be waived or otherwise surrendered.

105.12 Sec. 40. Minnesota Statutes 2022, section 325G.25, subdivision 1, is amended to read:

105.13 Subdivision 1. **Form and content.** A copy of every contract shall be delivered to the  
 105.14 member at the time the contract is signed. Every contract must be in writing, must be signed  
 105.15 by the member, must designate the date on which the member signed the contract and must  
 105.16 state, clearly and conspicuously in boldface type of a minimum size of 14 points, the  
 105.17 following:

105.18 "MEMBERS' RIGHT TO CANCEL"

105.19 "If you wish to cancel this contract, you may cancel in-person, over the phone, by  
 105.20 delivering or mailing a written notice to the club, via email or an online message through  
 105.21 the club's website, through the "termination election" provided on the club's website (if  
 105.22 applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner  
 105.23 or medium by which you initially accepted membership to the club. The notice must ~~say~~  
 105.24 ~~that you do not wish to be bound by the contract and must be delivered or mailed~~ be provided  
 105.25 to the club before midnight of the third business day after you sign this contract. ~~The notice~~  
 105.26 ~~must be delivered or mailed to: (Insert name and mailing address of club).~~ If you cancel,  
 105.27 the club will return, within ten days of the date on which you give notice of cancellation,  
 105.28 any payments you have made."

105.29 "MEMBERS' RIGHT TO UNILATERAL TERMINATION"

105.30 "You may unilaterally terminate this contract in your exclusive discretion at any time.  
 105.31 If you terminate, your membership will terminate at the end of the membership term in  
 105.32 which you provided the club with notice of termination. If your membership is at-will

106.1 without a defined membership term, then your membership will terminate immediately,  
 106.2 unless you indicate a future effective date of termination. If you wish to terminate this  
 106.3 contract, you may terminate in-person, over the phone, by delivering or mailing a written  
 106.4 notice to the club, via email or an online message through the club's website, through the  
 106.5 "termination election" provided on the club's website (if applicable) and as described in  
 106.6 Minnesota Statutes, section 325G.60, or in any other manner or medium by which you  
 106.7 initially accepted membership to the club. The club may not impose a termination fee or  
 106.8 any other liability on you for termination."

106.9 "NOTICE INFORMATION"

106.10 "If you wish to provide notice of cancellation or notice of termination to the club:

106.11 In-person or by mail, the applicable address is: [Insert name and mailing address of  
 106.12 club];

106.13 Over the phone, the applicable phone number is: [Insert phone number of club];

106.14 Via email, the applicable email address is: [Insert email address of club];

106.15 On the club's website, the applicable website address is: [Insert address, if applicable]."

106.16 **Sec. 41. [325G.38] HANDHELD ELECTRONIC DEVICES; DISCLOSURES.**

106.17 If a retail establishment offers consumers the use of handheld electronic devices that  
 106.18 require payment for games or other entertainment, the handheld electronic device must  
 106.19 display a disclosure. The disclosure must be provided to the consumer before a game or  
 106.20 entertainment is purchased and must:

106.21 (1) require the user to affirm that the user is 18 years of age or older; and

106.22 (2) include, in at least ten-point font and larger than all other type viewable on the screen  
 106.23 at that time, the payment amount required.

106.24 **Sec. 42. [325G.56] DEFINITIONS.**

106.25 Subdivision 1. **Scope.** For purposes of sections 325G.56 to 325G.62, the terms defined  
 106.26 in this section have the meanings given them.

106.27 Subd. 2. **Automatic renewal.** "Automatic renewal" means a plan or arrangement in  
 106.28 which a subscription or purchasing agreement is automatically renewed at the end of a  
 106.29 definite term for a subsequent term.

107.1 Subd. 3. **Clear and conspicuous.** "Clear and conspicuous" means in larger type than  
107.2 the surrounding text, or in contrasting type, font, or color to the surrounding text of the same  
107.3 size, or set off from the surrounding text of the same size by symbols or other marks, in a  
107.4 manner that calls attention to the language. In the case of an audio disclosure, "clear and  
107.5 conspicuous" means in a volume and cadence sufficient to be readily audible and  
107.6 understandable.

107.7 Subd. 4. **Consumer.** "Consumer" means any individual who seeks or acquires, by  
107.8 purchase or lease, any goods, services, money, or credit for personal, family, or household  
107.9 purposes. Consumer includes but is not limited to a member as defined in section 325G.23,  
107.10 unless the context clearly indicates otherwise.

107.11 Subd. 5. **Continuous service.** "Continuous service" means a plan or arrangement in  
107.12 which a subscription or purchasing agreement continues until the consumer terminates the  
107.13 agreement.

107.14 Subd. 6. **Indefinite subscription agreement.** "Indefinite subscription agreement" means  
107.15 a subscription or purchasing agreement:

107.16 (1) between a seller and a consumer in Minnesota; and

107.17 (2) subject to automatic renewal or continuous service.

107.18 Indefinite subscription agreements include but are not limited to contracts, as defined in  
107.19 section 325G.23, subject to automatic renewal or continuous service.

107.20 Subd. 7. **Offer terms.** "Offer terms" means the following disclosures:

107.21 (1) that the indefinite subscription agreement will continue until the consumer terminates  
107.22 the agreement;

107.23 (2) the description of the cancellation policy that applies to the indefinite subscription  
107.24 agreement;

107.25 (3) the recurring charges that will be charged to the consumer's credit or debit card or  
107.26 payment account with a third party as part of the plan or arrangement and that the amount  
107.27 of the charge may change, if that is the case, and the amount to which the charge will change,  
107.28 if known;

107.29 (4) the length of the automatic renewal term or that the service is continuous, unless the  
107.30 length of the term is definite and chosen by the consumer; and

107.31 (5) the minimum purchase obligation, if any.

108.1 Subd. 8. **Seller.** "Seller" means a seller, lessor, licensor, or professional who advertises,  
108.2 solicits, or engages in consumer transactions, or a manufacturer, distributor, or licensor who  
108.3 advertises and sells, leases, or licenses goods or services to be resold, leased, or sublicensed  
108.4 by other persons in consumer transactions. Seller includes but is not limited to a club as  
108.5 defined in section 325G.23, unless the context clearly indicates otherwise.

108.6 Sec. 43. **[325G.57] REQUIREMENTS FOR AUTOMATIC RENEWAL OR**  
108.7 **CONTINUOUS SERVICE.**

108.8 Subdivision 1. **Notices upon offer.** A seller making an offer for an indefinite subscription  
108.9 agreement must, before the consumer accepts the offer, present the offer terms in a clear  
108.10 and conspicuous manner to the consumer and in visual proximity, or in the case of an offer  
108.11 conveyed by voice, in temporal proximity, to the offer's proposal.

108.12 Subd. 2. **Confirmation upon consumer consent.** A seller making an offer for an  
108.13 indefinite subscription agreement must, in a timely manner after the consumer accepts the  
108.14 offer, provide the consumer with confirmation of the consumer's acceptance of the offer,  
108.15 in a manner that is capable of being retained by the consumer, that includes the following:

108.16 (1) the offer terms;

108.17 (2) if the offer includes a free trial, information on how to cancel the free trial before  
108.18 the consumer pays or becomes obligated to pay for any goods or services in connection  
108.19 with the free trial; and

108.20 (3) options for termination of the indefinite subscription agreement, which options must  
108.21 be easy to use, cost-effective, and timely for all consumers:

108.22 (i) if a seller makes offers for an indefinite subscription agreement through an online  
108.23 website, a termination election as set forth in section 325G.60; and

108.24 (ii) if a consumer enters into the indefinite subscription agreement through any means  
108.25 other than a toll-free telephone number, an email address, or a postal address, then an option  
108.26 substantially similar to, as easy to use, and as accessible as the initial means of consumer  
108.27 acceptance of the agreement.

108.28 A communication of the required information through email is sufficient to meet the  
108.29 requirements of this subdivision.

108.30 Subd. 3. **Material changes.** Upon a material change in the terms of the indefinite  
108.31 subscription agreement, the seller must provide to the consumer in a timely manner, and in  
108.32 any case prior to the implementation of the material change, a clear and conspicuous notice

109.1 of the material change and provide information regarding how to terminate the agreement  
109.2 in a manner that is capable of being retained by the consumer. A material change in the  
109.3 terms of an indefinite subscription agreement in violation of this subdivision is void and  
109.4 unenforceable.

109.5 Subd. 4. **Free trials.** A seller making an offer for an indefinite subscription agreement  
109.6 that includes a free trial lasting more than 30 days must, no fewer than five days and no  
109.7 more than 30 days before the end of any such free trial, notify the consumer of the consumer's  
109.8 option to cancel the free trial before the end of the trial period to avoid an obligation to pay  
109.9 for the goods or services.

109.10 Subd. 5. **Periodic notice of continuous service.** (a) If an indefinite subscription  
109.11 agreement is subject to continuous service, the seller must give the consumer written notice  
109.12 of the continuous service at least once per calendar year via mail or email.

109.13 (b) The notice required under this subdivision must include the terms of the service and  
109.14 how to terminate or manage the service.

109.15 Sec. 44. **[325G.58] PROHIBITED CONDUCT.**

109.16 Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means  
109.17 an indefinite subscription agreement, as defined in section 325G.56, and a contract, as  
109.18 defined in section 325G.23.

109.19 Subd. 2. **Charges prior to effective date.** A seller must not charge the consumer's credit  
109.20 or debit card or the consumer's account with a third party in connection with an agreement  
109.21 before the agreement has been duly authorized by the seller and consumer and made effective.

109.22 Subd. 3. **Right of first refusal.** An agreement must not require the consumer to permit  
109.23 the seller to match any offer the consumer has received. A provision in an agreement that  
109.24 violates this subdivision is void and unenforceable.

109.25 Subd. 4. **No abusive tactics or offers upon notice.** (a) A seller that has received a notice  
109.26 of cancellation or notice of termination of an agreement from a consumer cannot:

109.27 (1) make any misrepresentation or undertake any unfair or abusive tactic to delay,  
109.28 unreasonably delay, or avoid the cancellation or termination of the agreement; or

109.29 (2) make or provide additional benefits, contract modifications, gifts, or similar offers  
109.30 to the consumer until the seller has obtained permission from the consumer, granted by the  
109.31 consumer after notice of cancellation or termination was given to the seller, for the seller  
109.32 to engage in any such activity.

110.1 (b) A seller can only seek a consumer's permission under this paragraph once per  
 110.2 cancellation or termination attempt. A consumer's grant of permission under this paragraph  
 110.3 is limited to the immediate cancellation or termination attempt and does not apply to  
 110.4 subsequent attempts.

110.5 Subd. 5. **Exceptions.** This section does not prohibit a seller from:

110.6 (1) asking the consumer the reasons for cancellation or termination, provided that a  
 110.7 consumer is not required to answer as a condition of cancellation or termination;

110.8 (2) informing the consumer that there may be consequences of cancelling or terminating  
 110.9 the subscription; or

110.10 (3) verifying the identity of the consumer.

110.11 Sec. 45. **[325G.59] CONSUMER'S RIGHT TO TERMINATE.**

110.12 Subdivision 1. **Termination of agreement subject to automatic renewal.** A consumer  
 110.13 may terminate an indefinite subscription agreement subject to automatic renewal at any  
 110.14 time by following the procedure set forth in the confirmation described in section 325G.57,  
 110.15 subdivision 2. A termination under this subdivision is effective at the end of the term in  
 110.16 which notice of termination is provided by the consumer, unless the consumer specifies a  
 110.17 termination date occurring at the end of a subsequent term, in which event the termination  
 110.18 is effective as of the date specified by the consumer, if the option is available.

110.19 Subd. 2. **Termination of agreement subject to continuous service.** (a) A consumer  
 110.20 may terminate an indefinite subscription agreement subject to continuous service at any  
 110.21 time by following the procedure set forth in the confirmation described in section 325G.57,  
 110.22 subdivision 2. A termination under this subdivision must take effect no later than 31 days  
 110.23 from the date of a verified consumer's notice of termination unless the consumer specifies  
 110.24 a future termination date, in which event the termination is effective as of such date.

110.25 (b) This subdivision does not require a seller to provide an option to set a future  
 110.26 termination date.

110.27 Subd. 3. **Termination in absence of confirmation or notice.** If the seller fails to provide  
 110.28 either the confirmation required under section 325G.57, subdivision 2, or a notice required  
 110.29 by section 325G.57, subdivision 5, the consumer may terminate the indefinite subscription  
 110.30 agreement by any reasonable means at any time, including but not limited to by mail, email,  
 110.31 telephone, an online option, a termination election under section 325G.60, or the means by  
 110.32 which the consumer entered into the agreement, at no cost to the consumer.

111.1 Sec. 46. [325G.60] TERMINATION ELECTION REQUIREMENT.

111.2 Subdivision 1. Definition; agreement. For purposes of this section, "agreement" means  
111.3 an indefinite subscription agreement, as defined in section 325G.56, and a contract, as  
111.4 defined in section 325G.23.

111.5 Subd. 2. Termination election required. (a) If a seller has a website with profile or  
111.6 subscription management capabilities, then such website must include a termination election  
111.7 on the website. The termination election must be clear and conspicuous on the website and  
111.8 must use plain language to convey that any consumer may use the termination election to  
111.9 terminate the agreement at any time. The termination election must only require a consumer  
111.10 to input information that is necessary to process the termination. The termination election  
111.11 must include a checkbox, submission button, or similarly common and simple mechanism  
111.12 for the member to indicate a desire to terminate the agreement.

111.13 (b) For purposes of this section, "termination election" means a simple and easily  
111.14 accessible means for a consumer to quickly provide notice of termination, and that does not  
111.15 include undue complexity, confusion, or misrepresentation by the seller.

111.16 Sec. 47. [325G.61] UNCONDITIONAL GIFTS.

111.17 Any good, including but not limited to any ware, merchandise, or product, is an  
111.18 unconditional gift to the consumer if a seller sends the good under an indefinite subscription  
111.19 agreement without first obtaining the consumer's affirmative consent to the agreement in  
111.20 accordance with section 325G.57. The consumer may use or dispose of the good in any  
111.21 manner without any obligation to the seller, including but not limited to any obligation  
111.22 relating to shipping of the good.

111.23 Sec. 48. [325G.62] EXEMPTION.

111.24 Sections 325G.56 to 325G.61 do not apply to:

111.25 (1) contracts governed by another state or federal statute or regulation specifically  
111.26 intended to regulate automatic renewal or continuous service;

111.27 (2) any licensee as defined in section 60A.985, subdivision 8, and any affiliate of such  
111.28 a licensee as defined in section 60D.15, subdivision 2;

111.29 (3) an individual or business licensed by the Department of Labor and Industry as a  
111.30 technology system contractor or power limited technician as defined in section 326B.31;

112.1 (4) any service provided by a business or its affiliate where either the business or its  
 112.2 affiliate is licensed or regulated by the Public Utilities Commission, the Federal  
 112.3 Communications Commission, or the Federal Energy Regulatory Commission; or

112.4 (5) any person or entity registered or licensed with the Financial Industry Regulatory  
 112.5 Authority, the Securities and Exchange Commission, or under the Minnesota Securities  
 112.6 Act.

112.7 Sec. 49. **[332.3352] WAIVER OF LICENSING AND REGISTRATION.**

112.8 The commissioner of commerce may, by order, waive the licensing and registration  
 112.9 requirements of this chapter for a nonresident collection agency and its affiliated collectors  
 112.10 if: (1) a written reciprocal licensing agreement is in effect between the commissioner and  
 112.11 the licensing officials of the collection agency's home state; and (2) the collection agency  
 112.12 is licensed in good standing in that state.

112.13 Sec. 50. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended  
 112.14 to read:

112.15 Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's  
 112.16 name that has been incurred as a result of:

112.17 (1) the use of the debtor's personal information without the debtor's knowledge,  
 112.18 authorization, or consent;

112.19 (2) the use or threat of force, intimidation, undue influence, ~~harassment~~, fraud, deception,  
 112.20 coercion, or other similar means against the debtor; or

112.21 (3) economic abuse perpetrated against the debtor.

112.22 (b) Coerced debt does not include secured debt.

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

112.24 Sec. 51. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended  
 112.25 to read:

112.26 Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse,  
 112.27 ~~harassment~~ economic abuse, or sex or labor trafficking, and (2) owes coerced debt.

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

113.1 Sec. 52. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended  
113.2 to read:

113.3 Subd. 5. **Documentation.** "Documentation" means ~~a writing that identifies a debt or a~~  
113.4 ~~portion of a debt as coerced debt, describes the circumstances under which the coerced debt~~  
113.5 ~~was incurred, and takes the form of:~~

113.6 (1) a police report;

113.7 (2) a Federal Trade Commission identity theft report;

113.8 (3) an order in a dissolution proceeding under chapter 518 that declares that one or more  
113.9 debts are coerced; or

113.10 (4) a sworn written certification.

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

113.12 Sec. 53. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended  
113.13 to read:

113.14 Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic  
113.15 relationship that controls, restrains, restricts, impairs, or interferes with the ability of a ~~victim~~  
113.16 ~~of domestic abuse, harassment, or sex or labor trafficking~~ debtor to acquire, use, or maintain  
113.17 economic resources, including but not limited to:

113.18 (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or  
113.19 financial information;

113.20 (2) interfering with the victim's ability to work and earn wages; or

113.21 (3) exerting undue influence over a person's financial and economic behavior or decisions.

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

113.23 Sec. 54. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

113.24 **332.72 COERCED DEBT PROHIBITED.**

113.25 (a) A person is prohibited from causing another person to incur coerced debt.

113.26 (b) A person who causes another person to incur a coerced debt in violation of this  
113.27 section is civilly liable to the creditor for the amount of the debt, or portion thereof,  
113.28 determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and  
113.29 costs, provided the creditor follows the procedures under section 332.74, subdivision 3,  
113.30 paragraph (b).

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

114.2 Sec. 55. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended  
114.3 to read:

114.4 Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74,  
114.5 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on  
114.6 which the creditor demands payment is coerced debt and request that the creditor cease all  
114.7 collection activity on the coerced debt. The notification and request must be in writing and  
114.8 include documentation. If not already included in documentation, the notification must  
114.9 include a signed statement that includes:

114.10 (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or  
114.11 labor trafficking;

114.12 (2) a recitation of the facts supporting the claim that the debt is coerced; and

114.13 (3) if only a portion of the debt is claimed to be coerced debt, an itemization of the  
114.14 portion of the debt that is claimed to be coerced debt.

114.15 (b) The creditor, within 30 days of the date the notification and request is received, must  
114.16 notify the debtor in writing of the creditor's decision to either immediately cease all collection  
114.17 activity or continue to pursue collection. If a creditor ceases collection but subsequently  
114.18 decides to resume collection activity, the creditor must notify the debtor ten days prior to  
114.19 the date the collection activity resumes.

114.20 ~~(b) If a creditor ceases collection but subsequently decides to resume collection activity,~~  
114.21 ~~the creditor must notify the debtor ten days prior to the date the collection activity resumes.~~

114.22 (c) A debtor must not proceed with an action under section 332.74 until the 30-day  
114.23 period provided under paragraph (a) has expired.

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

114.25 Sec. 56. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended  
114.26 to read:

114.27 Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor  
114.28 has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced  
114.29 debt, the debtor is entitled to one or more of the following:

114.30 (1) a declaratory judgment that the debt or portion of a debt is coerced debt;

115.1 (2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor  
 115.2 liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced  
 115.3 debt; and

115.4 (3) an order dismissing any cause of action brought by the creditor to enforce or collect  
 115.5 the coerced debt from the debtor or, if only a portion of the debt is established as coerced  
 115.6 debt, an order directing that the judgment, if any, in the action be amended to reflect only  
 115.7 the portion of the debt that is not coerced debt.

115.8 (b) If the court orders relief for the debtor under paragraph (a), the court, after the  
 115.9 creditor's motion has been personally served on the person who violated section 332.72, or  
 115.10 if personal service cannot be made, after service by United States mail to the last known  
 115.11 address of the person who violated section 332.72 and one-week published notice under  
 115.12 section 645.11, shall must issue a judgment in favor of the creditor against the person in  
 115.13 the amount of the debt or a portion thereof.

115.14 (c) This subdivision applies regardless of the judicial district in which the creditor's  
 115.15 action or the debtor's petition was filed.

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

115.17 Sec. 57. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended  
 115.18 to read:

115.19 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative  
 115.20 defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance  
 115.21 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor  
 115.22 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced  
 115.23 debt has been ~~criminally convicted, entered a guilty plea, or entered an Alford plea under~~  
 115.24 of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or  
 115.25 609.527.

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

115.27 Sec. 58. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS;**  
 115.28 **UNFAIR SERVICE AGREEMENTS.**

115.29 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
 115.30 the meanings given.

115.31 (b) "County recorder" has the meaning given in section 13.045, subdivision 1.

116.1 (c) "Person" means natural persons, corporations both foreign and domestic, trusts,  
 116.2 partnerships both limited and general, incorporated or unincorporated associations,  
 116.3 companies, business entities, and any other legal entity or any other group associated in fact  
 116.4 although not a legal entity or any agent, assignee, heir, employee, representative, or servant  
 116.5 thereof.

116.6 (d) "Record" or "recording" means placement of a document or instrument in the official  
 116.7 county public land records.

116.8 (e) "Residential real property" means real property that is located in Minnesota occupied,  
 116.9 or intended to be occupied, by one to four families as their residence.

116.10 (f) "Service agreement" means a contract under which a person agrees to provide real  
 116.11 estate broker services as defined in section 82.55, subdivision 19, in connection with the  
 116.12 purchase or sale of residential real property.

116.13 (g) "Service provider" means an individual or entity that provides services to a person  
 116.14 pursuant to a service agreement.

116.15 Subd. 2. **Unfair service agreements; prohibition.** (a) A service agreement subject to  
 116.16 this section is unfair and prohibited if any part of the agreement provides an exclusive right  
 116.17 to a service provider for a term in excess of one year after the time the service agreement  
 116.18 is entered into and:

116.19 (1) purports to run with the land or to be binding on future owners of interests in the real  
 116.20 property;

116.21 (2) allows for assignment of the right to provide service without notice to and consent  
 116.22 of the residential real property's owner, including a contract for deed vendee;

116.23 (3) is recorded or purports to create a lien, encumbrance, or other real property security  
 116.24 interest; or

116.25 (4) contains a provision that purports to automatically renew the agreement upon its  
 116.26 expiration.

116.27 (b) The following are not unfair service agreements under this section:

116.28 (1) a home warranty or similar product that covers the cost of maintaining a major home  
 116.29 system or appliance for a fixed period;

116.30 (2) an insurance contract;

116.31 (3) a mortgage loan or a commitment to make or receive a mortgage loan;

- 117.1 (4) an option or right of refusal to purchase a residential real property;
- 117.2 (5) a declaration of any covenants, conditions, or restrictions created in the formation
- 117.3 of a homeowners association, a group of condominium owners, or other common interest
- 117.4 community or an amendment to the covenants, conditions, or restrictions;
- 117.5 (6) a maintenance or service agreement entered by a homeowners association in a
- 117.6 common interest community;
- 117.7 (7) a security agreement governed by chapter 336 that relates to the sale or rental of
- 117.8 personal property or fixtures; or
- 117.9 (8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service
- 117.10 provider.
- 117.11 (c) This section does not impair any lien right granted under Minnesota law or that is
- 117.12 judicially imposed.
- 117.13 **Subd. 3. Recording prohibited.** (a) A person is prohibited from:
- 117.14 (1) presenting or sending an unfair service agreement or notice or memorandum of an
- 117.15 unfair service agreement to any county recorder to record; or
- 117.16 (2) causing an unfair service agreement or notice or memorandum of an unfair service
- 117.17 agreement to be recorded by a county recorder.
- 117.18 (b) If a county recorder records an unfair service agreement, the county recorder does
- 117.19 not incur liability.
- 117.20 (c) If an unfair service agreement is recorded, the recording does not create a lien or
- 117.21 provide constructive notice to any third party, bona fide purchaser, or creditor.
- 117.22 **Subd. 4. Unfair service agreements unenforceable.** A service agreement that is unfair
- 117.23 under this section is unenforceable and does not create a contractual obligation or relationship.
- 117.24 Any waiver of a consumer right, including a right to trial by jury, in an unfair service
- 117.25 agreement is void.
- 117.26 **Subd. 5. Unfair service agreements; solicitation.** Encouraging any consumer to enter
- 117.27 into an unfair service agreement by any service provider constitutes:
- 117.28 (1) an unfair method of competition; and
- 117.29 (2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph
- 117.30 (c), and section 325F.69.

118.1 Subd. 6. Enforcement authority. (a) This section may be enforced by the attorney  
118.2 general under section 8.31, except that any private cause of action brought under subdivision  
118.3 7 is subject to the limitation under subdivision 7, paragraph (d).

118.4 (b) The commissioner of commerce may enforce this section with respect to a service  
118.5 provider's real estate license.

118.6 Subd. 7. Remedies. (a) A consumer that is party to an unfair service agreement related  
118.7 to residential real property or a person with an interest in the property that is the subject of  
118.8 that agreement may bring an action under section 8.31 or 325F.70 in district court in the  
118.9 county where the property is located.

118.10 (b) If an unfair service agreement or a notice or memorandum of an unfair service  
118.11 agreement is recorded against any residential real property, any judgment obtained under  
118.12 this section, after being certified by the clerk having custody of the unfair service agreement  
118.13 or notice or memorandum of the unfair service agreement, may be recorded and indexed  
118.14 against the real property encumbered or clouded by the unfair service agreement.

118.15 (c) The remedies provided under this section are not exclusive and do not reduce any  
118.16 other rights or remedies a party may have in equity or in law.

118.17 (d) No private action may be brought under this section more than six years after the  
118.18 date the term printed in the unfair service agreement expires.

118.19 **Sec. 59. REPEALER.**

118.20 (a) Minnesota Statutes 2022, sections 325G.25, subdivision 1a; and 332.3351, are  
118.21 repealed.

118.22 (b) Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

118.23 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025.

118.24 **Sec. 60. EFFECTIVE DATE.**

118.25 (a) Sections 12 to 25 are effective August 1, 2024.

118.26 (b) Sections 42, 43, and 45 to 52 are effective August 1, 2025, and apply to contracts  
118.27 entered into, modified, or renewed on or after that date.

119.1

**ARTICLE 4**

119.2

**LIQUOR**

119.3 Section 1. Minnesota Statutes 2022, section 340A.101, subdivision 13, is amended to  
119.4 read:

119.5 Subd. 13. **Hotel.** "Hotel" is an establishment where food and lodging are regularly  
119.6 furnished to transients and which has:

119.7 (1) a dining room serving the general public at tables and having facilities for seating  
119.8 at least 30 guests at one time; ~~and~~ or

119.9 (2) guest rooms in the following minimum numbers: in first class cities, 50; in second  
119.10 class cities, ~~25~~ 15; in all other cities and unincorporated areas, 10.

119.11 Sec. 2. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

119.12 Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue  
119.13 an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the  
119.14 Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding  
119.15 the limitations of law, or local ordinance, or charter provision relating to zoning or school  
119.16 or church distances. The licenses authorize sales on all days of the week to holders of tickets  
119.17 for performances presented by the theaters and to members of the nonprofit corporations  
119.18 holding the licenses and to their guests.

119.19 (b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland  
119.20 Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510  
119.21 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter  
119.22 provision.

119.23 (c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah  
119.24 Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue  
119.25 South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter  
119.26 provision relating to zoning or school or church distances.

119.27 (d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the  
119.28 American Association of University Women, Minneapolis branch, for use on the premises  
119.29 owned by the American Association of University Women, Minneapolis branch, at 2115  
119.30 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local  
119.31 ordinances, or charter provisions relating to zoning or school or church distances.

120.1 (e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent  
120.2 malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine  
120.3 license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue  
120.4 South, notwithstanding any law or local ordinance or charter provision.

120.5 (f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor  
120.6 license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the  
120.7 Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the  
120.8 Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located  
120.9 at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South,  
120.10 Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at  
120.11 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South,  
120.12 notwithstanding any law or local ordinance or charter provision. The license authorizes  
120.13 sales on all days of the week.

120.14 (g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University  
120.15 Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering  
120.16 operator at the building owned and operated by the University Gateway Corporation on the  
120.17 University of Minnesota campus, notwithstanding limitations of law, or local ordinance or  
120.18 charter provision. The license authorizes sales on all days of the week.

120.19 (h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker  
120.20 Art Center's concessionaire or operator, for a restaurant and catering operator on the premises  
120.21 of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter  
120.22 provisions. The license authorizes sales on all days of the week.

120.23 (i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie  
120.24 Theater's concessionaire or operator for a restaurant and catering operator on the premises  
120.25 of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter  
120.26 provisions. The license authorizes sales on all days of the week.

120.27 (j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor  
120.28 license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator  
120.29 for a restaurant and catering operator on the premises of the Minnesota Book and Literary  
120.30 Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance  
120.31 or charter provision. The license authorizes sales on all days of the week.

120.32 (k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant  
120.33 located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter  
120.34 provision.

121.1 (l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum  
121.2 of Russian Art's concessionaire or operator for a restaurant and catering operator on the  
121.3 premises of the Museum of Russian Art located at 5500 Stevens Avenue South,  
121.4 notwithstanding any law or local ordinance or charter provision.

121.5 (m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the  
121.6 American Swedish Institute or to its concessionaire or operator for use on the premises  
121.7 owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding  
121.8 limitations of law, or local ordinances, or charter provision relating to zoning or school or  
121.9 church distances.

121.10 (n) Notwithstanding any other law, local ordinance, or charter provision, the city of  
121.11 Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis  
121.12 Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions  
121.13 or catering contract with the Minneapolis Institute of Arts for use on the premises of the  
121.14 Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued  
121.15 for space that is not compact and contiguous, provided that all such space is included in the  
121.16 description of the licensed premises on the approved license application. The licenses  
121.17 authorize sales on all days of the week.

121.18 (o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway  
121.19 House or to its concessionaire or operator for use on the premises owned by Norway House  
121.20 at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or  
121.21 charter provision relating to zoning or school or church distances.

121.22 (p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating  
121.23 to seating requirements, local ordinance, or charter provision, the city of Minneapolis may  
121.24 issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions  
121.25 or catering contract with the Minneapolis Park and Recreation Board for use on ~~the~~  
121.26 Minneapolis Park and Recreation Board premises ~~of the Downtown Commons Park, the~~  
121.27 ~~Minneapolis Sculpture Garden, or at Boom Island Park~~. The licenses authorized by this  
121.28 subdivision may be used for space specified within the park property, provided all such  
121.29 space is included in the description of the licensed premises on the approved license  
121.30 application. The licenses authorize sales on the dates on the approved license application.

121.31 **EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City  
121.32 Council and compliance with Minnesota Statutes, section 645.021.

122.1 Sec. 3. Minnesota Statutes 2022, section 340A.412, is amended by adding a subdivision  
122.2 to read:

122.3 Subd. 12a. **Transfers of wine.** (a) Notwithstanding the provisions of subdivision 12,  
122.4 the holder of an off-sale intoxicating liquor license may transfer wine from one licensed  
122.5 premises to another provided that:

122.6 (1) the license for the transferring and receiving premises are held by the same licensee;

122.7 (2) the licensee notifies the wholesaler from whom the wine was purchased and the  
122.8 Division of Alcohol and Gambling Enforcement of the Division of Public Safety, in writing,  
122.9 at least three business days before the transfer is made, the specific product and quantity of  
122.10 product being transferred;

122.11 (3) only one transfer is made from a licensed premises in a three-month period; and

122.12 (4) each transfer of wine must not exceed 75 cases of wine. Each case is limited to 12  
122.13 bottles of wine.

122.14 (b) A licensee that is delinquent beyond the 30-day period in section 340A.318 is  
122.15 prohibited from transferring wine under this subdivision.

122.16 (c) Transfers of wine must only occur within the state of Minnesota.

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

122.18 Sec. 4. Laws 2022, chapter 86, article 2, section 3, is amended to read:

122.19 Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

122.20 Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St.  
122.21 Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of  
122.22 Minnesota or to a person or entity holding a concessions contract with the Thai Cultural  
122.23 Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of  
122.24 the State Capitol for both days of the Minnesota Songkran Festival. All provisions of  
122.25 Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section,  
122.26 apply to the license authorized by this section.

122.27 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City  
122.28 Council and compliance with Minnesota Statutes, section 645.021.

123.1 **Sec. 5. SPORTS AND EVENT CENTER LICENSE; EAGAN.**

123.2 Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance  
 123.3 to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses  
 123.4 to the owner of a multiuse sports and event center located on property in the city of Eagan,  
 123.5 legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter  
 123.6 due to subdivision or replatting, or to any facility operator, concessionaire, catering operator,  
 123.7 or other third-party food and beverage vendor for the center under contract with the owner.  
 123.8 A license issued under this section may be issued for a space that is not compact and  
 123.9 contiguous, provided that the licensed premises shall only be the space described in the  
 123.10 approved license. A license issued under this section authorizes sales on all days of the  
 123.11 week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section,  
 123.12 apply to a license issued under this section.

123.13 **EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council  
 123.14 and compliance with Minnesota Statutes, section 645.021.

123.15 **Sec. 6. SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

123.16 Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue  
 123.17 an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph  
 123.18 (d), for sales at town ball games played at a ballpark on school grounds.

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

123.20 **Sec. 7. SPECIAL LIQUOR LAW; CITY OF WATKINS.**

123.21 Notwithstanding Minnesota Statutes, section 624.701, the city of Watkins may issue an  
 123.22 on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d),  
 123.23 for sales at town ball games played at a ballpark on school grounds, provided the board of  
 123.24 Independent School District No. 463, Eden Valley-Watkins, adopts a resolution approving  
 123.25 the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not  
 123.26 apply to the school grounds or buildings for a license issued under this section.

123.27 **Sec. 8. SPECIAL LIQUOR LAW; CITY OF ROCHESTER.**

123.28 Notwithstanding Minnesota Statutes, section 340A.404, the city of Rochester may issue  
 123.29 an on-sale wine license and an on-sale malt liquor license for beverage sales at a soccer  
 123.30 field, indoor soccer complex, or stadium located on property in the city of Rochester for  
 123.31 the purposes of soccer games and any other events at the soccer field, indoor soccer complex,  
 123.32 or stadium to the following:

- 124.1 (1) a person who is the owner of a soccer club;
- 124.2 (2) a person holding a concessions or management contract with the owner;
- 124.3 (3) a nonprofit organization that has established a soccer club; or
- 124.4 (4) an agent of the nonprofit organization.
- 124.5 A license issued under this section authorizes sales on all days of the week to persons
- 124.6 attending soccer games and any other events at the soccer field, indoor soccer complex, or
- 124.7 stadium.

## ARTICLE 5

### MEDICAL SUPPLEMENT IMPLEMENTATION DELAY

124.10 Section 1. Laws 2023, chapter 57, article 2, section 7, the effective date, is amended to

124.11 read:

124.12 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to

124.13 policies offered, issued, or renewed on or after that date.

124.14 Sec. 2. Laws 2023, chapter 57, article 2, section 8, the effective date, is amended to read:

124.15 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to

124.16 policies offered, issued, or renewed on or after that date.

124.17 Sec. 3. Laws 2023, chapter 57, article 2, section 9, the effective date, is amended to read:

124.18 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to

124.19 policies offered, issued, or renewed on or after that date.

124.20 Sec. 4. Laws 2023, chapter 57, article 2, section 10, the effective date, is amended to read:

124.21 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to

124.22 policies offered, issued, or renewed on or after that date.

124.23 Sec. 5. Laws 2023, chapter 57, article 2, section 11, the effective date, is amended to read:

124.24 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to

124.25 policies offered, issued, or renewed on or after that date.

125.1 Sec. 6. Laws 2023, chapter 57, article 2, section 12, the effective date, is amended to read:

125.2 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to  
125.3 policies offered, issued, or renewed on or after that date.

125.4 Sec. 7. Laws 2023, chapter 57, article 2, section 13, the effective date, is amended to read:

125.5 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to  
125.6 policies offered, issued, or renewed on or after that date.

125.7 Sec. 8. Laws 2023, chapter 57, article 2, section 14, the effective date, is amended to read:

125.8 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to  
125.9 policies offered, issued, or renewed on or after that date.

125.10 Sec. 9. Laws 2023, chapter 57, article 2, section 15, the effective date, is amended to read:

125.11 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to  
125.12 policies offered, issued, or renewed on or after that date.

**45.014 SEAL OF DEPARTMENT OF COMMERCE.**

The commissioner of commerce shall devise a seal for official use as the seal of the Department of Commerce. The seal must be capable of being legibly reproduced under photographic methods. A description of the seal, and a copy of it, must be filed in the Office of the Secretary of State.

**53B.58 PAYROLL PROCESSING SERVICES; DISCLOSURES.**

(a) A licensee that provides payroll processing services must:

(1) issue reports to clients detailing client payroll obligations in advance of the payroll funds being deducted from an account; and

(2) make available worker pay stubs or an equivalent statement to workers.

(b) Paragraph (a) does not apply to a licensee providing payroll processing services if the licensee's client designates the intended recipients to the licensee and is responsible for providing the disclosures required by paragraph (a), clause (2).

**58.08 BONDS; LETTERS OF CREDIT.**

Subd. 3. **Exemption.** Subdivision 2 does not apply to mortgage originators or mortgage servicers who are approved as seller/servicers by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

**82B.25 VALUATION BIAS.**

Subdivision 1. **Definition.** For the purposes of this section, "valuation bias" means to explicitly, implicitly, or structurally select and apply data to an appraisal methodology or technique in a biased manner that harms a protected class, as defined by the Fair Housing Act of 1968, as amended.

Subd. 2. **Education.** A real property appraiser shall provide to the commissioner evidence of satisfactory completion of a continuing education course on the valuation bias of real property. An appraiser licensed after September 1, 2021, must complete the course required by this section prior to the appraiser's first license renewal.

**325G.25 CONTRACT REGULATION.**

Subd. 1a. **Alternative cancellation notice.** In lieu of the notice of cancellation required by subdivision 1, the seller may provide notice in a manner which conforms to applicable federal law or regulation or section 325G.08 so long as the notice provides the information required by subdivision 1.

**332.3351 EXEMPTION FROM LICENSURE.**

A collection agency shall be exempt from the licensing and registration requirements of this chapter if all of the following conditions are met:

(1) the agency is located in another state that regulates and licenses collection agencies, but does not require a Minnesota collection agency to obtain a license to collect debts in the agency's state if the agency's collection activities are limited in the same manner;

(2) the agency's collection activities are limited to collecting debts not incurred in this state from consumers located in this state; and

(3) the agency's collection activities in Minnesota are conducted by means of interstate communications, including telephone, mail, electronic mail, or facsimile transmission.

**332.71 DEFINITIONS.**

Subd. 8. **Harassment.** "Harassment" has the meaning given in section 609.748.