

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2078

(SENATE AUTHORS: DAHMS)

DATE	D-PG	OFFICIAL STATUS
03/13/2017	1369	Introduction and first reading
		Referred to Commerce and Consumer Protection Finance and Policy
03/23/2017	1665a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to commerce; appropriating money for the Department of Commerce;

1.3 making policy and technical changes; modifying fees; amending Minnesota Statutes

1.4 2016, sections 45.0135, subdivision 6; 46.131, subdivision 7, by adding a

1.5 subdivision; 53B.11, subdivision 1; 58.10, subdivision 1; 65B.84, subdivision 1;

1.6 80A.65, subdivision 2; 239.101, subdivision 2; 297I.11, subdivision 2; repealing

1.7 Minnesota Statutes 2016, section 46.131, subdivision 5.

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

1.9 **ARTICLE 1**

1.10 **APPROPRIATIONS**

1.11 Section 1. **COMMERCE AND CONSUMER PROTECTION APPROPRIATIONS.**

1.12 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.13 and for the purposes specified in this article. The appropriations are from the general fund,

1.14 or another named fund, and are available for the fiscal years indicated for each purpose.

1.15 The figures "2018" and "2019" used in this article mean that the appropriations listed under

1.16 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.17 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"

1.18 is fiscal years 2018 and 2019.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>

1.23 Sec. 2. **DEPARTMENT OF COMMERCE**

2.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$ 22,339,000</u>	<u>\$ 22,339,000</u>
2.2	<u>Appropriations by Fund</u>			
2.3		<u>2018</u>	<u>2019</u>	
2.4	<u>General</u>	<u>17,123,000</u>	<u>17,123,000</u>	
2.5	<u>Special Revenue</u>	<u>4,465,000</u>	<u>4,465,000</u>	
2.6	<u>Workers'</u>			
2.7	<u>Compensation</u>	<u>751,000</u>	<u>751,000</u>	
2.8	<u>The amounts that may be spent for each</u>			
2.9	<u>purpose are specified in the following</u>			
2.10	<u>subdivisions.</u>			
2.11	<u>Subd. 2. Financial Institutions</u>		<u>4,885,000</u>	<u>4,885,000</u>
2.12	<u>\$4,465,000 in fiscal year 2018 and \$4,465,000</u>			
2.13	<u>in fiscal year 2019 are appropriated from the</u>			
2.14	<u>financial institutions account in Minnesota</u>			
2.15	<u>Statutes, section 46.131, subdivision 11.</u>			
2.16	<u>\$420,000 in fiscal year 2018 and \$420,000 in</u>			
2.17	<u>fiscal year 2019 are appropriated from the</u>			
2.18	<u>general fund.</u>			
2.19	<u>Subd. 3. Administrative Services</u>		<u>7,386,000</u>	<u>7,386,000</u>
2.20	<u>\$100,000 each year is for the support of</u>			
2.21	<u>broadband development.</u>			
2.22	<u>Subd. 4. Enforcement</u>			
2.23	<u>Appropriations by Fund</u>			
2.24	<u>General</u>	<u>4,901,000</u>	<u>4,901,000</u>	
2.25	<u>Workers'</u>			
2.26	<u>Compensation</u>	<u>198,000</u>	<u>198,000</u>	
2.27	<u>Subd. 5. Insurance</u>			
2.28	<u>Appropriations by Fund</u>			
2.29	<u>General</u>	<u>4,416,000</u>	<u>4,416,000</u>	
2.30	<u>Workers'</u>			
2.31	<u>Compensation</u>	<u>553,000</u>	<u>553,000</u>	
2.32	<u>Subd. 6. Commerce Fraud Bureau</u>			
2.33	<u>The revenue transferred in Minnesota Statutes,</u>			
2.34	<u>section 297I.11, subdivision 2, to the insurance</u>			
2.35	<u>fraud prevention account must be used in part</u>			

3.1 for compensation for two new employees in
 3.2 the Commerce Fraud Bureau to perform
 3.3 analytical duties. The new employees may not
 3.4 be peace officers.

3.5 **ARTICLE 2**

3.6 **COMMERCE**

3.7 Section 1. Minnesota Statutes 2016, section 45.0135, subdivision 6, is amended to read:

3.8 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account
 3.9 is created in the state treasury. Money received from assessments under subdivision 7 and
 3.10 transferred from the automobile theft prevention account in ~~section~~ sections 65B.84,
 3.11 subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund
 3.12 is appropriated to the commissioner of commerce for the purposes specified in this section
 3.13 and sections 60A.951 to 60A.956.

3.14 Sec. 2. Minnesota Statutes 2016, section 46.131, subdivision 7, is amended to read:

3.15 Subd. 7. **Fiscal year assessments.** Such assessments shall be levied on July 1, 1965,
 3.16 and at prior to the beginning of each fiscal period beginning July 1 and ending June 30
 3.17 thereafter, and shall be based on the total estimated expense as herein referred to during
 3.18 such period. Assessment revenue will be remitted to the commissioner for deposit in the
 3.19 financial institutions account on or before July 1 of each year.

3.20 Sec. 3. Minnesota Statutes 2016, section 46.131, is amended by adding a subdivision to
 3.21 read:

3.22 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
 3.23 account is created as a separate account in the special revenue fund. The account consists
 3.24 of funds received from assessments under subdivision 7 and examination fees under
 3.25 subdivision 8. Earnings, including interest, dividends, and any other earnings arising from
 3.26 account assets, must be credited to the account.

3.27 (b) Funds in the account are annually appropriated to the commissioner of commerce
 3.28 for activities under this section.

3.29 **EFFECTIVE DATE.** This section is effective July 1, 2017.

4.1 Sec. 4. Minnesota Statutes 2016, section 53B.11, subdivision 1, is amended to read:

4.2 Subdivision 1. **Fee.** The annual fee for renewal of a license under this chapter is ~~\$2,500~~
4.3 \$3,030.

4.4 Sec. 5. Minnesota Statutes 2016, section 58.10, subdivision 1, is amended to read:

4.5 Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

4.6 (1) for a residential mortgage originator license, \$1,000, \$50 of which is credited to the
4.7 consumer education account in the special revenue fund;

4.8 (2) for a renewal license, ~~\$500~~ \$780, \$50 of which is credited to the consumer education
4.9 account in the special revenue fund;

4.10 (3) for a residential mortgage servicer's license, \$500;

4.11 (4) for a renewal license, \$250; and

4.12 (5) for a certificate of exemption, \$100.

4.13 Sec. 6. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

4.14 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The
4.15 commissioner of commerce shall:

4.16 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
4.17 to combat automobile theft, improve the administration of the automobile theft laws, and
4.18 provide a forum for identification of critical problems for those persons dealing with
4.19 automobile theft;

4.20 (2) coordinate the development, adoption, and implementation of plans, programs, and
4.21 strategies relating to interagency and intergovernmental cooperation with respect to
4.22 automobile theft enforcement;

4.23 (3) annually audit the plans and programs that have been funded in whole or in part to
4.24 evaluate the effectiveness of the plans and programs and withdraw funding should the
4.25 commissioner determine that a plan or program is ineffective or is no longer in need of
4.26 further financial support from the fund;

4.27 (4) develop a plan of operation including:

4.28 (i) an assessment of the scope of the problem of automobile theft, including areas of the
4.29 state where the problem is greatest;

4.30 (ii) an analysis of various methods of combating the problem of automobile theft;

- 5.1 (iii) a plan for providing financial support to combat automobile theft;
- 5.2 (iv) a plan for eliminating car hijacking; and
- 5.3 (v) an estimate of the funds required to implement the plan; and
- 5.4 (5) distribute money, in consultation with the commissioner of public safety, pursuant
- 5.5 to subdivision 3 from the automobile theft prevention special revenue account for automobile
- 5.6 theft prevention activities, including:
- 5.7 (i) paying the administrative costs of the program;
- 5.8 (ii) providing financial support to the State Patrol and local law enforcement agencies
- 5.9 for automobile theft enforcement teams;
- 5.10 (iii) providing financial support to state or local law enforcement agencies for programs
- 5.11 designed to reduce the incidence of automobile theft and for improved equipment and
- 5.12 techniques for responding to automobile thefts;
- 5.13 (iv) providing financial support to local prosecutors for programs designed to reduce
- 5.14 the incidence of automobile theft;
- 5.15 (v) providing financial support to judicial agencies for programs designed to reduce the
- 5.16 incidence of automobile theft;
- 5.17 (vi) providing financial support for neighborhood or community organizations or business
- 5.18 organizations for programs designed to reduce the incidence of automobile theft and to
- 5.19 educate people about the common methods of automobile theft, the models of automobiles
- 5.20 most likely to be stolen, and the times and places automobile theft is most likely to occur;
- 5.21 and
- 5.22 (vii) providing financial support for automobile theft educational and training programs
- 5.23 for state and local law enforcement officials, driver and vehicle services exam and inspections
- 5.24 staff, and members of the judiciary.
- 5.25 (b) The commissioner may not spend in any fiscal year more than ten percent of the
- 5.26 money in the fund for the program's administrative and operating costs. The commissioner
- 5.27 is annually appropriated and must distribute the amount of the proceeds credited to the
- 5.28 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
- 5.29 each year to the ~~general fund~~ insurance fraud prevention account described in section 297I.11,
- 5.30 subdivision 2.

6.1 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
6.2 in the auto theft prevention account to the insurance fraud prevention account under section
6.3 45.0135, subdivision 6.

6.4 Sec. 7. Minnesota Statutes 2016, section 80A.65, subdivision 2, is amended to read:

6.5 Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial
6.6 or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, ~~\$50~~ \$60
6.7 in the case of an agent, and \$100 in the case of an investment adviser. When an application
6.8 is denied or withdrawn, the filing fee shall be retained. A registered agent who has terminated
6.9 employment with one broker-dealer shall, before beginning employment with another
6.10 broker-dealer, pay a transfer fee of \$25.

6.11 Sec. 8. Minnesota Statutes 2016, section 239.101, subdivision 2, is amended to read:

6.12 Subd. 2. **Weights and measures fees.** The director shall charge a fee to the owner for
6.13 inspecting and testing weights and measures, providing metrology services and consultation,
6.14 and providing petroleum quality assurance tests at the request of a licensed distributor.
6.15 Money collected by the director must be paid into the state treasury ~~and~~ as follows: (1) ten
6.16 percent of metrology fees and ten percent of all other fees must be credited to the petroleum
6.17 inspection fee account; and (2) the remainder must be credited to the state general fund.

6.18 Sec. 9. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

6.19 Subd. 2. **Automobile theft prevention account.** A special revenue account in the state
6.20 treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1.
6.21 Of the revenue in the account, \$1,300,000 each year must be transferred to the ~~general fund~~
6.22 insurance fraud prevention account under section 45.0135, subdivision 6. Revenues in excess
6.23 of \$1,300,000 each year may be used only for the automobile theft prevention program
6.24 described in section 65B.84.

6.25 Sec. 10. **REPEALER.**

6.26 Minnesota Statutes 2016, section 46.131, subdivision 5, is repealed.

APPENDIX
Article locations in S2078-1

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.9
ARTICLE 2	COMMERCE	Page.Ln 3.5

46.131 ASSESSMENTS AND FEES FOR FINANCIAL INSTITUTIONS.

Subd. 5. **Application and adjustment of fees.** If the income from the fees provided for herein during any fiscal year shall be more than 103 percent of such expenditures for that year, any excess above such sum of 103 percent may be carried over to succeeding years in order to cover any deficit below 103 percent which may occur in such succeeding years. If the income from the fees provided for herein during any fiscal year shall produce less than the expenditures for that year, the Department of Commerce in adjusting its schedule of fees for use in the next fiscal year shall fix the fees so as to produce income in the amount of the expenditures for the latter year plus the amount of the difference between the expenditures for the first year referred to herein and the total income from such fees during the year and plus three percent of the total expenditures for both the latter and the first year referred to herein.