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## State of Minnesota

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## HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1443

02/20/2017 Authored by Loonan  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform  
03/02/2017 Adoption of Report: Amended and re-referred to the Committee on Civil Law and Data Practices Policy  
03/09/2017 Adoption of Report: Re-referred to the Committee on Public Safety and Security Policy and Finance  
03/16/2017 Adoption of Report: Placed on the General Register  
Read for the Second Time  
05/08/2017 Calendar for the Day  
Read for the Third Time  
Passed by the House and transmitted to the Senate  
05/17/2017 Returned to the House as Amended by the Senate  
Refused to concur and a Conference Committee was appointed  
05/20/2017 Conference Committee Report Adopted  
Read Third Time as Amended by Conference and repassed by the House  
05/22/2017 Senate refused to adopt Conference Committee Report, returned to the House  
Motion to Reconsider  
Returned to the Conference Committee  
Read Third Time as Amended by Conference and repassed by the House  
Read Third Time as Amended by Conference and repassed by the Senate  
05/26/2017 Presented to Governor  
05/30/2017 Governor Approval

1.1 A bill for an act  
1.2 relating to commerce; regulating insurance fraud; modifying certain penalties and  
1.3 notices; defining a term; clarifying the authority of the Commerce Fraud Bureau  
1.4 to apply for or execute search warrants; amending Minnesota Statutes 2016, sections  
1.5 13.82, subdivision 17; 45.0135, subdivision 9; 60A.27, subdivision 1; 65B.84, by  
1.6 adding a subdivision; 626.05, subdivision 2.

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

1.8 Section 1. Minnesota Statutes 2016, section 13.82, subdivision 17, is amended to read:

1.9 Subd. 17. **Protection of identities.** A law enforcement agency or a law enforcement  
1.10 dispatching agency working under direction of a law enforcement agency shall withhold  
1.11 public access to data on individuals to protect the identity of individuals in the following  
1.12 circumstances:

1.13 (a) when access to the data would reveal the identity of an undercover law enforcement  
1.14 officer, as provided in section 13.43, subdivision 5;

1.15 (b) when access to the data would reveal the identity of a victim or alleged victim of  
1.16 criminal sexual conduct or sex trafficking under section 609.322, 609.341 to 609.3451, or  
1.17 617.246, subdivision 2;

1.18 (c) when access to the data would reveal the identity of a paid or unpaid informant being  
1.19 used by the agency if the agency reasonably determines that revealing the identity of the  
1.20 informant would threaten the personal safety of the informant;

1.21 (d) when access to the data would reveal the identity of a victim of or witness to a crime  
1.22 if the victim or witness specifically requests not to be identified publicly, unless the agency

reasonably determines that revealing the identity of the victim or witness would not threaten the personal safety or property of the individual;

(e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred;

(f) when access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller;

(g) when access to the data would reveal the identity of a juvenile witness and the agency reasonably determines that the subject matter of the investigation justifies protecting the identity of the witness; or

(h) when access to the data would reveal the identity of a mandated reporter under section 60A.952, subdivision 2, 609.456, 626.556, or 626.557.

Data concerning individuals whose identities are protected by this subdivision are private data about those individuals. Law enforcement agencies shall establish procedures to acquire the data and make the decisions necessary to protect the identity of individuals described in clauses (c), (d), (f), and (g).

Sec. 2. Minnesota Statutes 2016, section 45.0135, subdivision 9, is amended to read:

Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may:

(1) impose an administrative penalty against any person in an amount as set forth in paragraph (b) for each intentional act of insurance fraud or substantiated acts of attempted insurance fraud as defined in section 60A.951, subdivision 4, committed by that person; ~~and~~

(2) order restitution to any person suffering loss as a result of the insurance fraud; and

(3) order restitution to a company for the reasonable documented cost of any investigation in connection with the insurance fraud.

(b) The administrative penalty for each violation described in paragraph (a) may be no more than:

(1) \$20,000 if the funds or the value of the property or services wrongfully obtained exceeds \$5,000;

3.1 (2) \$10,000 if the funds or value of the property or services wrongfully obtained exceeds  
3.2 \$1,000, but not more than \$5,000;

3.3 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is more  
3.4 than \$500, but not more than \$1,000; and

3.5 (4) \$1,000 if the funds or value of the property or services wrongfully obtained is \$500  
3.6 or less.

3.7 (c) If an administrative penalty is not paid after all rights of appeal have been waived  
3.8 or exhausted, the commissioner may bring a civil action in a court of competent jurisdiction  
3.9 to collect the administrative penalty, including expenses and litigation costs, reasonable  
3.10 attorney fees, and interest.

3.11 (d) This section does not affect a person's right to seek recovery, including expenses  
3.12 and litigation costs, reasonable attorney fees, and interest, against any person that commits  
3.13 insurance fraud.

3.14 (e) For purposes of this subdivision, "insurance fraud" has the meaning given in section  
3.15 60A.951, subdivision 4.

3.16 (f) Hearings under this subdivision must be conducted in accordance with chapter 14  
3.17 and any other applicable law.

3.18 (g) All revenues from penalties, expenses, costs, fees, and interest collected under  
3.19 paragraphs (a) to (c) shall be deposited in the insurance fraud prevention account under  
3.20 subdivision 6.

3.21 Sec. 3. Minnesota Statutes 2016, section 60A.27, subdivision 1, is amended to read:

3.22 Subdivision 1. **Requirement.** An insurance company licensed to transact business in  
3.23 this state is hereby required to notify the commissioner of commerce within ten business  
3.24 days of the happening of any one or more of the following:

3.25 (1) the suspension or revocation of its right to transact business in another state; or

3.26 (2) the receipt by the insurance company of an order to show why its license should not  
3.27 be suspended or revoked; ~~or.~~

3.28 ~~(3) the imposition of a penalty by any other state for any violation of the insurance laws~~  
3.29 ~~of such other state.~~

4.1 Sec. 4. Minnesota Statutes 2016, section 65B.84, is amended by adding a subdivision to  
4.2 read:

4.3 Subd. 5. **Definition.** For purposes of this section, "automobile theft" includes  
4.4 automobile-related theft.

4.5 Sec. 5. Minnesota Statutes 2016, section 626.05, subdivision 2, is amended to read:

4.6 Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17,  
4.7 means a person who is licensed as a peace officer in accordance with section 626.84,  
4.8 subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation officer,  
4.9 agent of the Bureau of Criminal Apprehension, agent of the Division of Alcohol and  
4.10 Gambling Enforcement, peace officer of the Commerce Fraud Bureau, University of  
4.11 Minnesota peace officer, Metropolitan Transit police officer, Minnesota Department of  
4.12 Corrections Fugitive Apprehension Unit member, or State Patrol trooper as authorized by  
4.13 section 299D.03.

4.14 Sec. 6. **EFFECTIVE DATE.**

4.15 Sections 1 to 5 are effective the day following final enactment.