

State of Minnesota

H. F. No. 3904

2.1 (3) the transmission is payment for goods or services.

2.2 (c) A licensee must conspicuously state in an agreement with a merchant to transmit
2.3 money from a sender for goods or services:

2.4 (1) that the licensee has the authority to place a hold on or delay the transmission of a
2.5 sender's money for more than five business days; and

2.6 (2) the general circumstances under which a transmittal may be subject to a hold or
2.7 delay.

2.8 (d) A licensee that receives money from a sender for transmission to a merchant to pay
2.9 for goods or services must transmit the money to the merchant within the time frame agreed
2.10 upon in the merchant's agreement with the licensee.

2.11 (e) If a licensee fails to transmit money received for transmission in accordance with
2.12 this section, the licensee must respond to inquiries by the sender or recipient with the reason
2.13 for the failure unless the response:

2.14 (1) violates the licensee's security requirements;

2.15 (2) results in the disclosure of a sender or recipient's private information to a third party;
2.16 or

2.17 (3) requires disclosure of the licensee's confidential, proprietary, or trade secret
2.18 information.

2.19 **EFFECTIVE DATE.** This section is effective August 1, 2020, and applies to
2.20 transmissions and merchant agreements with licensees executed on or after that date.