

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2446

(SENATE AUTHORS: CARLSON and Metzen)

DATE	D-PG	OFFICIAL STATUS
03/06/2014	6007	Introduction and first reading Referred to Commerce
03/12/2014		Comm report: To pass as amended Second reading

A bill for an act

relating to commerce; removing or modifying obsolete, unnecessary, or redundant laws and rules administered by the Department of Commerce; making conforming changes; amending Minnesota Statutes 2012, sections 16D.04, subdivisions 1, 4; 45.0111, subdivision 2; 45.22; 45.23; 46.046, by adding a subdivision; 47.20, subdivision 7; 47.325; 47.78; 48.93, subdivisions 1, 3; 53A.06; 56.131, subdivision 1; 56.14; 58.115; 59C.10, subdivision 2; 60A.0782, subdivisions 1, 2, 5, 11; 60A.0783, subdivisions 2, 3; 60A.0785, subdivision 3; 60A.0787, subdivision 4; 60A.0788, subdivision 2; 60A.0789, subdivisions 1, 2, 4; 60A.131; 60K.361; 61A.02, subdivisions 2, 3; 61A.03, subdivision 1; 61A.15, by adding a subdivision; 72B.03; 72B.041, subdivision 1; 72B.08, subdivision 1; 81A.02, subdivisions 1, 12; 81A.03, subdivision 2; 81A.04, subdivision 1; 81A.14, subdivision 2; 81A.16, subdivisions 1, 2, 5; 81A.17; 81A.19; 81A.20; 81A.21; 82.60, subdivisions 1, 5; 82.63, subdivision 6; 82A.03; 82A.04, subdivision 2; 82A.05, subdivision 6; 82A.08, subdivision 1; 82A.09, subdivision 2; 82A.10; 82A.11, subdivision 2; 82A.111, subdivision 2; 82A.12, subdivision 1; 82A.14; 82A.22, subdivision 2; 82A.25; 82A.26; 82B.195, subdivisions 1, 2; 83.26, subdivision 2; 83.30, subdivision 1; 115C.113; 115C.13; 239.011, subdivision 2; 239.06; 239.081; 239.09; 239.091; 239.44; 239.46; 239.75, subdivision 1; 239.753; 239.80, subdivision 1; 325E.11; 325E.115, subdivision 2; 332.31, subdivision 1; 332.311; 332.33, subdivisions 1, 2, 3, 5, 5a, 7; 332.38; 332.39; 332.40, subdivisions 1, 2, 3; 332.42, subdivisions 1, 2; 332.44; 386.015, subdivision 5; 386.62; 386.65, subdivision 1; 386.705; 386.706; 386.73; 386.74; 386.76; Minnesota Statutes 2013 Supplement, sections 82A.06, subdivision 2; 82A.13, subdivision 1; 239.101, subdivision 3; 270.41, subdivision 5; repealing Minnesota Statutes 2012, sections 13.713, subdivision 4; 45.0111; 45.25, subdivision 4; 45.42, subdivision 1; 46.045, subdivision 2; 46.046, subdivisions 3, 4; 46.047; 46.23, subdivision 3; 47.61, subdivision 2; 48.34; 48.92, subdivisions 4, 5; 53.07; 53A.081; 56.001, subdivisions 4, 5, 6; 60A.02, subdivision 2; 60A.078; 60A.18; 61A.05; 61A.09, subdivision 4; 61A.11; 61A.16; 61A.17; 61A.18; 62A.319; 62B.07, subdivision 8; 72A.53; 72B.02, subdivision 8; 80C.30; 81A.01; 81A.02, subdivision 5; 81A.08; 81A.18; 82.60, subdivisions 2, 3, 4; 82.63, subdivisions 7, 9, 10; 82A.04; 82A.07; 82A.08; 82A.11, subdivision 2; 82A.111, subdivision 5; 82A.13, subdivision 3; 82A.18, subdivision 3; 82A.22, subdivisions 1, 3; 82A.24, subdivision 5; 82B.021; 115C.01; 115C.111; 239.001; 239.002; 239.003; 239.012; 239.051, subdivision 7; 239.101, subdivision 4; 239.28; 239.29; 239.30; 239.31; 239.35; 239.36; 239.51; 239.511; 239.53; 239.54; 239.80, subdivisions 2, 3; 332.45; 386.61, subdivisions 1, 2, 4; 609B.109; Minnesota Statutes 2013 Supplement, sections 82.63, subdivision 8; 82A.06,

2.1 subdivision 2; Minnesota Rules, parts 2782.0200; 2782.0300; 2782.0400;
2.2 2782.0500; 2782.0600; 2782.0700; 2782.0800; 2795.2000; 2830.0010;
2.3 2830.0020; 2830.0030; 2830.0040; 2830.0050; 2830.0060; 2830.0070;
2.4 2830.0080; 2830.0090; 2830.0100; 2870.0100; 2870.1100; 2870.1200;
2.5 2870.1400; 2870.1700; 2870.1800; 2870.1900; 2870.2000; 2870.2100;
2.6 2870.2200; 2870.2300; 2870.3100; 2870.3200; 2870.3300; 2870.3400;
2.7 2870.3500; 2870.3600; 2870.3700; 2870.3800; 2870.3900; 2870.4000;
2.8 2870.4100; 2870.5100; 7601.7010; 7601.7090, subpart 3; 7601.8000; 7602.0100.

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

2.10 ARTICLE 1

2.11 OBSOLETE, UNNECESSARY, OR REDUNDANT PROVISIONS

2.12 Section 1. Minnesota Statutes 2012, section 45.22, is amended to read:

2.13 45.22 LICENSE EDUCATION APPROVAL.

2.14 License education courses must be approved in advance by the commissioner.
2.15 Each education provider who offers a license education course must be approved by the
2.16 commissioner. Each approved education provider must have at least one coordinator who
2.17 meets the criteria specified in this chapter, and who is responsible for supervising the
2.18 educational program and assuring compliance with all laws and rules.

2.19 ~~For courses with an initial approval date on or before December 31, 2000, approval~~
2.20 ~~will expire on April 30, 2006. For courses with an initial approval date after January 1,~~
2.21 ~~2001, but before August 1, 2005, approval will expire on April 30, 2007.~~

2.22 Sec. 2. Minnesota Statutes 2012, section 45.23, is amended to read:

2.23 45.23 LICENSE EDUCATION FEES.

2.24 The following fees must be paid to the commissioner:

2.25 (1) initial course approval, \$10 for each hour or fraction of one hour of education
2.26 course approval sought. Initial course approval expires on the last day of the 24th month
2.27 after the course is approved;

2.28 (2) renewal of course approval, \$10 per course. Renewal of course approval expires
2.29 on the last day of the 24th month after the course is renewed;

2.30 (3) initial education provider approval, \$100. Initial education provider approval
2.31 issued under this section is valid for a period not to exceed 24 months and expires on
2.32 January 31 of the renewal year assigned by the commissioner. ~~Active education providers~~
2.33 ~~who have at least one approved coordinator as of June 1, 2006, are deemed to be approved~~
2.34 ~~education providers and are not required to submit an initial application for education~~
2.35 ~~provider approval; and~~

(4) renewal of education provider approval, \$10. Each renewal of education provider approval is valid for a period of 24 months. ~~Active education providers who have at least one approved coordinator as of June 1, 2006, will have an expiration date of January 31, 2008.~~

Sec. 3. Minnesota Statutes 2012, section 46.046, is amended by adding a subdivision to read:

Subd. 2a. **Banking institution.** "Banking institution" means a bank, trust company, bank and trust company, savings bank, or industrial loan and thrift operating under section 53.04, subdivision 5, that is organized under the laws of this state, or a holding company which owns or otherwise controls the banking institution.

Sec. 4. Minnesota Statutes 2012, section 47.20, subdivision 7, is amended to read:

~~Subd. 7. **Discount points prohibited.** (1) No conventional loan made on or after the effective date of Laws 1977, chapter 350 and prior to May 31, 1979 shall contain a provision requiring or permitting the imposition, directly or indirectly, of any discount points, whether or not actually denominated as discount points, on any person.~~

Conventional or cooperative apartment loans made ~~on or after May 31, 1979~~ may contain provisions permitting discount points, if the loan does not provide a loan yield in excess of that permitted by subdivision 4a. The loan yield is computed using the amount resulting when the discount points are included in the finance charge.

(2) Forward commitment fees are not discount points within the meaning of this subdivision.

(3) No charges, fees, or sums permitted by this section which are paid to and received by a lender may be increased for purposes of evading compliance with this subdivision.

Sec. 5. Minnesota Statutes 2012, section 47.325, is amended to read:

47.325 APPEAL AND JUDICIAL REVIEW.

A savings bank aggrieved by any action or inaction of the commissioner under sections 47.27 to 47.30 may appeal under sections 14.63 to 14.69. ~~The scope of judicial review in the proceedings is as provided in those sections.~~

Sec. 6. Minnesota Statutes 2012, section 53A.06, is amended to read:

53A.06 FINE, SUSPENSION, OR REVOCATION OF LICENSE.

(a) The commissioner may suspend or revoke any license under section 45.027 ~~if~~, including when the commissioner finds that:

(1) the licensee has failed to pay the annual license fee or to maintain in effect the required bond or to comply with any order, decision, or finding of the commissioner under this chapter;

(2) the licensee, or any officer or director of a corporate licensee, has violated any provision of this chapter or any rule or order of the commissioner under this chapter or chapter 45;

(3) the licensee, or any officer or director of a corporate licensee, has violated any other law which would indicate that the person is untrustworthy or not qualified to operate a currency exchange; or

(4) any fact or condition exists which, if it had existed at the time of the original or renewal application for the license, would have warranted the commissioner refusing the issuance of the license.

~~(b) A license may not be revoked until the licensee has had notice of a hearing pursuant to the provisions of chapter 14.~~

~~(e)~~ (b) A licensee may surrender any license by delivery to the commissioner. The surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender, or affect the liability on the bond required by sections 53A.01 to 53A.13, or entitle the licensee to a return of any part of any license fee.

~~(d)~~ (c) Before suspension or revocation of the license, the commissioner may fine a licensee for violations of this chapter as authorized under chapter 45.

Sec. 7. Minnesota Statutes 2012, section 56.131, subdivision 1, is amended to read:

Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section 53.015, if greater, a licensee may contract for and receive interest, finance charges, and other charges as provided in section 47.59.

~~(b) Loans may be interest-bearing or precomputed.~~

~~(c) Notwithstanding section 47.59 to the contrary, to compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.~~

~~In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.~~

~~(d) With respect to interest-bearing loans and notwithstanding section 47.59:~~

~~(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.~~

~~(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (e), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.~~

~~(e) With respect to precomputed loans and notwithstanding section 47.59 to the contrary:~~

~~(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.~~

~~(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.~~

~~(3) If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.~~

~~(4) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (g), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.~~

~~(5) (b) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment~~

payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

~~(f)~~ (c) A licensee may contract for and collect a delinquency charge as provided for in section 47.59, subdivision 6, paragraph (a), clause (4).

~~(g)~~ (d) A licensee may grant extensions, deferments, or conversions to interest-bearing as provided in section 47.59, subdivision 5.

Sec. 8. Minnesota Statutes 2012, section 56.14, is amended to read:

56.14 DUTIES OF LICENSEE.

Every licensee shall:

(1) deliver to the borrower (or if there are two or more borrowers to one of them) at the time any loan is made a statement making the disclosures and furnishing the information required by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1667e, as amended from time to time, with respect to the contract of loan. A copy of the loan contract may be delivered in lieu of a statement if it discloses the required information;

(2) deliver or mail to the borrower without request, a written receipt within 30 days following payment for each payment by coin or currency made on account of any loan wherein charges are computed and paid on unpaid principal balances for the time actually outstanding, specifying the amount applied to charges and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of the loan; and wherein precomputed charges have been added to the principal of the loan specifying the amount of the payment applied to principal and charges combined, the amount applied to default or extension charges, if any, and stating the unpaid balance, if any, of the precomputed loan contract. A periodic statement showing a payment received by mail complies with this clause;

(3) permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply the payment first to all charges in full at the agreed rate up to the date of the payment;

(4) upon repayment of the loan in full, mark indelibly every obligation and security, other than a mortgage or security agreement which secures a new loan to the licensee, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage or security agreement which no longer secures a loan to the licensee, restore any pledge, and cancel and return any note, and any assignment given to the licensee which does not secure a new loan to the licensee within 20 days after the repayment. For purposes of this requirement, the document including actual evidence of an obligation or security may be

maintained, stored, and retrieved in a form or format acceptable to the commissioner under section 46.04, subdivision 3;

(5) display prominently in each licensed place of business a full and accurate schedule, to be approved by the commissioner, of the charges to be made and the method of computing the same; furnish a copy of the contract of loan to any person obligated on it or who may become obligated on it at any time upon the request of that person;

(6) show in the loan contract or statement of loan the rate or rates of charge on which the charge in the contract is based, expressed in terms of rate or rates per annum. The rate expression shall be printed in at least 8-point type on the loan statement or copy of the loan contract given to the borrower;

~~(7) if a payment results in the prepayment of three or more installment payments on a precomputed loan, within 15 days of receipt of the prepayment, deliver or mail to the borrower a notice in at least eight-point type. The notice must contain the following statement:~~

~~"You have substantially prepaid the installment payments on your loan and may experience an interest savings over the remaining term only if you refinance the balance within the next 30 days."~~

Sec. 9. Minnesota Statutes 2012, section 58.115, is amended to read:

58.115 EXAMINATIONS.

The commissioner has under this chapter the same powers with respect to examinations that the commissioner has under section 46.04, ~~including the authority to charge for the direct costs of the examination, including travel and per diem expenses.~~

Sec. 10. Minnesota Statutes 2012, section 59C.10, subdivision 2, is amended to read:

Subd. 2. **Enforcement authority.** ~~The commissioner may take action that is necessary or appropriate to enforce the provisions of this chapter and the commissioner's rules and orders and to protect warranty holders in this state. The commissioner has the enforcement authority in chapter 45 available to enforce the provisions of the chapter and the rules adopted pursuant to it.~~

Sec. 11. Minnesota Statutes 2012, section 60A.131, is amended to read:

60A.131 OTHER BUSINESS AND INSURANCE INTERESTS, DISCLOSURE.

(a) If requested by the commissioner, an insurance company authorized to do business in this state shall disclose to the commissioner any changes in the principal

management and directors of the company from that listed on page one of the annual statement within ten days of such change.

(b) Every insurance company authorized to do business in this state shall notify the commissioner within ten days after receipt of notice of any acquisition by any person, association or corporation of stock or other equity security in said insurer where such transaction, directly or indirectly, either involves five percent or more of any class of any equity security of said insurer, or such acquisition results in ownership of five percent or more of any equity security of said insurer.

(c) All principal management and directors of the company as listed on page one of its annual statement, and any person, association or corporation or any person or persons managing such company under a management contract, who are directly or indirectly the beneficial owners of more than five percent of any class of any equity security of a stock insurer or guaranty fund of a mutual insurer, shall disclose all other interests in excess of five percent which they may have in insurance agencies, other insurance companies, premium finance companies and any other companies whose principal business relates directly to the writing of insurance or the handling of claims, within 30 days following May 21, 1967. Any such interests acquired after May 21, 1967, shall be reported to the commissioner within 30 days after acquisition thereof.

~~(d) Every company applying for an initial certificate of authority to do business in this state shall file with the application a statement giving the information required in paragraph (e) as to its principal management, directors and affected holders of its equity securities.~~

Sec. 12. Minnesota Statutes 2012, section 60K.361, is amended to read:

60K.361 INSURANCE EDUCATION.

(a) Prelicense education must consist of 20 hours of education per line of authority.

(b) The course must include an introduction to insurance and insurance-related concepts covering all of the major lines of authority except variable life and variable annuities. The course must consist of ~~the following:~~ a curriculum as prescribed and published by the commissioner from time to time.

~~(1) rules, regulations, and law;~~

~~(2) basic fundamentals of insurance;~~

~~(3) property:~~

~~(i) types of policies;~~

~~(ii) policy provisions;~~

~~(iii) perils, exclusions, deductibles, and liability; and~~

~~(iv) evaluating needs;~~

- 9.1 ~~(4) casualty:~~
- 9.2 ~~(i) types of policies;~~
- 9.3 ~~(ii) policy provisions;~~
- 9.4 ~~(iii) perils, exclusions, deductibles, and liability; and~~
- 9.5 ~~(iv) evaluating needs;~~
- 9.6 ~~(5) life:~~
- 9.7 ~~(i) types of policies;~~
- 9.8 ~~(ii) policy provisions; and~~
- 9.9 ~~(iii) group insurance; and~~
- 9.10 ~~(6) accident and health:~~
- 9.11 ~~(i) types of policies;~~
- 9.12 ~~(ii) policy provisions; and~~
- 9.13 ~~(iii) group insurance.~~
- 9.14 ~~(e) Courses that cover a specific major line of authority must include the following:~~
- 9.15 ~~(1) life:~~
- 9.16 ~~(i) types of life insurance policies; and~~
- 9.17 ~~(ii) Minnesota laws, rules, and regulations pertinent to life insurance;~~
- 9.18 ~~(2) accident and health:~~
- 9.19 ~~(i) types of health insurance policies; and~~
- 9.20 ~~(ii) Minnesota laws, rules, and regulations pertinent to accident and health insurance;~~
- 9.21 ~~(3) property:~~
- 9.22 ~~(i) personal lines;~~
- 9.23 ~~(ii) commercial lines; and~~
- 9.24 ~~(iii) Minnesota laws, rules, and regulations pertinent to property insurance.~~
- 9.25 ~~(4) casualty:~~
- 9.26 ~~(i) personal lines;~~
- 9.27 ~~(ii) commercial lines; and~~
- 9.28 ~~(iii) Minnesota laws, rules, and regulations pertinent to casualty insurance; and~~
- 9.29 ~~(5) personal lines:~~
- 9.30 ~~(i) types of property/casualty personal lines insurance policies; and~~
- 9.31 ~~(ii) Minnesota laws, rules, and regulations pertinent to property/casualty personal~~
- 9.32 ~~lines insurance.~~

9.33 Sec. 13. Minnesota Statutes 2012, section 61A.02, subdivision 2, is amended to read:

9.34 Subd. 2. **Approval required.** Except as otherwise authorized pursuant to
 9.35 subdivision 2a, no policy or certificate of life insurance or annuity contract, whether on a

nonvariable or variable basis, issued to an individual, group, or multiple employer trust, nor any form of application for the policy, certificate, or contract, nor any rider of any kind or description which is made a part thereof shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been approved by the commissioner. In making a determination under this section, the commissioner may require the insurer to provide rates and advertising materials related to policies or contracts, certificates, or similar evidence of coverage issued or delivered in this state.

Subdivisions 1 to 5 apply to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. Subdivisions 1 to 5 do not apply to a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.

Sec. 14. Minnesota Statutes 2012, section 61A.02, subdivision 3, is amended to read:

Subd. 3. **Disapproval.** (a) The commissioner shall, within 60 days after the filing of any form, disapprove the form:

(1) if the benefits provided are unreasonable in relation to the premium charged;

(2) if the safety and soundness of the company would be threatened by the offering of an excess rate of interest on the policy or contract;

(3) if it contains a provision or provisions which are unlawful, unfair, inequitable, misleading, or encourages misrepresentation of the policy; or

(4) if the form, or its provisions, is otherwise not in the public interest. It shall be unlawful for the company to issue any policy in the form so disapproved. If the commissioner does not within 60 days after the filing of any form, disapprove or otherwise object, the form shall be deemed approved.

(b) When an insurer or the Minnesota Comprehensive Health Association fails to respond to an objection or inquiry within 60 days, the filing is automatically disapproved. A resubmission is required if action by the Department of Commerce is subsequently requested. An additional filing fee is required for the resubmission.

(c) For purposes of paragraph (a), clause (2), an excess rate of interest is a rate of interest exceeding the rate of interest determined by subtracting three percentage points from Moody's corporate bond yield average as most recently available.

(d) The commissioner may at any time disapprove any contract form, application, or certificate (1) if it does not comply with the provisions of sections 61A.13 to 61A.21; or (2) if it contains provisions which are unjust, unfair, inequitable, ambiguous, or misleading.

11.1 After the commissioner has notified a company of disapproval, it shall be unlawful for that
11.2 company to issue or use the contract, application, or certificate in the form so disapproved.

11.3 Sec. 15. Minnesota Statutes 2012, section 61A.03, subdivision 1, is amended to read:

11.4 Subdivision 1. **Generally.** No policy of life insurance may be issued in this state
11.5 or by a life insurance company organized under the laws of this state unless it contains
11.6 the following provisions:

11.7 (a) **Premium.** A provision that all premiums are payable in advance either at the
11.8 home office of the company, or to an agent of the company, upon delivery of a receipt
11.9 signed by one or more officers named in the policy and countersigned by the agent, but a
11.10 policy may contain a provision that the policy itself is a receipt for the first premium;

11.11 (b) **Grace period.** A provision for a one month grace period for the payment of
11.12 every premium after the first, during which the insurance will continue in force. The
11.13 provision may subject the late payment to a finance charge and contain a stipulation that
11.14 if the insured dies during the grace period, the overdue premium will be deducted in
11.15 any settlement under the policy;

11.16 (c) **Entire contract.** A provision that the policy constitutes the entire contract
11.17 between the parties and when referenced in the policy, includes any application, rider,
11.18 endorsement, or amendment attached to the policy; and is incontestable after it has been in
11.19 force during the lifetime of the insured for two years from its date, except for nonpayment
11.20 of premiums and except for violations of the conditions of the policy relating to naval and
11.21 military services in time of war; that at the option of the company, provisions relative to
11.22 benefits in the event of total and permanent disability and provisions which grant additional
11.23 insurance specifically against death by accident, may be excepted; and that a special form
11.24 of policy may be issued on the life of a person employed in an occupation classified by the
11.25 company as extra hazardous or as leading to hazardous employment, which provides that
11.26 service in certain designated occupations may reduce the company's liability under the
11.27 policy to a certain designated amount not less than the full policy reserve;

11.28 (d) **Representations and warranties.** A provision that, in the absence of fraud, all
11.29 statements made by the insured in the application are representations and not warranties,
11.30 and that no statement voids the policy unless it is contained in a written application and a
11.31 copy of the application is endorsed upon or attached to the policy when issued;

11.32 (e) **Misstatement of age.** A provision that if the age of the insured is understated the
11.33 amount payable under the policy will be the amount the premium would have purchased
11.34 at the correct age;

12.1 **(f) Dividends on participating policies.** A provision that the policy will participate
12.2 in the surplus of the company and that, beginning not later than the end of the third policy
12.3 year, the company will annually determine and account for the portion of the divisible
12.4 surplus accruing on the policy, and that the owner of the policy has the right, each year
12.5 after the fifth, to have the current dividend arising from the participation paid in cash. If
12.6 the policy provides other dividend options, it must specify which option is effective if the
12.7 owner of the policy does not elect an option. The provision may condition any dividends
12.8 payable during the first five years of the policy upon the payment of the next ensuing annual
12.9 premium. This provision is not required in nonparticipating policies, in policies issued on
12.10 under-average lives, or in insurance in exchange for lapsed or surrendered policies;

12.11 **(g) Policy loans.** A provision (1) that after three full years' premiums have been
12.12 paid, the company at any time while the policy is in force, will advance, on proper
12.13 assignment of the policy, and on the sole security thereof, at a specified rate of interest,
12.14 not to exceed eight percent per annum, or at an adjustable rate of interest as otherwise
12.15 provided for in this section, a sum equal to, or, at the option of the owner of the policy,
12.16 less than the loan value thereof; (2) that the loan value is the cash surrender value thereof
12.17 at the end of the current policy year; (3) that the loan, unless made to pay premiums, may
12.18 be deferred for not more than six months after the application for it is made; (4) that the
12.19 company will deduct from the loan value any existing indebtedness on the policy and
12.20 any unpaid balance of the premium for current policy year, and may collect interest in
12.21 advance on the loan to the end of the current policy year; (5) that the failure to repay an
12.22 advance or to pay interest does not void the policy unless the total indebtedness thereon
12.23 to the company equals or exceeds the loan value at the time of the failure, nor until one
12.24 month after notice has been mailed by the company to the last known address of the
12.25 insured and of the assignee of record at the home office of the company; and (6) that no
12.26 condition other than those provided in this section will be exacted as a prerequisite to an
12.27 advance. This provision is not required in term insurance;

12.28 **(h) Reinstatement.** A provision that if, in event of default in premium payments, the
12.29 nonforfeiture value of the policy is applied to the purchase of other insurance, and if that
12.30 insurance is in force and the original policy has not been surrendered to the company and
12.31 canceled, the policy may be reinstated within three years after the default upon evidence of
12.32 insurability satisfactory to the company and payment of arrears of premiums with interest;

12.33 **(i) Payment of claims.** A provision that, when a policy becomes a claim by the
12.34 death of the insured, settlement will be made within two months after receipt of due
12.35 proof of death;

(j) **Settlement option.** A table showing the amount of installments in which the policy may provide its proceeds may be payable;

(k) **Description of policy.** A title on the face and on the back of the policy briefly and correctly describing the policy in bold letters stating its general character, dividend periods, and other particulars, so that the holder will not be able to mistake the nature and scope of the contract;

(l) **Form number.** A form number in the lower left-hand corner of the first page of each form, including riders and endorsements.

Any of the foregoing provisions or portions thereof relating to premiums not applicable to single premium policies must not be incorporated therein.

Sec. 16. Minnesota Statutes 2012, section 61A.15, is amended by adding a subdivision to read:

Subd. 3. **Any variable contract or policy.** Any contract on a variable basis providing benefits payable in variable amounts delivered or issued for delivery in this state must contain a statement of the essential features of the procedures to be followed by the insurance company in determining the dollar amount of such variable benefits. Any such contract, including a group contract, and any certificate in evidence of variable benefits issued under it, must state the manner in which the dollar amounts will vary and must contain on its first page a statement to the effect that the benefits under the contract are on a variable basis.

Sec. 17. Minnesota Statutes 2012, section 72B.03, is amended to read:

72B.03 LICENSES.

Subdivision 1. **Requirement; exceptions.** (a) A person shall not act or hold out as an independent adjuster, ~~or public adjuster, or public adjuster solicitor~~ unless the person is licensed as an independent adjuster, ~~or public adjuster, or public adjuster solicitor~~ in accordance with this chapter, or is exempt from licensure as an independent adjuster, ~~or public adjuster, or public adjuster solicitor~~ under this chapter.

(b) The definition of adjuster does not include, and a license as an adjuster is not required of, the following:

(1) attorneys-at-law admitted to practice in this state, when acting in the attorney's professional capacity as an attorney;

(2) a person employed solely to obtain facts surrounding a claim or to furnish technical assistance to a licensed adjuster;

(3) an individual who is employed to investigate suspected fraudulent insurance claims but who does not adjust losses or determine claims payments;

(4) a person who solely performs executive, administrative, managerial, or clerical duties or any combination of these duties and who does not investigate, negotiate, or settle claims with policyholders, claimants, or their legal representative;

(5) a licensed health care provider or its employee who provides managed care services so long as the services do not include the determination of compensability;

(6) a managed care organization or any of its employees or an employee of any organization providing managed care services so long as the services do not include the determination of compensability;

(7) a person who settles only reinsurance or subrogation claims;

(8) an officer, director, manager, or employee of an authorized insurer, a surplus lines insurer, a risk retention group, or an attorney-in-fact of a reciprocal insurer;

(9) a United States manager of the United States branch of an alien insurer;

(10) a person who investigates, negotiates, or settles life, accident and health, annuity, or disability insurance claims;

(11) an individual employee, under a self-insured arrangement, who adjusts claims on behalf of the employee's employer;

(12) a licensed insurance producer, attorney-in-fact of a reciprocal insurer, or managing general agent of the insurer to whom claim authority has been granted by the insurer;

(13) a person authorized to adjust workers' compensation or disability claims under the authority of a third-party administrator license pursuant to section 60A.23, subdivision 8; or

(14) an individual who:

(i) collects claim information from, or furnishes claim information to, insureds or claimants; and

(ii) conducts data entry including entering data into an automated claims adjudication system, provided that the individual is an employee of a licensed independent adjuster or its affiliate where no more than 25 such persons are under the supervision of one licensed independent adjuster or licensed insurance producer who is exempt from licensure under clause (12).

Subd. 2. Classes of licenses. (a) Unless denied licensure pursuant to section 72B.08, persons who have met the requirements of section 72B.041 must be issued an adjuster license. There shall be ~~four~~ three classes of licenses, as follows:

(1) independent adjuster's license;

15.1 (2) public adjuster's license; and

15.2 ~~(3) public adjuster solicitor's license; and~~

15.3 ~~(4)~~ (3) crop hail adjuster's license.

15.4 (b) An independent adjuster and a public adjuster may qualify for a license in one or
15.5 more of the following lines of authority:

15.6 (1) property and casualty; or

15.7 (2) workers' compensation; or

15.8 (3) crop.

15.9 (c) Any person holding a license pursuant to this section is not required to hold any
15.10 other independent adjuster, public adjuster, insurance, or self-insurance administrator
15.11 license in this state pursuant to section 60A.23, subdivision 8, or any other provision,
15.12 provided that the person does not act as an adjuster with respect to life, health, or annuity
15.13 insurance, other than disability insurance.

15.14 (d) An adjuster license remains in effect unless probated, suspended, revoked, or
15.15 refused as long as the fee set forth in section 72B.041, subdivision 9, is paid and all other
15.16 requirements for license renewal are met by the due date, otherwise, the license expires.

15.17 (e) An adjuster whose license expires may, within 12 months of the renewal date,
15.18 be reissued an adjuster license upon receipt of the renewal request, as prescribed by the
15.19 commissioner; however, a penalty in the amount of double the unpaid renewal fee is
15.20 required to reissue the expired license.

15.21 (f) An adjuster who is unable to comply with license renewal procedures and
15.22 requirements due to military service, long-term medical disability, or some other
15.23 extenuating circumstance may request a waiver of same and a waiver of any examination
15.24 requirement, fine, or other sanction imposed for failure to comply with renewal procedures.

15.25 (g) An adjuster is subject to sections 72A.17 to 72A.32.

15.26 (h) The adjuster must inform the commissioner by any means acceptable of any
15.27 change in resident or business addresses for the home state or in legal name within 30
15.28 days of the change.

15.29 (i) The license must contain the licensee's name, address, and personal identification
15.30 number; the dates of issuance and expiration; and any other information the commissioner
15.31 deems necessary.

15.32 (j) In order to assist in the performance of the commissioner's duties, the
15.33 commissioner may contract with nongovernmental entities, including the National
15.34 Association of Insurance Commissioners, its affiliates, or its subsidiaries, to perform any
15.35 ministerial functions related to licensing that the commissioner may deem appropriate,
15.36 including the collection of fees and data.

16.1 Subd. 3. **Payment for services; unlawful practice.** No insurer, agent, or other
16.2 representative of an insurer nor any adjuster shall pay any fee or other compensation to
16.3 any person for acting as an adjuster, ~~or a public adjuster solicitor~~, except to a person
16.4 duly licensed to so act or to a person not required to be licensed by sections 72B.01 to
16.5 72B.14; and it shall be unlawful for any person to act as an independent adjuster, or
16.6 a public adjuster ~~or a public adjuster solicitor~~, who is not duly licensed, or excluded
16.7 from the licensing requirement.

16.8 Sec. 18. Minnesota Statutes 2012, section 72B.041, subdivision 1, is amended to read:

16.9 Subdivision 1. **Application.** (a) An individual applying for a resident adjuster
16.10 license must make application to the commissioner on the appropriate National
16.11 Association of Insurance Commissioners (NAIC) Uniform Individual Application in
16.12 a format prescribed by the commissioner and declare under penalty of suspension,
16.13 revocation, or refusal of the license that the statements made in the application are true,
16.14 correct, and complete to the best of the individual's knowledge and belief. Before
16.15 approving the application, the commissioner must find that the individual:

- 16.16 (1) is at least 18 years of age;
- 16.17 (2) is eligible to designate this state as the individual's home state;
- 16.18 (3) is trustworthy, reliable, and of good reputation, evidence of which must be
16.19 determined by the commissioner;
- 16.20 (4) has not committed any act that is a ground for probation, suspension, revocation,
16.21 or refusal of an adjuster's license as set forth in section 72B.08;
- 16.22 (5) has successfully passed the examination for the lines of authority for which
16.23 the individual has applied; and
- 16.24 (6) has paid the fees set forth in subdivision 9.

16.25 ~~An applicant for licensing as a public adjuster solicitor under sections 72B.01 to~~
16.26 ~~72B.14 must be at least 18 years of age, must be competent and trustworthy, and must not~~
16.27 ~~have been engaged in any practice which would be grounds for suspension or revocation~~
16.28 ~~of a license under sections 72B.01 to 72B.14 within the three years next preceding the~~
16.29 ~~date of the application.~~

16.30 ~~In the case of any applicant who has been convicted of a felony within the ten years~~
16.31 ~~next preceding the date of the application, and who in the judgment of the commissioner,~~
16.32 ~~meets the other qualifications, the commissioner may impose the additional requirement of~~
16.33 ~~the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.~~

16.34 (b) A business entity applying for a resident adjuster license must make application
16.35 to the commissioner on the appropriate NAIC Uniform Business Entity Application

in a format prescribed by the commissioner and declare under penalty of suspension, revocation, or refusal of the license that the statements made in the application are true, correct, and complete to the best of the business entity's knowledge and belief. Before approving the application, the commissioner shall find that the business entity:

(1) is eligible to designate this state as its home state;

(2) has designated a licensed independent or public adjuster responsible for the business entity's compliance with the insurance laws, rules, and regulations of this state;

(3) has not committed an act that is a ground for probation, suspension, revocation, or refusal of an adjuster's license as set forth in section 72B.08; and

(4) has paid the fees set forth in subdivision 9.

(c) No resident of Canada may be licensed under this section or may designate Minnesota as the applicant's home state, unless the applicant has successfully passed the adjuster examination and has complied with the other applicable provisions of this section, except that such applicant shall not be subject to paragraph (a), clause (2), and section 270C.72, subdivision 4.

Sec. 19. Minnesota Statutes 2012, section 72B.08, subdivision 1, is amended to read:

Subdivision 1. **Causes.** The commissioner may place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license or temporary permit or may levy a civil penalty according to section 45.027, subdivision 6, or any combination of the above actions for any of the following causes:

(1) failure to pass a required examination;

(2) obtaining or attempting to obtain a license through misrepresentation or fraud providing incorrect, misleading, incomplete, or materially untrue information in the license application;

(3) violating any insurance laws, rules, subpoena, or order of the commissioner or of another state's insurance commissioner or any provision of sections 72B.01 to 72B.14;

(4) improperly withholding, misappropriating, or converting any money or properties received in the course of doing insurance business;

(5) intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance, with intent to deceive, or engaging in, or attempting to engage in, any fraudulent transaction with respect to a claim or loss that the licensee or holder of a temporary permit is adjusting and, ~~in the case of a public adjuster solicitor, misrepresenting the services offered or the fees or commission to be charged;~~

(6) conviction of a felony under the laws of this state, any other state, the United States, or any foreign country;

(7) the licensee or holder of a temporary permit has demonstrated incompetency or untrustworthiness to act as an adjuster ~~or public adjuster solicitor~~;

(8) refusal to comply with any lawful order of the commissioner;

(9) having admitted or been found to have committed any insurance unfair trade practice or fraud;

(10) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility, in the conduct of insurance business in this state or elsewhere;

(11) having an insurance license, or its equivalent, probated, suspended, revoked, or refused in any other state, province, district, or territory;

(12) forging another's name to any document related to an insurance transaction;

(13) cheating, including improperly using notes or any other reference material, to complete an examination for an insurance license;

(14) failing to comply with an administrative or court order imposing a child support obligation; or

(15) failing to pay state income tax or comply with any administrative or court order directing payment of state income tax which remains unpaid.

Sec. 20. Minnesota Statutes 2012, section 82.60, subdivision 1, is amended to read:

Subdivision 1. **Prelicense education.** Prelicense education for a real estate salesperson must consist of ~~Course I, Course II, and Course III as described in this section~~ a curriculum as prescribed and published by the commissioner from time to time. Prelicense education for a real estate broker must consist of the broker course as described in this section.

Sec. 21. Minnesota Statutes 2012, section 82.60, subdivision 5, is amended to read:

Subd. 5. **Broker course.** The required course for real estate brokers must consist of ~~the subject hours in paragraphs (a) to (j)~~ a curriculum as prescribed and published by the commissioner from time to time.

~~(a) Broker Licensing Requirements, three hours:~~

~~(1) ownership and operational forms; and~~

~~(2) Minnesota license law review.~~

~~(b) Trust Account Requirements, two hours:~~

~~(1) opening the trust account;~~

~~(2) deposit requirements; and~~

~~(3) trust account records.~~

- 19.1 ~~(e) Agency, five hours:~~
- 19.2 ~~(1) current statutes and agency law; and~~
- 19.3 ~~(2) statutory addenda and disclosures.~~
- 19.4 ~~(d) Antidiscrimination, three hours:~~
- 19.5 ~~(1) federal fair housing;~~
- 19.6 ~~(2) Americans with Disabilities Act; and~~
- 19.7 ~~(3) Minnesota Human Rights Act.~~
- 19.8 ~~(e) Real Estate Principles Update, one hour:~~
- 19.9 ~~(1) land improvement, estates;~~
- 19.10 ~~(2) legal descriptions;~~
- 19.11 ~~(3) governmental rights; and~~
- 19.12 ~~(4) property taxation and special assessments.~~
- 19.13 ~~(f) Real Estate Sale, Lease, and Transfer, two hours:~~
- 19.14 ~~(1) purchase agreement and addenda;~~
- 19.15 ~~(2) lease types and terms;~~
- 19.16 ~~(3) deed types and clauses; and~~
- 19.17 ~~(4) contract for deed.~~
- 19.18 ~~(g) Financing and Valuation Update, three hours:~~
- 19.19 ~~(1) sources of financing;~~
- 19.20 ~~(2) foreclosure law;~~
- 19.21 ~~(3) principles of value; and~~
- 19.22 ~~(4) methods of valuation.~~
- 19.23 ~~(h) Broker's Role in Closing, three hours:~~
- 19.24 ~~(1) prorating;~~
- 19.25 ~~(2) closing statements;~~
- 19.26 ~~(3) closing documents; and~~
- 19.27 ~~(4) deposit requirements.~~
- 19.28 ~~(i) Income Taxation, three hours:~~
- 19.29 ~~(1) tax rules of home ownership;~~
- 19.30 ~~(2) investment tax issues; and~~
- 19.31 ~~(3) sale of personal residence.~~
- 19.32 ~~(j) Employment Laws and Insurance, three hours:~~
- 19.33 ~~(1) Fair Labor Standards Act;~~
- 19.34 ~~(2) tax laws, withholding, reports;~~
- 19.35 ~~(3) independent contractor vs. employee;~~
- 19.36 ~~(4) State and Federal Unemployment Tax Act; and~~

20.1 ~~(5) errors and omissions insurance.~~

20.2 ~~(k) Final Exam.~~

20.3 Sec. 22. Minnesota Statutes 2012, section 82.63, subdivision 6, is amended to read:

20.4 Subd. 6. **Terminations; transfers.** (a) Except as provided in paragraph (b), when a
20.5 salesperson terminates activity on behalf of a broker, the salesperson's license shall be
20.6 ineffective. Within ten days of the termination the broker shall notify the commissioner
20.7 in writing, and shall return to the commissioner the license of the salesperson the form
20.8 prescribed by the commissioner. The salesperson may apply for transfer of the license
20.9 to active status with another broker at any time during the remainder of the license
20.10 period, on forms provided by the commissioner. If the application for transfer qualifies,
20.11 the commissioner shall grant the application. Upon receipt of a transfer application and
20.12 payment of the transfer fee, the commissioner may issue a 45-day temporary license. If
20.13 an application for transfer is not made within the license period, the commissioner shall
20.14 require that an application for a new license be filed.

20.15 ~~(b) When a salesperson terminates activity on behalf of a broker in order to begin~~
20.16 ~~association immediately with another broker, the commissioner shall permit the automatic~~
20.17 ~~transfer of the salesperson's license. The transfer shall be effective either upon the mailing~~
20.18 ~~of the required fee and the executed documents by certified mail or upon personal delivery~~
20.19 ~~of the fee and documents to the commissioner's office. The commissioner may adopt rules~~
20.20 ~~and prescribe forms as necessary to implement this paragraph.~~

20.21 Sec. 23. Minnesota Statutes 2012, section 82A.03, is amended to read:

20.22 **82A.03 REGISTRATION REQUIREMENT.**

20.23 It is unlawful for any person to offer or sell a membership camping contract in this
20.24 state ~~unless:~~ without meeting the requirements of this chapter.

20.25 ~~(1) the membership camping contract is registered in accordance with the provisions~~
20.26 ~~of this chapter; or~~

20.27 ~~(2) the membership camping contract or the transaction is exempted under section~~
20.28 ~~82A.06.~~

20.29 Sec. 24. Minnesota Statutes 2012, section 82A.09, subdivision 2, is amended to read:

20.30 Subd. 2. **Restrictions.** No person shall publish or cause to be published in this state
20.31 any advertisement concerning any membership camping contract ~~which is required to be~~
20.32 ~~registered pursuant to this chapter, or which is exempt from registration under section~~
20.33 ~~82A.06, subdivision 2,~~ after the commissioner has found that the advertisement contains

21.1 any statement that is false or misleading, or omits to make any statement necessary in
21.2 order to make the statements made, in light of the circumstances under which they were
21.3 made, not misleading, and has so notified the person by written order. The order may be
21.4 issued without prior notice or hearing. Up to 30 days after the issuance of the order, the
21.5 person desiring to use the advertisement may in writing request a hearing on the order.
21.6 Upon receipt of a written request, the matter shall be set for hearing to commence within
21.7 15 days after the receipt unless the person making the request consents to a later date.
21.8 After the hearing, which shall be conducted in accordance with the provisions of chapter
21.9 14, the commissioner shall, by written order, either affirm, modify, or vacate the order.

21.10 Sec. 25. Minnesota Statutes 2012, section 82A.10, is amended to read:

21.11 **82A.10 INSPECTION OF RECORDS.**

21.12 All records of a membership camping operator and broker and their agents pertaining
21.13 to the advertising or sale of membership camping contracts in this state shall be maintained
21.14 by the membership camping operator or broker at that person's principal place of business
21.15 and shall there be subject to inspection by the commissioner during normal business hours.
21.16 ~~The commissioner shall be promptly notified of any change of address affecting the location~~
21.17 ~~of the records of the membership camping operator or broker and that person's agents.~~

21.18 Sec. 26. Minnesota Statutes 2012, section 82A.111, subdivision 2, is amended to read:

21.19 Subd. 2. **Membership camping dues.** A membership camping operator or the
21.20 operator's salesperson shall deposit all membership dues received in an escrow account in a
21.21 Minnesota bank, trust company, or savings association, a foreign bank which authorizes the
21.22 commissioner to examine its records of these deposits upon demand by the commissioner,
21.23 or an industrial loan and thrift company organized under chapter 53 with deposit liabilities.
21.24 ~~In any calendar year, total dues to be deposited in the escrow may not exceed an amount~~
21.25 ~~approved by the commissioner as reasonably needed for that calendar year's maintenance~~
21.26 ~~budget submitted by the operator.~~ The operator may draw funds from the escrow as
21.27 needed provided that funds are expended for purposes identified by the budget.

21.28 Sec. 27. Minnesota Statutes 2012, section 82A.12, subdivision 1, is amended to read:

21.29 Subdivision 1. **Generally.** The commissioner may issue a cease and desist order
21.30 and may issue an order denying, suspending, or revoking any registration, amendment
21.31 renewal, or exemption if the commissioner finds any of the following:

22.1 (1) that the membership camping operator or registrant or any controlling person
22.2 thereof has materially or intentionally violated or failed to comply with any provision of
22.3 this chapter or any rule or order of the commissioner;

22.4 (2) that the offer or sale of the membership camping contract has constituted or
22.5 would constitute a material misrepresentation to purchasers, or has operated or would
22.6 operate as a fraud or deceit upon purchasers;

22.7 (3) that the membership camping operator or registrant or any controlling person,
22.8 agent, or employee thereof, is engaging or about to engage in false, fraudulent, or deceptive
22.9 practices in connection with the offer and sale of a membership camping contract;

22.10 (4) that the membership camping operator or registrant or any controlling person or
22.11 employee thereof, has engaged in any fraudulent or deceptive practice, whether or not in
22.12 connection with the offer and sale of membership camping contracts, and the involvement
22.13 of the person in the business of the membership camping operator or registrant creates a
22.14 substantial risk of harm to prospective purchasers;

22.15 (5) that the financial condition of the membership camping operator materially
22.16 adversely affects, or would materially adversely affect, the ability of the membership
22.17 camping operator such that there is a reasonable likelihood that the membership camping
22.18 operator will not be able to substantially fulfill its obligations under the membership
22.19 camping contract, and no other financial security or assurance is provided by the
22.20 membership camping operator to fulfill the obligations;

22.21 (6) that the membership camping operator's or registrant's enterprise or method of
22.22 business with respect to the operation of a campground in this state includes or would
22.23 include activities which are illegal or not in conformance with applicable statutes,
22.24 ordinances, or regulations of any governmental entity; and

22.25 ~~(7) that the membership camping operator or registrant or any controlling person~~
22.26 ~~thereof has made material misrepresentations or concealed material facts in an application~~
22.27 ~~for registration;~~

22.28 ~~(8) that any fee required by this chapter to be paid by the operator or registrant has~~
22.29 ~~not been paid; and~~

22.30 ~~(9) (7) that the membership camping operator or controlling person, agent, or~~
22.31 ~~employee thereof, has failed faithfully to perform any stipulation or agreement made with~~
22.32 ~~the commissioner as an inducement to grant any registration, to reinstate any registration,~~
22.33 ~~or to permit any disclosure statement; provided, however, that this clause shall not be~~
22.34 ~~deemed to require any stipulations or agreements.~~

23.1 Sec. 28. Minnesota Statutes 2013 Supplement, section 82A.13, subdivision 1, is
23.2 amended to read:

23.3 Subdivision 1. **Untrue statements filed in documents.** No person shall make
23.4 or cause to be made any untrue statement of a material fact in an application or other
23.5 document filed with the commissioner ~~under this chapter, or omit to state in the application~~
23.6 ~~or other document any material fact which is required to be stated therein, or fail to notify~~
23.7 ~~the commissioner of any material change as required by section 82A.07.~~

23.8 Sec. 29. Minnesota Statutes 2012, section 82A.14, is amended to read:

23.9 **82A.14 UNFAIR PRACTICES.**

23.10 No membership camping operator shall:

23.11 (1) sell or offer to sell any membership camping contract with respect to a
23.12 campground located in this state which is subject to a blanket encumbrance unless;

23.13 (i) each person holding an interest in a blanket encumbrance shall have executed
23.14 and delivered a nondisturbance agreement and recorded the agreement in the real estate
23.15 records of the county in which the campground is located; or

23.16 (ii) a bond or irrevocable letter of credit has been issued, or cash or a certified check in
23.17 an amount sufficient to cover payment of all amounts secured by the blanket encumbrance
23.18 has been deposited, in the name of the state for the benefit and protection of purchasers of
23.19 membership camping contracts and subject to terms as approved by the commissioner.

23.20 Any interest accruing on amounts held in the account shall be payable, as and when
23.21 earned, to the membership camping operator. Any bond shall be executed by an insurance
23.22 company authorized to do business in this state, which has sufficient net worth to satisfy
23.23 the indebtedness and which has given consent to be sued in this state. Any irrevocable
23.24 letter of credit shall be issued by a bank or savings association which has sufficient net
23.25 worth to satisfy the indebtedness and which has given its consent to be sued in this state.

23.26 The bond, cash, certified check, or irrevocable letter of credit shall be in an amount which
23.27 is not less than 110 percent of the remaining principal balance of every indebtedness or
23.28 obligation secured by a blanket encumbrance affecting the campground. The bond or
23.29 agreement accompanying the cash, certified check, or irrevocable bank letter of credit shall
23.30 provide for the payment of all amounts secured by the blanket encumbrance, including
23.31 costs, expenses, and legal fees of the lienholder, if for any reason the blanket encumbrance
23.32 is enforced. The bond, cash, certified check, or letter of credit may be reduced periodically
23.33 in proportion to the reductions in the amount secured by the blanket encumbrance; or

23.34 (iii) the lender providing the major hypothecation loan to the membership camping
23.35 operator (the "hypothecation lender"), and having a lien on or security interest in the

24.1 membership camping operator's interest in the campground, shall have executed and
24.2 delivered a nondisturbance agreement and recorded the agreement in the real estate records
24.3 of the county in which the campground is located in this state. Each person holding an
24.4 interest in a blanket encumbrance superior to the interest held by the hypothecation lender
24.5 shall have executed, delivered, and recorded an instrument stating that the person shall
24.6 give the hypothecation lender notice of, and at least 30 days' opportunity to cure, any
24.7 default under the blanket encumbrance which entitles the person to foreclose upon the
24.8 campground. The instrument shall state that the notice and opportunity to cure shall be
24.9 given before the person commences any foreclosure action affecting the campground and
24.10 in accordance with the instrument. The hypothecation lender shall have guaranteed that
24.11 it will cure or arrange for the cure of the default. Any holder of a blanket encumbrance
24.12 inferior to the hypothecation lender who acquires the campground in foreclosure shall
24.13 take the campground subject to the hypothecation lender's nondisturbance agreement.
24.14 For purposes of this provision, a "hypothecation lender" is any lender extending a loan
24.15 or line of credit to a membership camping operator secured by all or substantially all
24.16 of the contract receivables arising from the membership camping operator's sale of
24.17 membership camping contracts in this state. For purposes of this provision, "lender"
24.18 means an insurance company or a federally or state chartered bank, savings association,
24.19 any other lending institution, the deposits of which are guaranteed or insured, by a federal
24.20 agency, or any other person which has sufficient net worth to pay the obligations pursuant
24.21 to this section if there are no reasonable grounds to believe that the lender will not be able
24.22 to pay these obligations in the future; ~~or~~
24.23 ~~(iv) the operator can provide an alternative plan acceptable to the commissioner;~~
24.24 (2) sell any campground which is located in this state and available for use by
24.25 purchasers, unless:
24.26 (i) the membership camping operator sells the campground to a person who takes
24.27 the campground subject to all rights and interests of purchasers, and contractually agrees
24.28 not to compromise the rights and interests of purchasers in regard to future conveyances
24.29 of, or encumbrances placed on the campground;
24.30 (ii) the membership camping operator immediately substitutes for the use of
24.31 purchasers another campground which is in the same general area and is at least as
24.32 desirable for the purpose of camping and outdoor recreation as the previous campground.
24.33 For purposes of this provision, "same general area" means a location within a 50-mile
24.34 radius of the previous campground; or

25.1 (iii) the membership camping operator immediately substitutes for the use of
25.2 purchasers another campground and the substitution is approved by two-thirds of all
25.3 existing purchasers;

25.4 (3) substitute any campground located in this state and available for use by
25.5 purchasers with a different campground, unless the substituted campground is in the same
25.6 general area and is at least as desirable for the purpose of camping and outdoor recreation
25.7 as the previous campground. For purposes of this provision, "same general area" means a
25.8 location within a 50-mile radius of the previous campground;

25.9 (4) sell membership camping contracts with respect to any campground located
25.10 in this state that is not owned by the membership camping operator or leased by the
25.11 membership camping operator for a lease term at least equal to the term of the membership
25.12 camping contract with respect to the campground;

25.13 (5) fail to disclose the circumstances, if any, under which any reciprocal program
25.14 that has been offered as an inducement to purchasers may be terminated;

25.15 (6) materially modify any campground rules or regulations or modify purchasers'
25.16 rights to or the scope and nature of an amenity in a manner which significantly degrades or
25.17 diminishes the material rights of any purchaser without prior notice to purchasers resident
25.18 in this state; or materially adversely modify any material campground rules or regulations
25.19 or materially adversely modify purchaser's rights to or the scope and nature of an amenity
25.20 in a manner which the purchaser proves:

25.21 (i) significantly degrades or diminishes any material rights of that purchaser; and

25.22 (ii) has no compensating benefit to any other purchaser or groups of purchasers;

25.23 (7) terminate or provide for termination of a membership camping contract, except
25.24 for good cause. "Good cause" shall mean failure of the purchaser to substantially or
25.25 consistently comply with reasonable requirements imposed by the membership camping
25.26 contract and campground rules and regulations;

25.27 (8) terminate a membership camping contract without first giving written notice
25.28 setting forth all reasons for the termination to the purchaser at least 30 days prior to the
25.29 termination becoming effective;

25.30 (9) increase a purchaser's membership dues after the sale of a contract in such
25.31 a manner as to result in an increase thereof greater than whichever of the following
25.32 increases is higher:

25.33 (i) the actual increase in costs of services or improvements for which the membership
25.34 dues are imposed; or

25.35 (ii) the increase in the United States city average Consumer Price Index for all
25.36 urban consumers issued by the United States Bureau of Labor Statistics or such other

26.1 federally prepared Consumer Price Index or Wage Earner Index as reasonably selected
26.2 by the operator in its discretion;

26.3 (10) require purchaser to certify the absence of any misrepresentation or other
26.4 violation of this chapter provided, however, that a purchaser's acknowledgment of receipt
26.5 of a copy of the membership camping contract shall not be deemed to constitute such
26.6 a certification;

26.7 (11) require the purchaser to waive the right to assert against the membership
26.8 camping operator or any assignee any claim or defense the purchaser may have against the
26.9 membership camping operator under the membership camping contract; or

26.10 (12) materially and repeatedly fail to maintain a campground in this state in the
26.11 manner contractually agreed upon.

26.12 Sec. 30. Minnesota Statutes 2012, section 82A.22, subdivision 2, is amended to read:

26.13 Subd. 2. **Appointment of commissioner.** When any person, including any
26.14 nonresident of this state, engages in conduct prohibited or made actionable by this chapter,
26.15 or any rule or order thereunder, ~~and the person has not filed a consent to service of process~~
26.16 ~~under subdivision 1~~ and personal jurisdiction over this person cannot otherwise be obtained
26.17 in this state, that conduct shall be considered equivalent to the person's appointment of
26.18 the commissioner or the commissioner's successor to be the person's attorney to receive
26.19 service of any lawful process in any noncriminal suit, action, or proceeding against the
26.20 person which grows out of that conduct and which is brought under this chapter or any rule
26.21 or order thereunder, with the same force and validity as if served on the person personally.
26.22 Service under this section shall be made in compliance with section 45.028, subdivision 2.

26.23 Sec. 31. Minnesota Statutes 2012, section 82A.25, is amended to read:

26.24 **82A.25 CRIMINAL PENALTIES.**

26.25 Any person who willfully violates ~~section 82A.03 by offering or selling unregistered,~~
26.26 ~~nonexempt membership camping contracts~~ or section 82A.13 or any order of the
26.27 commissioner pursuant thereto of which that person has notice, may be fined not more
26.28 than \$5,000 or imprisoned not more than five years or both. Each of the acts specified
26.29 shall constitute a separate offense and a prosecution or conviction for any one of the
26.30 offenses shall not bar prosecution or conviction for any other offense.

26.31 Sec. 32. Minnesota Statutes 2012, section 82A.26, is amended to read:

26.32 **82A.26 NONAPPLICABILITY OF CERTAIN LAW.**

27.1 Membership camping contracts registered pursuant to this chapter are exempt
27.2 from the provisions of chapter 83. To the extent that licensed salespersons and licensed
27.3 brokers engage in the offer or sale of membership camping contracts, those brokers and
27.4 salespersons are exempt from the licensing requirements of chapter 82.

27.5 Sec. 33. Minnesota Statutes 2012, section 83.26, subdivision 2, is amended to read:

27.6 Subd. 2. **Generally; transactions.** Unless the method of offer or sale is adopted
27.7 for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, the following
27.8 transactions are exempt from sections 83.23, 83.24, 83.25, 83.28, 83.29, and 83.30:

27.9 (a) the offer or sale of an interest in subdivided land by an owner, other than the
27.10 subdivider, acting as principal in a single or isolated transaction;

27.11 (b) the offer or sale of all of the subdivided lands within a subdivision in a single
27.12 transaction to any person;

27.13 (c) the offer or sale of subdivided land pursuant to an order of competent jurisdiction,
27.14 other than a court of bankruptcy;

27.15 (d) the offer or sale of subdivided land consisting of not more than ten separate lots,
27.16 units, parcels, or interests in the aggregate, provided that no subdivider may make an
27.17 offer or sale of subdivided land pursuant to this exemption more than once during any
27.18 period of 12 consecutive months;

27.19 (e) the offer or sale of subdivided lands which have been registered under section
27.20 83.23, subdivision 2, if there are no more than ten separate lots, units, parcels, or interests
27.21 remaining to be sold and no material change has occurred in the information on file with
27.22 the commissioner;

27.23 (f) the offer and sale of subdivided land located within the corporate limits of a
27.24 municipality as defined in section 462.352, subdivision 2, which municipality has adopted
27.25 subdivision regulations as defined in section 462.352, except those lands described in
27.26 section 83.20, subdivision 13;

27.27 (g) the offer and sale of apartments or condominium units as defined in chapters 515
27.28 and 515A, and units in common interest communities as defined in chapter 515B;

27.29 (h) the offer and sale of subdivided lands used primarily for agricultural purposes
27.30 provided each parcel is at least ten acres in size;

27.31 (i) the offer or sale of improved lots if:

27.32 (1) the subdivider has filed with the commissioner, no later than ten business days
27.33 prior to the date of the first sale, a written notice of its intention to offer or sell improved
27.34 lots, which notice shall be accompanied by a fee of \$50, together with a copy of the public

offering statement accepted by the situs state and the standard purchase agreement which documents are required to be supplied by the subdivider to the purchaser; and

(2) the subdivider deposits all downpayments in an escrow account until all obligations of the subdivider to the purchaser, which are pursuant to the terms of the purchase agreement to be performed prior to the closing, have been performed. The subdivider shall provide the purchaser with a purchase receipt for the downpayment paid, a copy of the escrow agreement and the name, address, and telephone number of the escrow agent. The escrow agent shall be a bank located in Minnesota. All downpayments shall be deposited in the escrow account within two business days after receipt; and

(j) the offer of sale of subdivided lands by a subdivider that has been granted an exemption from registration by the federal Department of Housing and Urban Development under the multiple site subdivision exemption, if the subdivider provides a written notice of the offer of sale to the commissioner before any offers or sale commence.

The written notice must include the name of the subdivision, the county and state in which the subdivision is located, and the number of lots in the subdivision, and a notarized affidavit that all proposed improvements have been completed and the costs of all the improvements have been fully paid, or that the cost of any uncompleted road construction or survey expenses are covered by a bond or escrow account payable to the entities responsible for providing or completing the roads or surveys. The escrow account must be with an independent escrow agent.

The subdivider must also provide to the commissioner a copy of the federal Housing and Urban Development exemption order and the most recent annual confirmation letter which indicates that the order is still in effect.

If the closing services are provided by the subdivider or an affiliate of the subdivider, purchasers must manually initial in the Housing and Urban Development Lot Information Statement both the disclosure on all the liens, reservations, taxes, assessments, easements, and restrictions applicable to the lot purchased and the disclosure on the risks of not obtaining clear title.

The commissioner may, by rule or order, suspend, revoke, or further condition the exemptions contained in clauses (f), (g), (h), (i), and (j), or may require such further information as may be necessary for the protection of purchasers.

~~The commissioner may by rule or order suspend, revoke, or further condition the exemptions contained in clauses (f), (g), (h), and (i) or may require such further information as may be necessary for the protection of purchasers.~~

Sec. 34. Minnesota Statutes 2012, section 83.30, subdivision 1, is amended to read:

29.1 Subdivision 1. **Form; due date.** During the period a registration is effective, the
29.2 subdivider shall file an annual report in a format the commissioner may by rule prescribe
29.3 for subdivisions under section 83.23, subdivision 3. Subdividers under section 83.23,
29.4 subdivision 2, shall not be required to file the annual report form except by order of the
29.5 commissioner but are required to submit the fee under section 83.30, subdivision 2. The
29.6 report must include a financial statement of the subdivider's most recent fiscal year,
29.7 prepared by an accountant and certified by the subdivider. An audited financial statement
29.8 shall not be required. Every annual report shall be due by the 120th day following the end of
29.9 the subdivider's fiscal year, unless extended in writing by the commissioner for good cause.

29.10 Sec. 35. Minnesota Statutes 2012, section 239.011, subdivision 2, is amended to read:

29.11 Subd. 2. **Duties and powers.** To carry out the responsibilities in section 239.01
29.12 and subdivision 1, the director:

29.13 (1) shall take charge of, keep, and maintain in good order the standard of weights
29.14 and measures of the state and keep a seal so formed as to impress, when appropriate, the
29.15 letters "MINN" and the date of sealing upon the weights and measures that are sealed;

29.16 (2) has general supervision of the weights, measures, and weighing and measuring
29.17 devices offered for sale, sold, or in use in the state;

29.18 (3) shall maintain traceability of the state standards to the national standards of the
29.19 National Institute of Standards and Technology;

29.20 (4) shall enforce this chapter;

29.21 (5) shall grant variances from department rules, within the limits set by rule, when
29.22 appropriate to maintain good commercial practices or when enforcement of the rules
29.23 would cause undue hardship;

29.24 (6) shall conduct investigations to ensure compliance with this chapter;

29.25 (7) may delegate to division personnel the responsibilities, duties, and powers
29.26 contained in this section;

29.27 (8) shall test annually, and approve when found to be correct, the standards of
29.28 weights and measures used by the division, by a town, statutory or home rule charter city,
29.29 or county within the state, or by a person using standards to repair, adjust, or calibrate
29.30 commercial weights and measures;

29.31 (9) shall inspect and test weights and measures kept, offered, or exposed for sale;

29.32 (10) shall inspect and test, to ascertain if they are correct, weights and measures
29.33 commercially used to:

29.34 (i) determine the weight, measure, or count of commodities or things sold, offered,
29.35 or exposed for sale, on the basis of weight, measure, or count; and

(ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;

(11) shall approve for use and mark weights and measures that are found to be correct;

(12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:

(i) are not corrected within the time specified by the director;

(ii) are used or disposed of in a manner not specifically authorized by the director; or

(iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

(14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;

(15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;

(16) shall inspect and test petroleum products in accordance with this chapter and chapter 296A;

~~(17) shall distribute and post notices for used motor oil and used motor oil filters and lead-acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115;~~

~~(18) shall collect inspection fees in accordance with sections 239.10 and 239.101; and~~

~~(19)~~ (18) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:

(i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 17025;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by an internationally accepted accrediting body such as the National Voluntary Laboratory Accreditation Program (NVLAP); and

31.1 (iii) providing calibration and consultation services to metrology laboratories in
31.2 government and private industry in the United States.

31.3 Sec. 36. Minnesota Statutes 2012, section 239.06, is amended to read:

31.4 **239.06 RULES.**

31.5 The department shall prescribe and adopt such rules as it may deem necessary to
31.6 carry out the provisions of this chapter, ~~and it including but not limited to the adoption of~~
31.7 definitions of basic units of weights and measures, tables of weights and measures, and
31.8 weights and measures equivalents to govern weighing and measuring equipment and
31.9 transactions in Minnesota. The division may change, modify, or amend any or all rules
31.10 when deemed necessary and the rules so made shall have the force and effect of law.

31.11 Sec. 37. Minnesota Statutes 2012, section 239.081, is amended to read:

31.12 **239.081 INSPECTING TRACK SCALE.**

31.13 The ~~department~~ division shall supervise and inspect all track scales, and may direct
31.14 any carrier to transport, move, and switch to any track scale free of charge any car used in
31.15 the inspection and testing of scales. The ~~department~~ division shall require the installation
31.16 and maintenance of track scales at terminals, warehouses, and at other points in the state
31.17 where scales are deemed necessary. The ~~department~~ division shall prescribe reasonable
31.18 rules for the weighing of railroad cars and of freight. ~~Rules of the department promulgated~~
31.19 ~~under chapter 218 and in effect on January 1, 1976, which pertain to installation or~~
31.20 ~~inspection of track scales or the weighing of railroad cars and freight shall continue in~~
31.21 ~~effect until amended or repealed by the department.~~

31.22 Sec. 38. Minnesota Statutes 2012, section 239.09, is amended to read:

31.23 **239.09 SPECIAL POLICE POWERS.**

31.24 When necessary to enforce this chapter or rules adopted under the authority granted
31.25 by section 239.06, the director is:

31.26 (1) ~~authorized and empowered to arrest, without formal warrant, any violator of~~
31.27 ~~sections 325E.11 and 325E.115 or of the statute in relation to weights and measures;~~

31.28 (2) empowered to seize for use as evidence and without formal warrant, any false
31.29 weight, measure, weighing or measuring device, package, or commodity found to be used,
31.30 retained, or offered or exposed for sale or sold in violation of law;

31.31 (3) ~~(2)~~ during normal business hours, authorized to enter commercial premises;

32.1 ~~(4)~~ (3) if the premises are not open to the public, authorized to enter commercial
32.2 premises only after presenting credentials and obtaining consent or after obtaining a
32.3 search warrant;

32.4 ~~(5)~~ (4) empowered to issue stop-use, hold, and removal orders with respect to
32.5 weights and measures commercially used, and packaged commodities or bulk commodities
32.6 kept, offered, or exposed for sale, that do not comply with the weights and measures laws;

32.7 ~~(6)~~ (5) empowered, upon reasonable suspicion of a violation of the weights and
32.8 measures laws, to stop a commercial vehicle and, after presentation of credentials, inspect
32.9 the contents of the vehicle, require that the person in charge of the vehicle produce
32.10 documents concerning the contents, and require the person to proceed with the vehicle to
32.11 some specified place for inspection; and

32.12 ~~(7)~~ (6) empowered, after written warning, to issue citations of not less than \$100 and
32.13 not more than \$500 to a person who violates any provision of this chapter, any provision
32.14 of the rules adopted under the authority contained in this chapter, or any provision of
32.15 statutes enforced by the Division of Weights and Measures.

32.16 Sec. 39. Minnesota Statutes 2012, section 239.091, is amended to read:

32.17 **239.091 METHOD OF SALE.**

32.18 The method of sale for a commodity must provide an accurate and adequate quantity
32.19 of information that will allow the buyer to make price and quantity comparisons. The
32.20 ~~department may adopt rules to administer this section.~~

32.21 Sec. 40. Minnesota Statutes 2013 Supplement, section 239.101, subdivision 3, is
32.22 amended to read:

32.23 Subd. 3. **Petroleum inspection fee; appropriation, uses.** (a) An inspection fee
32.24 is imposed (1) on petroleum products when received by the first licensed distributor,
32.25 and (2) on petroleum products received and held for sale or use by any person when the
32.26 petroleum products have not previously been received by a licensed distributor. The
32.27 petroleum inspection fee is \$1 for every 1,000 gallons received. The commissioner of
32.28 revenue shall collect the fee. The revenue from 89 cents of the fee is appropriated to
32.29 the commissioner of commerce for the cost of operations of the Division of Weights
32.30 and Measures; and petroleum supply monitoring; ~~and to make grants to providers of~~
32.31 ~~low-income weatherization services to install renewable energy equipment in households~~
32.32 ~~that are eligible for weatherization assistance under Minnesota's weatherization assistance~~
32.33 ~~program state plan.~~ The remainder of the fee must be deposited in the general fund.

(b) The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue.

(c) The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296A.

Sec. 41. Minnesota Statutes 2012, section 239.44, is amended to read:

239.44 MISDEMEANOR VIOLATION.

Whoever in selling gives a lower number or, in buying shall take any, takes a greater number of pounds or cubic feet to the bushel, barrel, ton, or cord, as the case may be, than is allowed and provided in sections ~~239.28 to 239.36~~ 239.32 and 239.33, or in selling, ~~shall give any less~~ gives a lower number, shall be is guilty of a misdemeanor.

Sec. 42. Minnesota Statutes 2012, section 239.46, is amended to read:

239.46 FINES CREDITED TO SCHOOL FUNDS.

All fines collected under the provisions of sections ~~239.28 to 239.38~~ 239.32 and 239.33 shall be paid to the county treasurer for the benefit of the school fund of the county where the action is brought.

Sec. 43. Minnesota Statutes 2012, section 239.75, subdivision 1, is amended to read:

Subdivision 1. **Inspection requirements; blending exemptions.** The director shall:

(1) take samples, free of charge, of petroleum products wherever processed, blended, held, stored, imported, transferred, offered for sale or use, or sold in Minnesota, limiting each sample to one-half gallon;

~~(2) inspect and test petroleum product samples according to the methods of ASTM or other valid test methods adopted by rule, to determine whether the products comply with the specifications in section 239.761;~~

~~(3)~~ inspect petroleum product storage tanks to ensure that the products are free from water and impurities;

~~(4)~~ (3) inspect and test samples submitted to the department by a licensed distributor, making the test results available to the distributor;

~~(5)~~ (4) inspect the labeling, price posting, and price advertising of petroleum product dispensers and advertising signs at businesses or locations where petroleum products are sold, offered for sale or use, or dispensed into motor vehicles;

~~(6)~~ (5) maintain records of all inspections and tests according to the records retention policies of the Department of Administration;

~~(7) delegate to division personnel, at the director's discretion, any or all of the responsibilities, duties, and powers in sections 239.75 to 239.80;~~

~~(8)~~ (6) publish test data and information to assist persons who use, produce, distribute, or sell petroleum-based heating and engine fuels;

~~(9)~~ (7) audit the records of any person responsible for the product to determine compliance with sections 239.75 to 239.792;

~~(10)~~ (8) after consulting with the commissioner, grant a temporary exemption from the gasoline-ethanol blending requirements in section 239.791 if the supply of ethanol is insufficient to produce gasoline-ethanol blends;

~~(11)~~ (9) after consulting with the commissioner, grant a temporary exemption from the diesel-biodiesel blending requirements in section 239.77, if the supply of biodiesel is insufficient to produce diesel-biodiesel blends; and

~~(12)~~ (10) adopt, as an enforcement policy for the division, reasonable margins of uncertainty for the tests used to determine compliance with the specifications in section 239.761, the oxygen percentages in section 239.791, and the octane requirements in section 239.792 and apply the margins of uncertainty to only tests performed by the division, not by adding the margins to uncertainties in tests performed by any person responsible for the product.

Sec. 44. Minnesota Statutes 2012, section 239.753, is amended to read:

239.753 ENTRY UPON PREMISES AND ACCESS TO RECORDS.

(a) The director, or a delegated employee of the department, may enter the premises of a person who processes, holds, stores, imports, transfers, offers for sale or use, or sells petroleum products in Minnesota to:

(1) inspect the product in storage tanks and take samples from the storage tanks and dispensing equipment connected to the storage tanks;

(2) inspect petroleum product dispensers and related signs and equipment, advertising signs, price displays, oxygenate labels, and octane labels; and

(3) audit and make copies of petroleum product shipping, receiving, and invoice documents and records to determine compliance with sections 239.75 to 239.792.

(b) The director shall limit inspection to information and data relating to product quantity, quality, ~~oxygen~~ biofuel content, and octane. The director shall maintain the confidentiality of certain records as required by section 239.791.

Sec. 45. Minnesota Statutes 2012, section 239.80, subdivision 1, is amended to read:

35.1 Subdivision 1. ~~**Violations; enforcement actions of department; Waiver.**~~ (a) The
35.2 director, or any delegated employee shall use the methods in section 239.75 to enforce
35.3 sections 239.10; 239.101, subdivision 3; 239.761; 239.77; 239.79; 239.791; and 239.792.

35.4 (b) The director or any delegated employee may waive a penalty for a violation
35.5 under section 239.77 or 239.791 on a retailer when ethanol or biodiesel are not available
35.6 at a pipeline or refinery to meet the blending requirements of this chapter, and the terminal
35.7 has had ethanol or biodiesel blended products available to the licensed distributor for 20 of
35.8 the previous 30 days. The director or delegated employee shall use the reports required
35.9 in section 239.754 or other available information in making a determination under this
35.10 paragraph. The commissioner shall work with the commissioner of agriculture, biodiesel
35.11 producers, ethanol producers, pipeline operators, and terminal operators, to ensure that
35.12 biodiesel and ethanol are available for blending at pipeline and refinery terminals where
35.13 diesel fuel and gasoline are sold and destined for use in Minnesota.

35.14 Sec. 46. Minnesota Statutes 2012, section 332.33, subdivision 5, is amended to read:

35.15 Subd. 5. **Collection agency license issuance.** Every application for a collection
35.16 agency license or renewal shall be acted upon promptly by the commissioner but in no
35.17 event more than 45 days after receipt of the application. Each applicant may be issued a
35.18 temporary license after submitting a complete application which meets all requirements
35.19 for licensure. This license shall be effective until a permanent license is issued by the
35.20 commissioner. If the application complies in form and substance with sections 332.31
35.21 to 332.45 and the rules adopted under those sections and the commissioner finds that
35.22 the applicant is qualified under sections 332.31 to 332.45, the commissioner shall issue
35.23 a license immediately. If the application is not sufficient in form or substance, the
35.24 commissioner shall reject it and notify the applicant of the manner in which it is deficient.
35.25 The rejection is without prejudice to the filing of a new application. On finding that the an
35.26 applicant for a collection agency license is not qualified under sections 332.31 to 332.45,
35.27 the commissioner shall reject the application and shall give the applicant written notice of
35.28 the rejection and the reasons for the rejection.

35.29 Sec. 47. Minnesota Statutes 2012, section 332.33, subdivision 5a, is amended to read:

35.30 Subd. 5a. **Individual collector registration.** A licensed collection agency, on behalf
35.31 of an individual collector, must register with the state all individuals in the collection
35.32 agency's employ who are performing the duties of a collector as defined in sections 332.31
35.33 to 332.45. The collection agency must apply for an individual collection registration on in
35.34 a form provided prescribed by the commissioner, ~~or electronically when available.~~ The

collection agency shall verify on the form that the applicant has confirmed that the applicant meets the requirements to perform the duties of a collector as defined in sections 332.31 to 332.45. Upon submission of the ~~form~~ application to the department, the individual may begin to perform the duties of a collector and may continue to do so unless the licensed collection agency is informed by the commissioner that the individual is ineligible.

Sec. 48. Minnesota Statutes 2012, section 332.33, subdivision 7, is amended to read:

Subd. 7. **Changes; notice to commissioner.** (a) A licensed collection agency must give the commissioner written notice of a change in company name, address, or ownership not later than ~~15~~ ten days after the change occurs. A registered individual collector must give written notice of a change of address, name, or assumed name no later than ~~30~~ ten days after the change occurs.

(b) Upon the death of any collection agency licensee, the license of the decedent may be transferred to the executor or administrator of the estate for the unexpired term of the license. The executor or administrator may be authorized to continue or discontinue the collection business of the decedent under the direction of the court having jurisdiction of the probate.

Sec. 49. **REPEALER.**

Subdivision 1. **Statutory repeals** (a) Minnesota Statutes 2012, sections 45.0111; 45.25, subdivision 4; 45.42, subdivision 1; 46.045, subdivision 2; 46.046, subdivisions 3 and 4; 46.047; 46.23, subdivision 3; 47.61, subdivision 2; 48.34; 48.92, subdivisions 4 and 5; 53.07; 53A.081; 56.001, subdivisions 4, 5, and 6; 60A.02, subdivision 2; 60A.078; 60A.18; 61A.05; 61A.09, subdivision 4; 61A.11; 61A.16; 61A.17; 61A.18; 62A.319; 62B.07, subdivision 8; 72B.02, subdivision 8; 80C.30; 81A.01; 81A.02, subdivision 5; 81A.08; 81A.18; 82.60, subdivisions 2, 3, and 4; 82.63, subdivisions 7, 9, and 10; 82A.04; 82A.07; 82A.08; 82A.11, subdivision 2; 82A.111, subdivision 5; 82A.13, subdivision 3; 82A.18, subdivision 3; 82A.22, subdivisions 1 and 3; 82A.24, subdivision 5; 82B.021; 115C.01; 115C.111; 239.001; 239.002; 239.003; 239.012; 239.051, subdivision 7; 239.101, subdivision 4; 239.28; 239.29; 239.30; 239.31; 239.35; 239.36; 239.51; 239.511; 239.53; 239.54; 239.80, subdivisions 2 and 3; 332.45; 386.61, subdivisions 1, 2, and 4; and 609B.109, are repealed.

(b) Minnesota Statutes 2013 Supplement, sections 82.63, subdivision 8; and 82A.06, subdivision 2, are repealed.

Subd. 2. **Administrative rules repeals.** Minnesota Rules, parts 2782.0200; 2782.0300; 2782.0400; 2782.0500; 2782.0600; 2782.0700; 2782.0800; 2795.2000;

37.1 2830.0010; 2830.0020; 2830.0030; 2830.0040; 2830.0050; 2830.0060; 2830.0070;
37.2 2830.0080; 2830.0090; 2830.0100; 2870.0100; 2870.1100; 2870.1200; 2870.1400;
37.3 2870.1700; 2870.1800; 2870.1900; 2870.2000; 2870.2100; 2870.2200; 2870.2300;
37.4 2870.3100; 2870.3200; 2870.3300; 2870.3400; 2870.3500; 2870.3600; 2870.3700;
37.5 2870.3800; 2870.3900; 2870.4000; 2870.4100; 2870.5100; 7601.7010; 7601.7090,
37.6 subpart 3; 7601.8000; and 7602.0100, are repealed.

37.7 ARTICLE 2

37.8 CONFORMING CHANGES

37.9 Section 1. Minnesota Statutes 2012, section 16D.04, subdivision 1, is amended to read:

37.10 Subdivision 1. **Duties.** The commissioner shall provide services to the state
37.11 and referring agencies to collect debts referred for collection under this chapter. The
37.12 commissioner is not a collection agency as defined by section 332.31, subdivision 3, and
37.13 is not licensed, bonded, or regulated by the commissioner of commerce under sections
37.14 332.31 to 332.35 or 332.38 to ~~332.45~~ 332.44. The commissioner is subject to section
37.15 332.37, except clause (9), (10), (12), or (19). Debts referred to the commissioner for
37.16 collection under section 256.9792 may in turn be referred by the commissioner to the
37.17 enterprise. An audited financial statement may not be required as a condition of debt
37.18 placement with a private agency if the private agency: (1) has errors and omissions
37.19 coverage under a professional liability policy in an amount of at least \$1,000,000; or (2)
37.20 has a fidelity bond to cover actions of its employees, in an amount of at least \$100,000. In
37.21 cases of debts referred under section 256.9792, the provisions of this chapter and section
37.22 256.9792 apply to the extent they are not in conflict. If they are in conflict, the provisions
37.23 of section 256.9792 control. For purposes of this chapter, the referring agency for such
37.24 debts remains the Department of Human Services.

37.25 Sec. 2. Minnesota Statutes 2012, section 16D.04, subdivision 4, is amended to read:

37.26 Subd. 4. **Authority to contract.** The commissioners of revenue and management
37.27 and budget may contract with credit bureaus, private collection agencies, and other
37.28 entities as necessary for the collection of debts. A private collection agency acting under
37.29 a contract with the commissioner of revenue or management and budget is subject to
37.30 sections 332.31 to ~~332.45~~ 332.44, except that the private collection agency may indicate
37.31 that it is acting under a contract with the state. The commissioner may not delegate the
37.32 powers provided under section 16D.08 to any nongovernmental entity.

37.33 Sec. 3. Minnesota Statutes 2012, section 45.0111, subdivision 2, is amended to read:

Subd. 2. **Nonapplication.** A temporary license as described in this section may not be issued to an applicant for licensure as a:

- (1) currency exchange regulated under chapter 53A;
- (2) collection agency regulated under sections 332.31 to ~~332.45~~ 332.44;
- (3) credit service organization regulated under sections 332.52 to 332.60; or
- (4) broker-dealer, investment advisor, or agent regulated under chapter 80A.

Sec. 4. Minnesota Statutes 2012, section 47.78, is amended to read:

47.78 CONTRACTS TO PROVIDE SERVICES.

(a) Notwithstanding any other law to the contrary, a financial institution, the "customer institution," may contract with another financial institution, the "service institution," to grant the service institution the authority to render services to the customer institution's depositors, borrowers or other customers, provided notice of the proposed contract is given to the commissioner and the commissioner does not object to the contract within 30 days of the notice.

(b) For purposes of this section: "Financial institution" means a national banking association, federal savings association, or federal credit union having its main office in this state, or a bank, savings bank, savings association, or credit union established and operating under the laws of this state; and "services" means accepting and receiving deposits, honoring and paying withdrawals, issuing money orders, cashiers' checks, and travelers' checks or similar instruments, cashing checks or drafts, receiving loan payments, receiving or delivering cash and instruments and securities, disbursing loan proceeds by machine, and any other transactions authorized by section 47.63.

The term also includes a bank subsidiary of a bank holding company or affiliated savings association to the extent agency activities are permitted under section 18 of the Federal Deposit Insurance Act, United States Code, title 12, section 1828, as amended, effective September 29, 1995, and title I, Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

(c) A contract entered into pursuant to this section may include authority to conduct transactions at or through any principal office, branch, or detached facility of either financial institution which is a party to the contract, ~~and the service institution is not considered a branch of the customer institution for purposes of section 48.34.~~

Sec. 5. Minnesota Statutes 2012, section 48.93, subdivision 1, is amended to read:

Subdivision 1. **Application.** An out-of-state bank holding company may, through a purchase of stock or assets of a bank, or through a purchase of stock or assets of or merger

39.1 with a bank holding company, acquire control in an existing bank or banks whose home
39.2 state is Minnesota if it meets the conditions in this section, ~~sections 46.047 and section~~
39.3 46.048 and it files an application in writing with the commissioner on forms provided by
39.4 the department. The commissioner, upon receipt of the application, shall act upon it in the
39.5 manner provided for in ~~sections 46.047 and section~~ 46.048, except that the commissioner
39.6 may extend the 60-day period an additional 30 days if in the commissioner's judgment any
39.7 material information submitted is substantially inaccurate or the acquiring party has not
39.8 furnished all the information required by statute, rule, or the commissioner. Within three
39.9 days after making the decision to disapprove any proposed acquisition, the commissioner
39.10 shall notify the acquiring party in writing of the disapproval. The notice must provide a
39.11 statement of the basis for the disapproval.

39.12 Sec. 6. Minnesota Statutes 2012, section 48.93, subdivision 3, is amended to read:

39.13 Subd. 3. **Criteria for approval.** Except as otherwise provided by rule of the
39.14 department, an application filed pursuant to subdivision 1 must contain the information
39.15 required by ~~sections 46.047 and section~~ 46.048.

39.16 Sec. 7. Minnesota Statutes 2012, section 60A.0782, subdivision 1, is amended to read:

39.17 Subdivision 1. **Terms.** For the purpose of sections ~~60A.078~~ 60A.0782 to 60A.0789,
39.18 unless the context clearly indicates otherwise, the terms in this section have the meanings
39.19 given them.

39.20 Sec. 8. Minnesota Statutes 2012, section 60A.0782, subdivision 2, is amended to read:

39.21 Subd. 2. **Act.** "Act" means sections ~~60A.078~~ 60A.0782 to 60A.0789.

39.22 Sec. 9. Minnesota Statutes 2012, section 60A.0782, subdivision 5, is amended to read:

39.23 Subd. 5. **Legitimate settlement contracts.** "Legitimate settlement contracts"
39.24 mean settlement contracts that comply with Minnesota law governing viatical settlement
39.25 contracts and that are not prohibited by section 60A.0785 or otherwise part of or in
39.26 furtherance of an act, practice, or arrangement that is prohibited by sections ~~60A.078~~
39.27 60A.0782 to 60A.0789.

39.28 Sec. 10. Minnesota Statutes 2012, section 60A.0782, subdivision 11, is amended to read:

39.29 Subd. 11. **Settlement contract.** (a) "Settlement contract" means an agreement
39.30 between a policyowner and another person establishing the terms under which
39.31 compensation or anything of value will be paid or which compensation or value is

less than the expected death benefit of the insurance policy, in return for the owner's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of any portion of the policy. Settlement contract also includes:

(1) the transfer for compensation or value of ownership or beneficial interest in a trust or other entity that owns such a policy if the trust or other entity was formed or availed of for the principal purpose of acquiring one or more policies, which policy insures the life of an individual who is a resident of this state; and

(2) a premium finance loan made for a policy by a lender to a policyowner on, before, or after the date of issuance of the policy where:

(i) the policyowner or the insured receives a guarantee of a future settlement value of the policy; or

(ii) the policyowner or the insured agrees to sell the policy or any portion of its death benefit on any date following the issuance of the policy.

(b) Settlement contract does not include:

(1) a policy loan or accelerated death benefit made by the insurer under the policy's terms;

(2) loan proceeds that are used solely to pay premiums for the policy and loan-related costs, including, without limitation, interest, arrangement fees, utilization fees and similar fees, closing costs, legal fees and expenses, trustee fees and expenses, and third-party collateral provider fees and expenses, including fees payable to letter of credit issuers;

(3) a loan made by a bank or other licensed financial institution in which the lender takes an interest in a policy solely to secure repayment of a loan or, if there is a default on the loan and the policy is transferred, the transfer of such a policy by the lender, as long as the default itself is not pursuant to an agreement or understanding with any other person for the purpose of evading regulation under sections ~~60A.078~~ 60A.0782 to 60A.0789;

(4) an agreement in which all the parties are closely related to the insured by blood or law or have a lawful substantial economic interest in the continued life, health, and bodily safety of the person insured or are trusts established for the benefit of such parties;

(5) any designation, consent, or agreement by an insured who is an employee or an employer in connection with the purchase by the employer, or by a trust established by the employer, of life insurance on the life of the employee;

(6) a bona fide business succession planning arrangement:

(i) between shareholders in a corporation or between a corporation and one or more of its shareholders or one or more trusts established by its shareholders;

(ii) between partners in a partnership or between a partnership and one or more of its partners or one or more trusts established by its partner; or

41.1 (iii) between members in a limited liability company or between a limited liability
41.2 company and one or more of its members or one or more trusts established by its
41.3 members; or

41.4 (7) an agreement entered into by a service recipient, or a trust established by the
41.5 service recipient, and a service provider, or a trust established by the service provider, who
41.6 performs significant services for the service recipient's trade or business.

41.7 Sec. 11. Minnesota Statutes 2012, section 60A.0783, subdivision 2, is amended to read:

41.8 Subd. 2. **What constitutes an insurable interest.** Insurable interest, with reference
41.9 to insurance on the life of another, includes only the following interests.

41.10 (a) An individual has an insurable interest in the life of another person to whom
41.11 the individual is closely related by blood or by law and in whom the individual has a
41.12 substantial interest engendered by love and affection.

41.13 (b) An individual has an insurable interest in the life of another person if such
41.14 individual has a lawful and substantial interest in the continued life of the individual
41.15 insured, as distinguished from an interest that would arise only by or would be enhanced
41.16 in value by the death of the individual insured.

41.17 (c) An individual party to a contract for the purchase or sale of an interest in any
41.18 business entity and, if applicable, a trust or the trustee of a trust of which the individual is
41.19 a settlor, has an insurable interest in the life of each other individual party to the contract,
41.20 but only for the purpose of carrying out the intent and purpose of the contract.

41.21 (d) A trust, or the trustee of a trust, has an insurable interest in the life of an
41.22 individual insured under a life insurance policy owned by the trust, or the trustee of the
41.23 trust acting in a fiduciary capacity, if the insured is the settlor of the trust; an individual
41.24 closely related by blood or law to the settlor; or an individual in whom the settlor
41.25 otherwise has an insurable interest if, in each of the situations described in this paragraph,
41.26 the life insurance proceeds are primarily for the benefit of trust beneficiaries having an
41.27 insurable interest in the life of the insured and the trust is not used, directly or indirectly,
41.28 as part of or in furtherance of an act, practice, or arrangement that is otherwise prohibited
41.29 by sections ~~60A.078~~ 60A.0782 to 60A.0789.

41.30 (e) A guardian, trustee, or other fiduciary, acting in a fiduciary capacity, has an
41.31 insurable interest in the life of any person for whose benefit the fiduciary holds property,
41.32 and in the life of any other individual in whose life the person has an insurable interest so
41.33 long as the life insurance proceeds are used primarily for the benefit of persons having an
41.34 insurable interest in the life of the insured and the guardianship or fiduciary relationship

is not used, directly or indirectly, as part of or in furtherance of an act, practice, or arrangement that is otherwise prohibited by sections ~~60A.078~~ 60A.0782 to 60A.0789.

(f) An organization in section 170(c) of the United States Internal Revenue Code of 1986, as amended through December 31, 2008, has an insurable interest in the life of any person who consents in writing to the organization's ownership or purchase of that insurance.

(g) A trustee, sponsor, or custodian of assets held in any plan governed by the Employee Retirement Income Security Act of 1974, United States Code, title 29, section 1001, et seq., or in any other retirement or employee benefit plan, has an insurable interest in the life of any participant in the plan provided consent is obtained in writing from the participant before the insurance is purchased. An employer, trustee, sponsor, or custodian may not retaliate or take adverse action against any participant who does not consent to the issuance of insurance on the participant's life.

(h) A business entity has an insurable interest in the life of any of the owners, directors, officers, partners, and managers of the business entity or any affiliate or subsidiary of the business entity, or key employees or key persons of the business entity or affiliate or subsidiary, provided consent is obtained in writing from key employees or persons before the insurance is purchased. The business entity or affiliate or subsidiary may not retaliate or take adverse action against any key employee or person who does not consent to the issuance of insurance on the key employee or key person's life. For purposes of this subdivision, a "key employee" or "key person" means an individual whose position or compensation is described in section 101(j)(2)(A)(ii) of the Internal Revenue Code of 1986, as amended through December 31, 2008.

(i) A financial institution or other person to whom a debt is owed, whether for the purposes of premium financing or otherwise, has an insurable interest in the life of the borrower limited to the amount of debt owed plus reasonable interest and service charges.

Sec. 12. Minnesota Statutes 2012, section 60A.0783, subdivision 3, is amended to read:

Subd. 3. **Insured's own life.** An individual has an insurable interest in the individual's own life and an individual of competent legal capacity that procures or effects a policy on the individual's own life may designate any person as the beneficiary, provided the policy is not part of or in furtherance of an act, practice, or arrangement that is otherwise prohibited by sections ~~60A.078~~ 60A.0782 to 60A.0789.

Sec. 13. Minnesota Statutes 2012, section 60A.0785, subdivision 3, is amended to read:

43.1 Subd. 3. **Legitimate insurance transactions.** Nothing in sections ~~60A.078~~
43.2 60A.0782 to 60A.0789 prevents:

43.3 (1) any policyowner, whether or not the policyowner is also the subject of the
43.4 insurance, from entering into a legitimate settlement contract;

43.5 (2) any person from soliciting a person to enter into a legitimate settlement contract;

43.6 (3) a person from enforcing the payment of proceeds from the interest obtained
43.7 under a legitimate settlement contract; or

43.8 (4) the assignment, sale, transfer, devise, or bequest with respect to the death benefit
43.9 or ownership of any portion of a policy, provided the assignment, sale, transfer, devise, or
43.10 bequest is connected to a legitimate settlement contract and not part of or in furtherance
43.11 of STOLI practices.

43.12 Sec. 14. Minnesota Statutes 2012, section 60A.0787, subdivision 4, is amended to read:

43.13 Subd. 4. **Fraternal benefit societies.** Nothing in sections ~~60A.078~~ 60A.0782 to
43.14 60A.0789 shall prohibit a fraternal benefit society regulated under chapter 64B from
43.15 enforcing the terms of its bylaws or rules regarding permitted beneficiaries and owners.

43.16 Sec. 15. Minnesota Statutes 2012, section 60A.0788, subdivision 2, is amended to read:

43.17 Subd. 2. **List of fraudulent acts.** All of the following acts are fraudulent when
43.18 committed by a person who, with intent to defraud and for the purpose of depriving
43.19 another of property or for pecuniary gain, commits, or permits any of its employees or its
43.20 agents to commit them:

43.21 (1) failing to disclose to the insurer where the insurer has requested such disclosure
43.22 that the prospective insured has undergone a life expectancy evaluation;

43.23 (2) misrepresenting a person's state of residence or facilitating the change of the state
43.24 in which a person resides for the express purpose of evading or avoiding the provisions of
43.25 sections ~~60A.078~~ 60A.0782 to 60A.0789;

43.26 (3) presenting, causing to be presented, or preparing with knowledge or belief that it
43.27 will be presented to an insurer any false material information, or concealing any material
43.28 information, as part of, in support of, or concerning a fact material to one or more of
43.29 the following:

43.30 (i) a questionnaire as provided for under section 60A.0787; or

43.31 (ii) any other documents or communications, whether written or verbal, which are
43.32 intended to detect STOLI practices or demonstrate compliance with sections ~~60A.078~~
43.33 60A.0782 to 60A.0789;

(4) encouraging the insured, policyowner, or owner of a beneficial interest in the policy to falsely state that the circumstances described in section 60A.0785 are not present or aiding in the preparation or execution of documents designed to create the false impression that those circumstances are not present; and

(5) failing to request or to provide the broker certification required by section 60A.0785, subdivision 2, or falsely certifying that the life expectancy evaluation in section 60A.0785, subdivision 2, was not shared with any other person prior to the issuance of the policy for the purpose of determining the actual or potential value of the policy in the secondary market.

Sec. 16. Minnesota Statutes 2012, section 60A.0789, subdivision 1, is amended to read:

Subdivision 1. **Actions to recover death benefits.** (a) If the beneficiary, assignee, or other payee receives the death benefits under a life insurance policy initiated by STOLI practices or a policy procured or effected in violation of section 60A.0783 or section 60A.0785, the personal representative of the insured's estate or other lawfully acting agent may maintain an action to recover such benefits from the person receiving them.

(b) Where a person receives the death benefit as a result of a nonwillful violation of sections ~~60A.078~~ 60A.0782 to 60A.0789, the court may limit the recovery to unjust enrichment, calculated as the benefits received plus interest from the date of receipt, less premiums paid under the policy by the recipient and any consideration paid by the recipient to the insured in connection with the policy.

(c) Where a person receives the death benefits as the result of a willful violation of sections ~~60A.078~~ 60A.0782 to 60A.0789, the court may, in addition to actual damages, order the defendant or defendants to pay exemplary damages in an amount up to two times the death benefits. A pattern of violations of sections ~~60A.078~~ 60A.0782 to 60A.0789 and conduct involving one or more fraudulent acts are evidence of willfulness. The exemplary damages shall be paid to one or more governmental agencies charged with combating consumer fraud, including the Department of Commerce.

(d) The court may award reasonable attorney fees, together with costs and disbursements, to any party that recovers damages in any action brought under this subdivision.

(e) An action under this subdivision must be brought within two years after the death of the insured.

Sec. 17. Minnesota Statutes 2012, section 60A.0789, subdivision 2, is amended to read:

45.1 Subd. 2. **Enforceability of contracts.** Any contract, agreement, arrangement, or
45.2 transaction prohibited under sections ~~60A.078~~ 60A.0782 to 60A.0789 is voidable.

45.3 Sec. 18. Minnesota Statutes 2012, section 60A.0789, subdivision 4, is amended to read:

45.4 Subd. 4. **Effect on other law.** Sections ~~60A.078~~ 60A.0782 to 60A.0789 shall not:

45.5 (1) preempt or limit other civil remedies, including, but not limited to, declaratory
45.6 judgments, injunctive relief, and interpleaders;

45.7 (2) preempt the authority or relieve the duty of other law enforcement or regulatory
45.8 agencies to investigate, examine, and prosecute suspected violations of law;

45.9 (3) limit the powers granted elsewhere by the laws of this state to the commissioner
45.10 or an insurance fraud unit or the attorney general to investigate and examine possible
45.11 violations of law and to take appropriate actions against wrongdoers; or

45.12 (4) limit the power of this state to punish a person for conduct that constitutes a
45.13 crime under other laws of this state.

45.14 Sec. 19. Minnesota Statutes 2012, section 81A.02, subdivision 1, is amended to read:

45.15 Subdivision 1. **Terms.** For purposes of sections ~~81A.01~~ 81A.02 to 81A.21, the
45.16 terms defined in this section have the meanings given them.

45.17 Sec. 20. Minnesota Statutes 2012, section 81A.02, subdivision 12, is amended to read:

45.18 Subd. 12. **Registration.** "Registration" means registration as an athlete agent under
45.19 sections ~~81A.01~~ 81A.02 to 81A.21.

45.20 Sec. 21. Minnesota Statutes 2012, section 81A.03, subdivision 2, is amended to read:

45.21 Subd. 2. **Subpoena and enforcement powers.** The commissioner may issue
45.22 subpoenas for any material that is relevant to the administration of sections ~~81A.01~~
45.23 81A.02 to 81A.21 and exercise other enforcement powers available to the commissioner
45.24 under chapter 45.

45.25 Sec. 22. Minnesota Statutes 2012, section 81A.04, subdivision 1, is amended to read:

45.26 Subdivision 1. **General requirement.** Except as otherwise provided in subdivision
45.27 2, an individual may not act as an athlete agent in this state without holding a certificate of
45.28 registration under section 81A.06 ~~or 81A.08~~.

45.29 Sec. 23. Minnesota Statutes 2012, section 81A.14, subdivision 2, is amended to read:

45.30 Subd. 2. **Other intentional conduct.** An athlete agent may not intentionally:

46.1 (1) initiate contact with a student athlete unless registered under sections ~~81A.01~~
46.2 81A.02 to 81A.21;

46.3 (2) refuse or fail to retain or permit inspection of the records required to be retained
46.4 by section 81A.13;

46.5 (3) fail to register when required by section 81A.04;

46.6 (4) provide materially false or misleading information in an application for
46.7 registration or renewal of registration;

46.8 (5) predate or postdate an agency contract; or

46.9 (6) fail to notify a student athlete before the student athlete signs or otherwise
46.10 authenticates an agency contract for a particular sport that the signing or authentication
46.11 may make the student athlete ineligible to participate as a student athlete in that sport.

46.12 Sec. 24. Minnesota Statutes 2012, section 81A.16, subdivision 1, is amended to read:

46.13 Subdivision 1. **Private right of action by educational institution.** An educational
46.14 institution has a right of action against an athlete agent or a former student athlete for
46.15 damages caused by a violation of sections ~~81A.01~~ 81A.02 to 81A.21. In an action under
46.16 this section, the court may award costs and reasonable attorney's fees.

46.17 Sec. 25. Minnesota Statutes 2012, section 81A.16, subdivision 2, is amended to read:

46.18 Subd. 2. **Damages.** Damages of an educational institution under subdivision 1
46.19 include losses and expenses incurred because, as a result of the conduct of an athlete agent
46.20 or former student athlete, the educational institution was injured by a violation of sections
46.21 ~~81A.01~~ 81A.02 to 81A.21 or was penalized, disqualified, or suspended from participation
46.22 in athletics by a national association for the promotion and regulation of athletics, by an
46.23 athletic conference, or by reasonable self-imposed disciplinary action taken to mitigate
46.24 sanctions likely to be imposed by such an organization.

46.25 Sec. 26. Minnesota Statutes 2012, section 81A.16, subdivision 5, is amended to read:

46.26 Subd. 5. **Other rights, remedies, or defenses.** Sections ~~81A.01~~ 81A.02 to 81A.21
46.27 do not restrict rights, remedies, or defenses of any person under law or equity.

46.28 Sec. 27. Minnesota Statutes 2012, section 81A.17, is amended to read:

46.29 **81A.17 ADMINISTRATIVE PENALTY.**

46.30 The commissioner may assess a civil penalty against an athlete agent not to exceed
46.31 \$25,000 for a violation of sections ~~81A.01~~ 81A.02 to 81A.21, in accordance with chapters
46.32 14 and 45.

47.1 Sec. 28. Minnesota Statutes 2012, section 81A.19, is amended to read:

47.2 **81A.19 ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL**
47.3 **COMMERCE ACT.**

47.4 Sections ~~81A.01~~ 81A.02 to 81A.21 governing the legal effect, validity, or
47.5 enforceability of electronic records or signatures, and of contracts formed or performed
47.6 with the use of such records or signatures are intended to conform to the requirements of
47.7 section 102 of the Electronic Signatures in Global and National Commerce Act, Public
47.8 Law 106-229, 114 Stat. 464 (2000), and supersede, modify, and limit the Electronic
47.9 Signatures in Global and National Commerce Act.

47.10 Sec. 29. Minnesota Statutes 2012, section 81A.20, is amended to read:

47.11 **81A.20 SEVERABILITY.**

47.12 If any provision of sections ~~81A.01~~ 81A.02 to 81A.21 or its application to any
47.13 person or circumstance is held invalid, the invalidity does not affect other provisions or
47.14 applications of sections ~~81A.01~~ 81A.02 to 81A.21 which can be given effect without the
47.15 invalid provision or application, and to this end the provisions of sections ~~81A.01~~ 81A.02
47.16 to 81A.21 are severable.

47.17 Sec. 30. Minnesota Statutes 2012, section 81A.21, is amended to read:

47.18 **81A.21 EFFECT ON OTHER LAW.**

47.19 Sections ~~81A.01~~ 81A.02 to 81A.21 do not limit the applicability of section 325E.33.

47.20 Sec. 31. Minnesota Statutes 2012, section 82A.04, subdivision 2, is amended to read:

47.21 Subd. 2. **Application contents.** The application for registration shall include:

47.22 ~~(1) an irrevocable appointment of the commissioner to receive service of any lawful~~
47.23 ~~process as required by section 82A.22, subdivision 1;~~

47.24 ~~(2)~~ (1) the name of the campground, the membership camping operator's name
47.25 and the address of its principal place of business, the form, date of organization, and
47.26 jurisdiction of its organization; and the name and address of each of its offices in this state;

47.27 ~~(3)~~ (2) a copy of the membership camping operator's articles of incorporation,
47.28 partnership agreement, or joint venture agreement as contemplated or currently in effect;

47.29 ~~(4)~~ (3) the name, address, and principal occupation for the past five years of the
47.30 membership camping operator and of each controlling person of the membership camping
47.31 operator, and the extent and nature of each such person's interest in the membership
47.32 camping operator as of a specified date within 30 days prior to the filing of the application;

48.1 ~~(5)~~ (4) a statement indicating whether or not the membership camping operator, or
48.2 any of the persons identified in clause (4), within the past ten years has been:

48.3 (i) convicted of a felony; or

48.4 (ii) enjoined or received any adverse administrative order relating to the sale of
48.5 securities, land, or campgrounds or based on violations of any consumer protection
48.6 statutes. If any of the above has occurred, the name of the person involved, the jurisdiction,
48.7 offense, and date of the offense shall be listed;

48.8 ~~(6)~~ (5) a legal description of each campground owned or operated in this state by the
48.9 membership camping operator which is represented to be available for use by purchasers,
48.10 and a map or maps showing the location of all campgrounds, wherever located, which
48.11 are owned or operated by the membership camping operator and represented to be
48.12 available for use by purchasers, and a statement identifying the existing amenities at each
48.13 such campground and the planned amenities represented as to be available for use by
48.14 purchasers in the future at each such campground;

48.15 ~~(7)~~ (6) the states or jurisdictions in which an application for registration or similar
48.16 document has been filed by the membership camping operator pursuant to any statute
48.17 similar to this chapter regulating membership camping contracts and any adverse order,
48.18 judgment, or decree entered against the operator in connection with membership camping
48.19 contracts by any regulatory authority in any jurisdiction or by any court;

48.20 ~~(8)~~ (7) a statement of the condition of the title to the campground owned or operated
48.21 in this state by the membership camping operator and represented to be available for use
48.22 by purchasers, including all encumbrances, deed restrictions, and covenants applicable
48.23 thereto with data as to recording, as of a specified date within 30 days prior to the date of
48.24 application, by a title opinion of a licensed attorney or by a title insurance policy, naming
48.25 the operator or lender as beneficiaries and issued by an insurance company authorized to
48.26 do business in this state, or by any evidence of title acceptable to the commissioner;

48.27 ~~(9)~~ (8) copies of the instruments by which the membership camping operator's
48.28 interest in the campgrounds in this state was acquired;

48.29 ~~(10)~~ (9) copies of all recorded or unrecorded instruments, known to the membership
48.30 campground operator, that evidence blanket encumbrances that materially adversely
48.31 affect the campgrounds in this state;

48.32 ~~(11)~~ (10) if there is a blanket encumbrance which materially adversely affects
48.33 the campgrounds located in this state, a legal description of the encumbrance, and a
48.34 description of the steps taken to protect purchasers, in accordance with section 82A.14,
48.35 clause (1), in case of failure to discharge the lien or encumbrance;

49.1 ~~(12)~~ (11) evidence showing compliance with the zoning and other applicable
49.2 environmental or land use laws, ordinances, and rules affecting the use of the campgrounds
49.3 located in this state;

49.4 ~~(13)~~ (12) a statement of the existing and planned provisions for the following with
49.5 respect to campgrounds located in this state:

49.6 (i) purchasers' access to the campgrounds;

49.7 (ii) the availability of sewage disposal facilities and other public utilities, including
49.8 but not limited to water, electricity, gas, and telephone facilities in the campgrounds;

49.9 (iii) the proximity of community fire and police protection;

49.10 (iv) a statement of the amenities which will be represented to purchasers as
49.11 guaranteed to be constructed or installed, whether the operator will be responsible
49.12 for their cost, installation, and maintenance, and an estimated cost of and schedule for
49.13 completion of the same; provided that the estimated completion dates need not be more
49.14 precise than the year in which completion is estimated to occur, and may be extended for
49.15 the period of any delays caused by or deferred due to the occurrence of events such as
49.16 acts of God, strikes, and other causes outside the reasonable control of the membership
49.17 camping operator; and assurance that such amenities will be completed by filing a bond or
49.18 irrevocable letter of credit, depositing funds in an escrow account, or such other provision
49.19 as the commissioner may by order allow. The amount of the bond or escrow account shall
49.20 be reduced monthly in proportion to the amount paid for completion of the amenities
49.21 during such period. The bond, letter of credit, or escrow account shall be issued or held by
49.22 a bank or insurance or surety company authorized to do business in this state;

49.23 (v) a statement of the amenities to be represented to purchasers as planned for
49.24 construction and installation, but not guaranteed, whether the operator will be responsible
49.25 for their costs, installation, and maintenance, and an estimated cost of and schedule for
49.26 completion of the same; provided that the estimated completion dates need not be more
49.27 precise than the year in which completion is estimated to occur and may be extended for
49.28 the period of any delays caused by or deferred due to the occurrence of events such as
49.29 acts of God, strikes, and other causes outside the reasonable control of the membership
49.30 camping operator;

49.31 ~~(14)~~ (13) the proposed disclosure statement as required by section 82A.05,
49.32 subdivision 1, and the proposed separate disclosure, if applicable, as required by section
49.33 82A.05, subdivision 6;

49.34 ~~(15)~~ (14) a financial statement of the membership camping operator as of the end of
49.35 the membership camping operator's most recent fiscal year, prepared by an independent
49.36 public accountant and certified by the camping operator; and, if the fiscal year end of

50.1 the membership camping operator is in excess of 180 days prior to the date of filing
50.2 the application, a financial statement, which may be unaudited, as of a date within 180
50.3 days of the date of application;

50.4 ~~(16)~~ (15) a statement of the applicable material permits, other than building permits,
50.5 not yet obtained but required to be obtained from various federal, state, and local agencies
50.6 to operate the campground in this state, stating which have been applied for. If any
50.7 permit has been refused, the reasons for the refusal and the effect the refusal will have on
50.8 subsequent development of the campgrounds must be disclosed;

50.9 ~~(17)~~ (16) a copy of each type of membership camping contract to be sold in this
50.10 state, the purchase price of each type and, if the price varies, the reason for the variance;

50.11 ~~(18)~~ (17) the number of membership camping contracts proposed to be sold at
50.12 each campground located in this state and a statement describing the method used to
50.13 determine the number;

50.14 ~~(19)~~ (18) rules of general applicability governing use and occupancy of the
50.15 campgrounds; but not including any rules adopted in response to unique local or
50.16 immediate needs;

50.17 ~~(20)~~ (19) copies of applications for and contracts with any reciprocal program entity
50.18 in which the membership camping operator is to participate and represents as available for
50.19 use by purchasers;

50.20 ~~(21)~~ (20) information concerning purchase or lease costs, rules, forms, and any fees,
50.21 other than the initial membership fee and annual dues, which are required for purchaser
50.22 usage of in-park trailers, recreational vehicles, tents, or other overnight accommodations,
50.23 provided by or through the membership camping operator, for purchasers as an alternative
50.24 to using the purchaser's own mobile accommodations; and

50.25 ~~(22)~~ (21) any additional information the commissioner reasonably deems appropriate
50.26 to administer the provisions of this chapter.

50.27 Sec. 32. Minnesota Statutes 2012, section 82A.05, subdivision 6, is amended to read:

50.28 Subd. 6. **Separate disclosure.** If the membership camping operator or that person's
50.29 salespeople represents to a prospective purchaser that the operator plans to construct or
50.30 install any amenities in the future, but the operator has not guaranteed to do so ~~and has~~
50.31 ~~not provided assurances that the amenities will be installed pursuant to section 82A.04,~~
50.32 ~~subdivision 2, clause (13)(iv),~~ the operator shall furnish a separate disclosure to the
50.33 prospective purchaser. The separate disclosure shall be in 10-point bold type and shall
50.34 state: NOTICE: PURCHASE THIS MEMBERSHIP CAMPING CONTRACT ONLY
50.35 ON THE BASIS OF EXISTING AMENITIES. CONSTRUCTION OF PLANNED

51.1 AMENITIES IS NOT GUARANTEED. CONSTRUCTION MAY BE DEFERRED,
51.2 REVISED, OR CANCELED FOR A VARIETY OF REASONS. THE PLANNED
51.3 AMENITIES FOR THIS CAMPGROUND ARE (Insert list of amenities, including
51.4 estimated year of completion of each). IF THE SALESPERSON DESCRIBES A
51.5 SIGNIFICANT AMENITY WHICH IS NOT ON THIS LIST, TELEPHONE COLLECT
51.6 OR TOLL FREE TO (Insert headquarters telephone number) TO VERIFY THE
51.7 OPERATOR'S PLAN FOR SUCH A FACILITY.

51.8 The separate disclosure shall be delivered to each person to whom an offer is made
51.9 before or concurrently with:

- 51.10 (1) the first written offer other than offer by means of an advertisement; or
51.11 (2) any payment pursuant to a sale, whichever is first.

51.12 The seller shall obtain a receipt, signed by the person, acknowledging that the person
51.13 has received a copy of the separate disclosure required herein prior to the execution by the
51.14 purchaser of any membership camping contract. All receipts shall be kept in files which
51.15 are in the possession of the membership camping operator or broker subject to inspection
51.16 by the commissioner for a period of three years from the date of the receipt.

51.17 Sec. 33. Minnesota Statutes 2013 Supplement, section 82A.06, subdivision 2, is
51.18 amended to read:

51.19 Subd. 2. **Partial transactional exemptions.** The following transactions are exempt
51.20 from the provisions of sections 82A.03; ~~82A.04~~; 82A.05; 82A.07; ~~82A.08~~; 82A.11,
51.21 ~~subdivisions 2 and~~ subdivision 4; and 82A.14: any sale which is made to a person who is
51.22 not then physically present in this state, and any offer which invites an offeree to attend a
51.23 sales presentation in another state if:

51.24 (1) the offeror has given at least ten days prior written notice to the commissioner
51.25 of its intention to offer or sell membership camping contracts to residents of this state
51.26 pursuant to this exemption and paid a fee of \$50;

51.27 (2) the offeror has demonstrated that the sales presentation will be made, and the
51.28 sale will be consummated, in a state which specifically regulates the offer and sale of
51.29 membership camping contracts;

51.30 (3) the offeror has demonstrated that it will deliver a disclosure statement to offerees
51.31 who are residents of this state which contains substantially the same or greater disclosure
51.32 as is required by section 82A.05; and

51.33 (4) the offeror has filed a consent to service of process pursuant to section 82A.22.

51.34 Sec. 34. Minnesota Statutes 2012, section 82A.08, subdivision 1, is amended to read:

52.1 Subdivision 1. **Requirement.** During the period a registration is effective, the
 52.2 membership camping operator shall file an annual report in a format the commissioner
 52.3 may reasonably prescribe. Every annual report shall be due by the 120th day following
 52.4 the end of the operator's fiscal year, unless extended in writing by the commissioner
 52.5 for good cause. The annual report shall:

52.6 (1) specify the aggregate number of membership camping contracts sold in this state
 52.7 pursuant to the registration or any amendment thereof;

52.8 (2) specify the number of membership camping contracts and aggregate dollar
 52.9 amount of all sales of membership camping contracts in this state by the membership
 52.10 camping operator since the date the registration became effective, or since the last annual
 52.11 report was filed with the commissioner, whatever date is later;

52.12 (3) specify any exemption from registration claimed for any sale described in
 52.13 clause (2);

52.14 ~~(4) list any changes in the information required to be filed under section 82A.04,~~
 52.15 ~~subdivision 2, clause (4);~~

52.16 ~~(5)~~ (4) include an audited or unaudited financial statement consisting of a balance
 52.17 sheet for the membership camping operator's last fiscal year end and an income statement
 52.18 for the 12 months next preceding the date of the balance sheet, both prepared by an
 52.19 independent certified public accountant; and

52.20 ~~(6)~~ (5) provide such other information as the commissioner may by rule or order
 52.21 reasonably require to administer the provisions of this chapter, including but not limited
 52.22 to, audited financial statements.

52.23 Sec. 35. Minnesota Statutes 2012, section 82A.09, subdivision 2, is amended to read:

52.24 Subd. 2. **Restrictions.** No person shall publish or cause to be published in this state
 52.25 any advertisement concerning any membership camping contract which is required to be
 52.26 registered pursuant to this chapter, ~~or which is exempt from registration under section~~
 52.27 ~~82A.06, subdivision 2,~~ after the commissioner has found that the advertisement contains
 52.28 any statement that is false or misleading, or omits to make any statement necessary in
 52.29 order to make the statements made, in light of the circumstances under which they were
 52.30 made, not misleading, and has so notified the person by written order. The order may be
 52.31 issued without prior notice or hearing. Up to 30 days after the issuance of the order, the
 52.32 person desiring to use the advertisement may in writing request a hearing on the order.
 52.33 Upon receipt of a written request, the matter shall be set for hearing to commence within
 52.34 15 days after the receipt unless the person making the request consents to a later date.

53.1 After the hearing, which shall be conducted in accordance with the provisions of chapter
53.2 14, the commissioner shall, by written order, either affirm, modify, or vacate the order.

53.3 Sec. 36. Minnesota Statutes 2012, section 82A.11, subdivision 2, is amended to read:

53.4 Subd. 2. **Generally.** Any membership camping contract ~~not exempt under section~~
53.5 ~~82A.06, and~~ entered into after January 1, 1986, is voidable at the discretion of the
53.6 purchaser, for a period of three years from the date of the sale, if the contract was not
53.7 registered under this chapter at the time of the sale, unless subsequently thereto the contract
53.8 is registered under this chapter and in connection therewith, the purchaser has received
53.9 a written offer to repurchase the contract for cash payable on closing of the repurchase,
53.10 together with interest thereon from the date of the purchase at the legal rate or at the rate
53.11 charged by the membership camping operator or lender to the purchaser, whichever is
53.12 higher, and the purchaser has failed to accept the offer in writing within 30 days of its
53.13 receipt. No offer of repurchase shall be effective unless a duplicate copy thereof has been
53.14 filed with the commissioner at least 20 days prior to its delivery to the offeree and the
53.15 commissioner has not objected to the offer within that time. The offer to repurchase shall
53.16 be in the form and contain the information the commissioner by rule or order prescribes.
53.17 If the purchaser no longer owns the membership camping contract, the purchaser shall be
53.18 entitled to maintain an action at law, and the damages shall be the consideration paid for the
53.19 membership camping contract, together with interest thereon as specified above from the
53.20 date of acquisition to the date of disposition, plus costs and reasonable attorney's fees, less
53.21 the value received by the purchaser upon disposition of the membership camping contract.

53.22 Sec. 37. Minnesota Statutes 2012, section 82B.195, subdivision 1, is amended to read:

53.23 Subdivision 1. **Compliance with uniform standards of professional appraisal**
53.24 **practice.** In addition to an act compelled or prohibited by this chapter, an appraiser
53.25 must act according to the standards of professional appraisal practice ~~defined in section~~
53.26 ~~82B.021, subdivision 26.~~

53.27 Sec. 38. Minnesota Statutes 2012, section 82B.195, subdivision 2, is amended to read:

53.28 Subd. 2. **Disclosure requirements.** In addition to the requirements of the standards
53.29 of professional appraisal practice ~~as defined by section 82B.021, subdivision 31,~~ an
53.30 appraiser must, prior to performing any appraisal service which requires licensing
53.31 pursuant to this chapter, disclose in writing to the person contracting for the appraisal
53.32 service the information identified in clause (4). In addition, an appraiser must prepare a
53.33 written disclosure providing the information identified in clauses (1) to (13). The written

54.1 disclosure must be included as part of the final written appraisal report. As specified in
54.2 this subdivision, an appraiser must:

54.3 (1) disclose who has employed the appraiser;

54.4 (2) disclose who the appraisal is rendered for, if not the person who employed
54.5 the appraiser;

54.6 (3) disclose the purpose of the appraisal, including an explanation of the difference
54.7 between the appraisal being given and an appraisal of fee simple market valuation;

54.8 (4) disclose any conflict of interest or situation which might reasonably be perceived
54.9 to be a conflict of interest which must include, but not be limited to, the following situations:

54.10 (i) whether the appraiser has any ownership interest in the subject property or
54.11 contiguous properties;

54.12 (ii) whether there is an ownership interest by a spouse, parent, or child of the
54.13 appraiser in the property or contiguous properties; and

54.14 (iii) whether the appraiser has a continuing business relationship with one of the
54.15 parties, for example, any part-time or full-time employment of the appraiser, spouse,
54.16 children living at home, or dependent children.

54.17 Failure to promptly give notification of a conflict must be considered a violation of
54.18 the standards of professional appraisal practice;

54.19 (5) disclose that the appraisal is a reevaluation and identify the areas of difference
54.20 between the two appraisals and the justification for the changes;

54.21 (6) disclose any facts concerning the valuation needed for loan purposes or similar
54.22 information that was provided to the appraiser before or during the appraisal;

54.23 (7) disclose that the appraiser has not performed appraisals of the type requested or
54.24 for the type of property to be appraised as a regular part of the appraiser's business in the
54.25 preceding five-year period, provided that if the appraiser asserts qualification by training
54.26 or related experience to perform the appraisal, the appraiser must set forth the training or
54.27 experience and how it is applicable to the appraisal;

54.28 (8) disclose the license classification of the appraiser and the types of appraisals that
54.29 the appraiser is authorized to conduct under the licensure;

54.30 (9) disclose any lack of experience or training that would affect the ability of the
54.31 appraiser to perform the appraisal or could cause rejection of the appraisal by the party
54.32 requiring the appraisal;

54.33 (10) disclose any appraisal on the same property made by the appraiser in the last
54.34 three years;

(11) disclose all pertinent assumptions upon which a valuation based upon income from the property is derived such as expected occupancy rates, rental rates, construction of future improvements, roads, or highways;

(12) prior to performing the appraisal, disclose whether the appraiser has previously been to the property; and

(13) disclose any other fact or circumstance that could bring the reliability of the appraisal or the impartiality of the appraiser into question.

Sec. 39. Minnesota Statutes 2012, section 115C.113, is amended to read:

115C.113 ORDERS.

The commissioner of commerce may issue an order requiring a registrant or applicant for registration to show cause why the registration should not be revoked or suspended, the registrant censured, the application denied, or other sanction imposed under section ~~115C.111~~ or 115C.112. The order must be calculated to give reasonable notice of the time and place for hearing on the matter, and must state the reasons for the entry of the order. The commissioner of commerce may by order summarily suspend a registration pending final determination of an order to show cause. A hearing on the merits must be held within 30 days of the issuance of the order of summary suspension. All hearings must be conducted under chapter 14. After the hearing, the commissioner of commerce shall enter an order disposing of the matter as the facts require. If the registrant or applicant for registration fails to appear at a hearing after having been duly notified of it, the person shall be considered in default, and the proceeding may be determined against the registrant or applicant for registration upon consideration of the order to show cause, the allegations of which may be considered to be true.

Sec. 40. Minnesota Statutes 2012, section 115C.13, is amended to read:

115C.13 REPEALER.

Sections ~~115C.01~~, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05, 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11, ~~115C.111~~, 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, 2017.

Sec. 41. Minnesota Statutes 2012, section 239.011, subdivision 2, is amended to read:

Subd. 2. **Duties and powers.** To carry out the responsibilities in section 239.01 and subdivision 1, the director:

(1) shall take charge of, keep, and maintain in good order the standard of weights and measures of the state and keep a seal so formed as to impress, when appropriate, the letters "MINN" and the date of sealing upon the weights and measures that are sealed;

(2) has general supervision of the weights, measures, and weighing and measuring devices offered for sale, sold, or in use in the state;

(3) shall maintain traceability of the state standards to the national standards of the National Institute of Standards and Technology;

(4) shall enforce this chapter;

(5) shall grant variances from department rules, within the limits set by rule, when appropriate to maintain good commercial practices or when enforcement of the rules would cause undue hardship;

(6) shall conduct investigations to ensure compliance with this chapter;

(7) may delegate to division personnel the responsibilities, duties, and powers contained in this section;

(8) shall test annually, and approve when found to be correct, the standards of weights and measures used by the division, by a town, statutory or home rule charter city, or county within the state, or by a person using standards to repair, adjust, or calibrate commercial weights and measures;

(9) shall inspect and test weights and measures kept, offered, or exposed for sale;

(10) shall inspect and test, to ascertain if they are correct, weights and measures commercially used to:

(i) determine the weight, measure, or count of commodities or things sold, offered, or exposed for sale, on the basis of weight, measure, or count; and

(ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;

(11) shall approve for use and mark weights and measures that are found to be correct;

(12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:

(i) are not corrected within the time specified by the director;

(ii) are used or disposed of in a manner not specifically authorized by the director; or

(iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ

recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

(14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;

(15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;

(16) shall inspect and test petroleum products in accordance with this chapter and chapter 296A;

(17) shall distribute and post notices for used motor oil and used motor oil filters and lead acid battery recycling in accordance with sections ~~239.54~~, 325E.11, and 325E.115;

(18) shall collect inspection fees in accordance with sections 239.10 and 239.101; and

(19) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:

(i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 17025;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by an internationally accepted accrediting body such as the National Voluntary Laboratory Accreditation Program (NVLAP); and

(iii) providing calibration and consultation services to metrology laboratories in government and private industry in the United States.

Sec. 42. Minnesota Statutes 2012, section 239.46, is amended to read:

239.46 FINES CREDITED TO SCHOOL FUNDS.

All fines collected under ~~the provisions of sections 239.28 to section 239.38~~ shall be paid to the county treasurer for the benefit of the school fund of the county where the action is brought.

Sec. 43. Minnesota Statutes 2013 Supplement, section 270.41, subdivision 5, is amended to read:

Subd. 5. **Prohibited activity.** A licensed assessor or other person employed by an assessment jurisdiction or contracting with an assessment jurisdiction for the purpose of valuing or classifying property for property tax purposes is prohibited from making

appraisals or analyses, accepting an appraisal assignment, or preparing an appraisal report as defined in section 82B.021, subdivisions 2, 4, 6, and 7, on any property within the assessment jurisdiction where the individual is employed or performing the duties of the assessor under contract. Violation of this prohibition shall result in immediate revocation of the individual's license to assess property for property tax purposes. This prohibition must not be construed to prohibit an individual from carrying out any duties required for the proper assessment of property for property tax purposes or performing duties enumerated in section 273.061, subdivision 7 or 8. If a formal resolution has been adopted by the governing body of a governmental unit, which specifies the purposes for which such work will be done, this prohibition does not apply to appraisal activities undertaken on behalf of and at the request of the governmental unit that has employed or contracted with the individual. The resolution may only allow appraisal activities which are related to condemnations, right-of-way acquisitions, land exchanges, or special assessments.

Sec. 44. Minnesota Statutes 2012, section 325E.11, is amended to read:

325E.11 COLLECTION FACILITIES; NOTICE.

(a) Any person selling at retail or offering motor oil or motor oil filters for retail sale in this state shall:

(1) post a notice indicating the nearest location where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse, post a toll-free telephone number that may be called by the public to determine a convenient location, or post a listing of locations where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse; or

(2) if the person is subject to section 325E.112, subdivision 1, paragraph (b), post a notice informing customers purchasing motor oil or motor oil filters of the location of the used motor oil and used motor oil filter collection site established by the retailer in accordance with section 325E.112, subdivision 1, paragraph (b), where used motor oil and used motor oil filters may be returned at no cost.

(b) A notice under paragraph (a) shall be posted on or adjacent to the motor oil and motor oil filter displays, be at least 8-1/2 inches by 11 inches in size, contain the universal recycling symbol with the following language:

(1) "It is illegal to put used oil and used motor oil filters in the garbage.";

(2) "Recycle your used oil and used motor oil filters."; and

(3)(i) "There is a free collection site here for your used oil and used motor oil filters.";

(ii) "There is a free collection site for used oil and used motor oil filters located at (name of business and street address).";

59.1 (iii) "For the location of a free collection site for used oil and used motor oil filters
59.2 call (toll-free phone number)."; or

59.3 (iv) "Here is a list of free collection sites for used oil and used motor oil filters."

59.4 (c) ~~The Division of Weights and Measures in the Department of Commerce shall~~
59.5 ~~enforce compliance with this section as provided in section 239.54.~~ The Pollution Control
59.6 Agency shall enforce compliance with this section under sections 115.071 and 116.072 in
59.7 coordination with the Division of Weights and Measures.

59.8 Sec. 45. Minnesota Statutes 2012, section 325E.115, subdivision 2, is amended to read:

59.9 Subd. 2. **Compliance; management.** ~~The Division of Weights and Measures in~~
59.10 ~~the Department of Commerce shall enforce compliance of subdivision 1 as provided in~~
59.11 ~~section 239.54.~~ The commissioner of the Pollution Control Agency shall inform persons
59.12 governed by subdivision 1 of requirements for managing lead acid batteries.

59.13 Sec. 46. Minnesota Statutes 2012, section 332.31, subdivision 1, is amended to read:

59.14 Subdivision 1. **Terms.** The terms in this section for the purposes of sections 332.31
59.15 to ~~332.45~~ 332.44 shall have the meanings given them.

59.16 Sec. 47. Minnesota Statutes 2012, section 332.311, is amended to read:

59.17 **332.311 TRANSFER OF ADMINISTRATIVE FUNCTIONS.**

59.18 The powers, duties, and responsibilities of the consumer services section under
59.19 sections 332.31 to ~~332.45~~ 332.44 relating to collection agencies are hereby transferred to
59.20 and imposed upon the commissioner of commerce.

59.21 Sec. 48. Minnesota Statutes 2012, section 332.33, subdivision 1, is amended to read:

59.22 Subdivision 1. **Requirement.** Except as otherwise provided in this chapter, no
59.23 person shall conduct within this state a collection agency or engage within this state
59.24 in the business of collecting claims for others as defined in sections 332.31 to ~~332.45~~
59.25 332.44, without having first applied for and obtained a collection agency license. A person
59.26 acting under the authority of a collection agency, as a collector, must first register with the
59.27 commissioner under this section. A registered collector may use one additional assumed
59.28 name only if the assumed name is registered with and approved by the commissioner.

59.29 Sec. 49. Minnesota Statutes 2012, section 332.33, subdivision 2, is amended to read:

59.30 Subd. 2. **Penalty.** A person who carries on business as a collection agency without
59.31 first having obtained a license or acts as a collector without first having registered with

60.1 the commissioner pursuant to sections 332.31 to ~~332.45~~ 332.44, or who carries on this
60.2 business after the revocation, suspension, or expiration of a license or registration is
60.3 guilty of a misdemeanor.

60.4 Sec. 50. Minnesota Statutes 2012, section 332.33, subdivision 3, is amended to read:

60.5 Subd. 3. **Term.** Licenses issued or renewed and registrations received by the
60.6 commissioner of commerce under sections 332.31 to ~~332.45~~ 332.44 shall expire on June
60.7 30. Each collection agency license shall plainly state the name and business address of
60.8 the licensee, and shall be posted in a conspicuous place in the office where the business
60.9 is transacted. The fee for each collection agency license is \$500, and renewal is \$400.
60.10 The fee for each collector registration and renewal is \$10. A collection agency licensee
60.11 who desires to carry on business in more than one place shall procure a license for each
60.12 place where the business is to be conducted.

60.13 Sec. 51. Minnesota Statutes 2012, section 332.33, subdivision 5, is amended to read:

60.14 Subd. 5. **Collection agency license issuance.** Every application for a collection
60.15 agency license or renewal shall be acted upon promptly by the commissioner but in no
60.16 event more than 45 days after receipt of the application. Each applicant may be issued a
60.17 temporary license after submitting a complete application which meets all requirements
60.18 for licensure. This license shall be effective until a permanent license is issued by the
60.19 commissioner. If the application complies in form and substance with sections 332.31 to
60.20 ~~332.45~~ 332.44 and the rules adopted under those sections and the commissioner finds that
60.21 the applicant is qualified under sections 332.31 to ~~332.45~~ 332.44, the commissioner shall
60.22 issue a license immediately. If the application is not sufficient in form or substance, the
60.23 commissioner shall reject it and notify the applicant of the manner in which it is deficient.
60.24 The rejection is without prejudice to the filing of a new application. On finding that the
60.25 applicant is not qualified under sections 332.31 to ~~332.45~~ 332.44, the commissioner shall
60.26 reject the application and shall give the applicant written notice of the rejection and the
60.27 reasons for the rejection.

60.28 Sec. 52. Minnesota Statutes 2012, section 332.33, subdivision 5a, is amended to read:

60.29 Subd. 5a. **Individual collector registration.** A licensed collection agency, on behalf
60.30 of an individual collector, must register with the state all individuals in the collection
60.31 agency's employ who are performing the duties of a collector as defined in sections
60.32 332.31 to ~~332.45~~ 332.44. The collection agency must apply for an individual collection
60.33 registration on a form provided by the commissioner, or electronically when available.

61.1 The collection agency shall verify on the form that the applicant has confirmed that the
61.2 applicant meets the requirements to perform the duties of a collector as defined in sections
61.3 332.31 to ~~332.45~~ 332.44. Upon submission of the form to the department, the individual
61.4 may begin to perform the duties of a collector and may continue to do so unless the licensed
61.5 collection agency is informed by the commissioner that the individual is ineligible.

61.6 Sec. 53. Minnesota Statutes 2012, section 332.38, is amended to read:

61.7 **332.38 APPLICATION IN CASE OF PRETENDED PURCHASE,**
61.8 **ASSIGNMENT OR USE OF A FICTITIOUS NAME.**

61.9 The provisions of sections 332.31 to ~~332.45~~ 332.44 shall apply to any person
61.10 who, by any device, subterfuge or pretense, makes a pretended purchase or takes a
61.11 pretended assignment of accounts from another for the purpose of evading provisions of
61.12 sections 332.31 to ~~332.45~~ 332.44, or, uses a fictitious name or any name other than the
61.13 person's own name which would indicate to the debtor that a third person is collecting or
61.14 attempting to collect such account or claim.

61.15 Sec. 54. Minnesota Statutes 2012, section 332.39, is amended to read:

61.16 **332.39 INJUNCTIONS.**

61.17 The attorney general or the county attorney of any county may apply for an
61.18 injunction in district court to enjoin any violations of sections 332.31 to ~~332.45~~ 332.44, or
61.19 any practices prohibited in section 332.37, and any such court may issue temporary or
61.20 permanent injunctions as the circumstances shall require. Such injunctive proceedings
61.21 shall be in addition to and not in lieu of penalties and remedies otherwise provided in
61.22 sections 332.31 to ~~332.45~~ 332.44.

61.23 Sec. 55. Minnesota Statutes 2012, section 332.40, subdivision 1, is amended to read:

61.24 Subdivision 1. **Examination of licensee's or registered individual collector's**
61.25 **records.** The commissioner of commerce may make examinations of the collection
61.26 records of a licensee or registered individual collector at a reasonable time and in a scope
61.27 as is necessary to enforce the provisions of sections 332.31 to ~~332.45~~ 332.44, and for that
61.28 purpose the commissioner shall have free access to the books and records of a licensee
61.29 or registered individual collector relating thereto. If a licensee or registered individual
61.30 collector violates any provision of sections 332.31 to ~~332.45~~ 332.44, or any administrative
61.31 rules issued pursuant to sections 332.31 to ~~332.45~~ 332.44, fails to maintain its financial
61.32 condition sufficient to qualify for licensure or registration on an original application, or,
61.33 fails to maintain its registration or comply with all of the requirements of chapter 303,

62.1 the commissioner may, after notice and hearing in accordance with the provisions of the
62.2 laws of this state governing proceedings before administrative agencies, revoke a license
62.3 or registration, or suspend a license or registration for a period as the commissioner
62.4 deems proper.

62.5 Sec. 56. Minnesota Statutes 2012, section 332.40, subdivision 2, is amended to read:

62.6 Subd. 2. **Other examinations.** The commissioner may investigate within or
62.7 without this state as the commissioner deems necessary to determine whether any person
62.8 has violated any provision of the Fair Debt Collection Practices Act of 1977, Public
62.9 Law 95-109 or of sections 332.31 to ~~332.45~~ 332.44, or any rule or order thereunder; to
62.10 determine whether a license or registration should be issued, renewed, or revoked; to aid
62.11 in the enforcement of sections 332.31 to ~~332.45~~ 332.44; or in prescribing rules and forms
62.12 thereunder. The commissioner may publish information concerning any violation of
62.13 sections 332.31 to ~~332.45~~ 332.44 or any rule or order thereunder.

62.14 Sec. 57. Minnesota Statutes 2012, section 332.40, subdivision 3, is amended to read:

62.15 Subd. 3. **Commissioner's powers.** For the purpose of any investigation or
62.16 proceeding under sections 332.31 to ~~332.45~~ 332.44, the commissioner or any person
62.17 designated by the commissioner may administer oaths and affirmations, subpoena
62.18 collection agencies or collectors and compel their attendance, take evidence and require
62.19 the production of any books, papers, correspondence, memoranda, agreements or other
62.20 documents or records which the commissioner deems relevant or material to the inquiry.
62.21 The subpoena shall contain a written statement setting forth the circumstances which have
62.22 reasonably caused the commissioner to believe that a violation of sections 332.31 to
62.23 ~~332.45~~ 332.44 may have occurred.

62.24 In the event that the collection agency or collector refuses to obey the subpoena, or
62.25 should the commissioner, upon completion of the examination of the collection agency
62.26 or collector, reasonably conclude that a violation has occurred, the commissioner may
62.27 examine additional witnesses, including third parties, as may be necessary to complete the
62.28 investigation.

62.29 Any subpoena issued pursuant to this section shall be served by certified mail or by
62.30 personal service. Service shall be made at least 15 days prior to the date of appearance.

62.31 Sec. 58. Minnesota Statutes 2012, section 332.42, subdivision 1, is amended to read:

62.32 Subdivision 1. **Verified financial statement.** The commissioner of commerce may
62.33 at any time require a collection agency licensee to submit a verified financial statement for

63.1 examination by the commissioner to determine whether the collection agency licensee
63.2 is financially responsible to carry on a collection agency business within the intents and
63.3 purposes of sections 332.31 to ~~332.45~~ 332.44.

63.4 Sec. 59. Minnesota Statutes 2012, section 332.42, subdivision 2, is amended to read:

63.5 Subd. 2. **Record keeping.** The commissioner shall require the collection agency
63.6 licensee to keep such books and records in the licensee's place of business in this state as
63.7 will enable the commissioner to determine whether there has been compliance with the
63.8 provisions of sections 332.31 to ~~332.45~~ 332.44, unless the agency is a foreign corporation
63.9 duly authorized, admitted, and licensed to do business in this state and complies with all
63.10 the requirements of chapter 303 and with all other requirements of sections 332.31 to
63.11 ~~332.45~~ 332.44. Every collection agency licensee shall preserve the records of final entry
63.12 used in such business for a period of five years after final remittance is made on any
63.13 amount placed with the licensee for collection or after any account has been returned to
63.14 the claimant on which one or more payments have been made.

63.15 Sec. 60. Minnesota Statutes 2012, section 332.44, is amended to read:

63.16 **332.44 RULEMAKING POWER.**

63.17 The commissioner of commerce shall make and file in accordance with the
63.18 provisions of chapter 14, all reasonable rules as shall be necessary for the administration
63.19 of sections 332.31 to ~~332.45~~ 332.44.

63.20 Sec. 61. Minnesota Statutes 2012, section 386.015, subdivision 5, is amended to read:

63.21 Subd. 5. **Public and private fees.** The county recorder shall charge and collect all
63.22 fees as prescribed by law and all such fees collected as county recorder shall be paid to the
63.23 county in the manner and at the time prescribed by the county board, but not less often
63.24 than once each month. This subdivision shall apply to the fees collected by the county
63.25 recorder in performing the duties of the registrar of titles and all such fees shall be paid to
63.26 the county as herein provided. A county recorder may retain as personal compensation
63.27 any fees the recorder is permitted to charge by law for services rendered in a private
63.28 capacity as a registered abstractor ~~as defined in section 386.61, subdivision 2, clause (2).~~

63.29 Sec. 62. Minnesota Statutes 2012, section 386.62, is amended to read:

63.30 **386.62 LICENSE REQUIRED.**

63.31 No official, person, firm, association, or corporation shall engage in the business
63.32 of making abstracts of title and issuing certificates showing ownership of, or interest in,

64.1 or liens upon any lands in the state of Minnesota, whether registered or not, without first
64.2 obtaining a license pursuant to the provisions of sections ~~386.61~~ 386.62 to 386.76.

64.3 Sec. 63. Minnesota Statutes 2012, section 386.65, subdivision 1, is amended to read:

64.4 Subdivision 1. **Procedure; conditions.** Applications for a license shall be made
64.5 to the commissioner and shall be upon a form to be prepared by the commissioner
64.6 and contain such information as may be required by it. Each applicant must pass an
64.7 examination approved for use by the commissioner. The examination must be of sufficient
64.8 scope to establish the applicant as capable of performing the duties of an abstracter whose
64.9 work will be for the use and protection of the public. If application is made by a firm or
64.10 corporation, one of the members or managing officials thereof shall take such examination.
64.11 If the applicant successfully passes the examination and complies with all the provisions of
64.12 sections ~~386.61~~ 386.62 to 386.76, the commissioner shall issue a license to the applicant.

64.13 Sec. 64. Minnesota Statutes 2012, section 386.705, is amended to read:

64.14 **386.705 ADMINISTRATIVE ACTIONS AND PENALTIES.**

64.15 An abstracter licensed under sections ~~386.61~~ 386.62 to 386.76 is subject to the
64.16 penalties imposed pursuant to section 45.027. The commissioner has all the powers
64.17 provided in section 45.027 and shall proceed in the manner provided by that section in
64.18 actions against abstracters.

64.19 Sec. 65. Minnesota Statutes 2012, section 386.706, is amended to read:

64.20 **386.706 RULES.**

64.21 The commissioner may adopt rules necessary for the administration of sections
64.22 ~~386.61~~ 386.62 to 386.76.

64.23 Sec. 66. Minnesota Statutes 2012, section 386.73, is amended to read:

64.24 **386.73 COUNTY RECORDERS, MAY EMPLOY LICENSED**
64.25 **ABSTRACTERS.**

64.26 Nothing herein shall prohibit any county recorder who does not hold a certificate
64.27 of authority pursuant to the provisions hereof from employing a licensed abstracter and
64.28 issuing abstracts pursuant to sections ~~386.61~~ 386.62 to 386.76.

64.29 Sec. 67. Minnesota Statutes 2012, section 386.74, is amended to read:

64.30 **386.74 RIGHTS OF COUNTY RECORDERS NOT ABRIDGED.**

65.1 Sections ~~386.61~~ 386.62 to 386.76 shall not apply to nor abridge the rights of county
65.2 recorders, as set forth in section 386.37.

65.3 Sec. 68. Minnesota Statutes 2012, section 386.76, is amended to read:

65.4 **386.76 VIOLATION A MISDEMEANOR.**

65.5 Any person who violates any of the provisions of sections ~~386.61~~ 386.62 to 386.76
65.6 shall be guilty of a misdemeanor.

65.7 Sec. 69. **REPEALER.**

65.8 Minnesota Statutes 2012, sections 13.713, subdivision 4; and 72A.53, are repealed.

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13.713 BANKING DATA CODED ELSEWHERE.

Subd. 4. **Currency exchanges; reports.** Financial information in annual reports submitted to the commissioner of commerce by currency exchanges is classified in section 53A.081, subdivision 4.

45.0111 TEMPORARY LICENSES.

Subdivision 1. **Authority.** The commissioner may grant a temporary license to an applicant who can demonstrate successful completion of all requirements for a permanent license. The temporary license will remain in effect until the earliest of:

- (1) receipt by the applicant of the permanent license;
- (2) the expiration of 45 days from the date on which the temporary license was granted; or
- (3) denial by the commissioner of the permanent license.

Subd. 2. **Nonapplication.** A temporary license as described in this section may not be issued to an applicant for licensure as a:

- (1) currency exchange regulated under chapter 53A;
- (2) collection agency regulated under sections 332.31 to 332.45;
- (3) credit service organization regulated under sections 332.52 to 332.60; or
- (4) broker-dealer, investment advisor, or agent regulated under chapter 80A.

45.25 DEFINITIONS.

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

45.42 WAIVERS AND EXTENSIONS.

Subdivision 1. **Waivers.** When a licensee documents to the commissioner's satisfaction that the person is unable, and will continue to be unable, to attend actual classroom course work or complete a self-study program because of a physical disability, medical condition, or similar reason, attendance at continuing education courses may be waived for a period not to exceed one year. The commissioner may require that the individual read, listen to, or watch a sufficient number of materials related to that industry as would be necessary for the licensee to satisfy educational credit hour needs. The commissioner will award the licensee credit hours by determining how many credit hours would be granted to a classroom course involving the same material.

46.045 MANDATORY INSURANCE OF ACCOUNTS.

Subd. 2. **Application for insurance; uninsured banks.** Notwithstanding subdivision 1, a bank which does not have insurance of its deposits or a commitment for insurance of its deposits by the Federal Deposit Insurance Corporation, an agency of this state, or a federal agency established for the purpose of insuring deposits in banks or collateral security deposited under section 48.74 on March 19, 1982, must apply for insurance of deposits not later than July 1, 1983. A bank subject to this subdivision which has been denied a commitment for insurance of its deposits shall either dissolve, merge, or consolidate with another bank which is insured or apply in writing within 30 days of denial to the commissioner of commerce for additional time to obtain an insurance commitment. The commissioner shall grant additional time to obtain the insurance commitment upon satisfactory evidence that the bank has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment. Additional time shall not extend later than July 1, 1984.

46.046 DEFINITIONS.

Subd. 3. **Department.** "Department" means the Department of Commerce of the state of Minnesota.

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

46.047 DEFINITIONS.

Subdivision 1. **Words, terms, and phrases.** For the purposes of this section and section 46.048, the terms defined in this section have the meanings given them, unless the language or context clearly indicates that a different meaning is intended.

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Subd. 2. **Banking institution.** The term "banking institution" means a bank, trust company, bank and trust company, savings bank, or industrial loan and thrift operating under section 53.04, subdivision 5, that is organized under the laws of this state, or a holding company which owns or otherwise controls the banking institution.

46.23 UNSAFE PRACTICES; DEFINITIONS.

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

47.61 ELECTRONIC FUNDS TRANSFER FACILITIES; DEFINITIONS.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

48.34 BRANCH BANKS PROHIBITED.

No bank or trust company organized under the laws of this state shall maintain a branch bank or receive deposits or pay checks within this state, except at its own banking house, and except as authorized by sections 47.51 to 47.57, 47.61 to 47.74, and 49.411. The commissioner shall take possession of and liquidate the business and affairs of any state bank or trust company violating the provisions of this section, in the manner prescribed by law for the liquidation of insolvent state banks and trust companies.

48.92 DEFINITIONS.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce of the state of Minnesota.

Subd. 5. **Department.** "Department" means the Department of Commerce of the state of Minnesota.

53.07 RESERVE.

Subdivision 1. **Liquidity requirement.** An industrial loan and thrift company shall maintain reserves in the form of liquid assets at a level reasonably necessary to meet anticipated withdrawals, commitments, and loan demand. Reserves shall be in cash, cash items in process of collection, short term obligations of or demand balances with other insured financial institutions in the United States and its territories, or short term, direct obligations of or guaranteed by the United States government. Obligations must mature within one year to be considered short term. The commissioner may prescribe the required amount of reserves in relation to liabilities for an individual industrial loan and thrift company from time to time based upon examination findings or other reports relating to the industrial loan and thrift company that are available to the commissioner. Reserves for an individual industrial loan and thrift company as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

Subd. 2. **Temporary reserve minimum.** Until an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, it shall establish a minimum reserve against the certificates of indebtedness, savings accounts, and savings deposits described in section 53.04, subdivision 5, of not less than ten percent of the amount of indebtedness thus created. Three percent of this indebtedness shall be in cash in the actual possession of the industrial loan company or on demand deposit in approved banks of this state, and seven percent of the total indebtedness may be in bonds admissible for investment by savings banks under the laws of this state.

53A.081 ANNUAL REPORT AND INVESTIGATIONS.

Subdivision 1. **Annual report.** On or before April 30, a licensee shall file an annual report with the commissioner for the previous calendar year. The report must contain information that the commissioner may reasonably require concerning, and for the purpose of examining, the business and operations of each licensed currency exchange.

Subd. 2. **Investigation.** The commissioner may at any time investigate the currency exchange business of any licensee and of every person, partnership, association, and corporation engaged in the business of operating a currency exchange in the manner provided under section 45.027.

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Subd. 3. **Fees and expenses.** The licensee shall pay the costs of an examination or investigation in the manner provided under section 60A.03, subdivision 5.

Subd. 4. **Classification of data.** Financial information on individuals and businesses that is submitted to the commissioner in the annual report under subdivision 1 are private data on individuals or nonpublic data.

56.001 DEFINITIONS.

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

Subd. 5. **Interest.** "Interest" means all charges payable directly or indirectly by a borrower which are imposed directly or indirectly by the licensee as an incident to the loan, however denominated, including interest, discount, loan fee, or credit or investigation fee, but shall not include permissible default or deferment charges, lawful fees for any security taken, insurance charges or premiums, court costs, or other charges specifically authorized by law.

Subd. 6. **Interest-bearing loan.** "Interest-bearing loan" means a loan in which the debt is expressed as the principal amount and interest is computed, charged, and collected on unpaid principal balances outstanding from time to time, for the time outstanding.

60A.02 DEFINITIONS.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce of the state of Minnesota and, in the commissioner's absence or disability, a deputy or other person duly designated to act in the commissioner's place.

60A.078 SHORT TITLE.

Sections 60A.078 to 60A.0789 may be cited as the "Insurable Interest Act."

60A.18 SALE BY VENDING MACHINES; SCOPE AND REQUIREMENTS.

Subdivision 1. **General requirement.** No insurance shall be offered for sale, issued or sold by or from any vending machine or appliance or any other medium, device or object designed or used for vending purposes, herein called a device, except as provided in this section.

Subd. 2. **Conditions.** Resident insurance agents and solicitors licensed under this section to solicit for and to sell policies of personal travel accident insurance providing benefits for accidental bodily injury or accidental death may also solicit applications for and issue or sell such insurance by means of devices supervised by them and placed in locations for convenience of the traveling public, upon the following conditions only:

(1) that each policy to be sold by or from a device is reasonably suited for sale and issuance through a device, and that use of such device therefor in a particular proposed location would be of material convenience to the traveling public;

(2) that the type of device proposed to be used is reasonably suitable and practical for the purpose;

(3) that reasonable means, as determined by the commissioner, are provided for informing the prospective purchaser of any such policy of the benefits, limitations and exclusions of the policy, the premium rates therefor, the name and address of the agent and the name and home office address of the insuring company;

(4) that such device shall be so constructed and operated that it shall retain, or shall be provided with a suitable place for deposit and safe keeping of, a copy of the application, which shall show the date of the application, name and address of the applicant and the beneficiary, and the amount of insurance;

(5) that no policy of insurance sold by or from a device shall be for a period of time longer than the duration of a specified one-way trip or round trip of not to exceed 180 days;

(6) that such device shall have provided on it or immediately adjacent thereto, in a prominent location, adequate envelopes for use of purchasers in mailing policies vended through such device, or that the policy itself, if designed to permit such procedure, may be mailed without an envelope; provided, however, the commissioner may in writing delivered to the agent modify or waive these requirements;

(7) that each such device shall be supervised, inspected and tested by the agent with such frequency as may reasonably be necessary or as may reasonably be required by the commissioner, and should any device not be in good working condition the agent shall promptly cause a notice to be displayed thereon that the same is out of order, and cause said device to be promptly removed from service until it is in proper working order;

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(8) that prompt refund by the agent is provided to each applicant or prospective applicant of money deposited in any defective device and for which no insurance, or a less amount than paid for, is actually received;

(9) in addition to, and without limiting the general powers of the commissioner to regulate and supervise insurance business in this state, the commissioner may establish such other and additional rules for types and locations of devices authorized hereunder, their maintenance and operation and the methods to be used by the agent in the solicitation and sale of insurance by means of such devices as shall be reasonable and necessary.

Subd. 3. License, application, contents. The application for a license for each device to be used shall be made by the agent in such form and with such information as shall be prescribed by the commissioner. A fee of \$20 for each device shall be paid at the time of making application. Upon approval of the application, the commissioner shall issue to the agent a special vending machine license. The license shall apply to a specific device or to any device of identical type which, after written notice by the agent to the commissioner, is substituted for it. The license shall specify the name and address of the agent, the name and home office address of the insuring company, the name or other identifying information of the policy or policies to be sold, the serial number or other identification of the device and the address, including the location on the premises, where the device is to be in operation; provided, however, that a device for which a license has been issued for operation at a specific address may be transferred to a different address during the license year upon written notice to the commissioner at the time of such transfer. The license for each device shall expire on May 31st of each year, but may be renewed from year to year by the commissioner upon approval of the application by the agent and the furnishing of such information as shall be requested by the commissioner, and the payment of \$20 for each license year or part thereof for each device. Proof of the existence of a subsisting license shall be displayed on or about each such device in use in such manner as the commissioner may reasonably require.

Subd. 4. Suspension or revocation of license. The license for each device shall be subject to expiration, suspension or revocation coincidentally with that of the agent or the insuring company. The commissioner also may suspend or revoke the license as to any device concerning which the commissioner finds any conditions upon which the device was licensed as referred to in subdivision 2 have been violated, or no longer exist, or that the device is being used or operated by the agent in violation of the laws of this state; provided, that before suspending or revoking a license for a device, the commissioner shall conduct a hearing in the manner prescribed in chapter 72A, and shall make a determination upon the basis of the standards, conditions and requirements of this section.

61A.05 LIFE POLICIES TO CONTAIN ENTIRE CONTRACT.

Every policy of insurance issued or delivered within this state on or after the first day of January, 1908, by any life insurance corporation doing business within the state, shall contain the entire contract between the parties.

Every policy which contains a reference to the application, either as a part of the policy or as having any bearing thereon, shall have a copy of such application attached thereto or set out therein.

61A.09 GROUP LIFE INSURANCE.

Subd. 4. Limits of group life insurance. Group life insurance offered to a resident of this state under a group life insurance policy issued to a group other than one described in section 60A.02, subdivision 28, shall be subject to the following requirements:

(1) no such group life insurance policy shall be delivered in this state unless the commissioner finds that:

(i) the issuance of the group policy is not contrary to the best interest of the public;

(ii) the issuance of the group policy would result in economies of acquisition or administration; and

(iii) the benefits are reasonable in relation to the premiums charged;

(2) no such group life insurance coverage may be offered in this state by an insurer under a policy issued in another state unless this state or another state having requirements substantially similar to those contained in clause (1) has made a determination that the requirements have been met;

(3) the premium for the policy must be paid either from the policyholder's funds or from funds contributed by the covered persons, or from both; and

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(4) an insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

61A.11 MISSTATEMENT, WHEN NOT TO INVALIDATE POLICY.

In any claim upon a policy issued in this state without previous medical examination, or without the knowledge or consent of the insured, or, in case of a minor, without the consent of a parent, guardian, or other person having legal custody, the statements made in the application as to the age, physical condition, and family history of the insured shall be valid and binding upon the company, unless willfully false or intentionally misleading.

61A.16 CONTRACT PROVISIONS.

Any contract on a variable basis providing benefits payable in variable amounts delivered or issued for delivery in this state shall contain a statement of the essential features of the procedures to be followed by the insurance company in determining the dollar amount of such variable benefits. Any such contract, including a group contract and any certificate in evidence of variable benefits issued thereunder, shall state the manner in which such dollar amounts will vary and shall contain on its first page a statement to the effect that the benefits thereunder are on a variable basis.

61A.17 FILING OF CONTRACTS.

No contract on a variable basis shall be issued in this state until a copy of the form thereof (and, in the case of a group contract, the form of any certificate evidencing variable benefits issued pursuant thereto) and any form of application for such contract shall have been filed with the commissioner. No life insurance contract on a variable basis shall be filed for issuance in Minnesota or issued in Minnesota before the commissioner has promulgated rules under section 61A.20 regarding life insurance contracts on a variable basis.

61A.18 DISAPPROVAL OF CONTRACTS.

The commissioner shall have the power at any time to disapprove any contract form, application, or certificate (1) if it does not comply with the provisions of sections 61A.13 to 61A.21; or (2) if it contains provisions which are unjust, unfair, inequitable, ambiguous, or misleading. After the commissioner shall have notified a company of disapproval, it shall be unlawful for that company to issue or use the contract, application or certificate in the form so disapproved.

62A.319 REPORTING OF MULTIPLE POLICIES.

Subdivision 1. **Annual report.** On or before March 1 of each year, an issuer shall report the following information for every individual resident of this state for which the issuer has in force more than one Medicare supplement policy or certificate:

- (1) the policy and certificate number; and
- (2) the date of issuance.

Subd. 2. **NAIC report forms.** The items in subdivision 1 must be grouped by individual policyholder and be on the National Association of Insurance Commissioners Reporting Medicare Supplement Policies form.

62B.07 REGULATION OF RATES AND FORMS.

Subd. 8. **Annual report.** Each insurer that sold insurance regulated under this chapter in this state or to a Minnesota resident during the preceding calendar year shall file, as a supplement to its annual statement, a report covering that calendar year. The report must include the following data for coverage regulated by this chapter and sold in this state or to a Minnesota resident, all shown separately for each rate for each policy form or certificate form used for credit insurance regulated under this chapter:

- (1) claims incurred;
- (2) premiums earned;
- (3) expenses other than claims;
- (4) the data described in clauses (1), (2), and (3), shown separately for policies sold at each premium rate used by the insurer;

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(5) a statement as to whether the insurer applies or has applied underwriting criteria to coverage sold under this chapter, a description of any such criteria and the specific policies or certificates to which the criteria are applied;

(6) information as to the compensation paid in regard to the sale of credit insurance regulated under this chapter as follows:

(i) the name and address of each person or company to whom compensation was paid;

(ii) the total compensation paid to each person or company; and

(iii) the total premiums written by each person or company for which the compensation in clause (2) was paid; and

(7) any other information requested by the commissioner.

For purposes of this section, "compensation" includes pecuniary or nonpecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, dividends, experience refunds, retrospective commissions, finder's fees, and increased or decreased prices for other transactions with the insurer.

72A.53 VENDING MACHINE SALES.

Sections 72A.51 and 72A.52 shall not apply to insurance sold pursuant to section 60A.18.

72B.02 DEFINITIONS.

Subd. 8. **Public adjuster solicitor.** "Public adjuster solicitor" means any person who for money, commission or any other thing of value solicits in any manner or aids in securing for a public adjuster any contract or agreement for the adjustment of a loss.

80C.30 BURGLAR ALARM FRANCHISES.

A manufacturer of a burglar alarm product having been sold to a distributor in this state for at least five years may establish itself as a franchisor as provided in this section. Such franchisor may require a distributor to begin paying an annual franchise fee and/or a sign up fee for operations within this state provided the manufacturer gives an existing nonfranchised distributor ten years' notice of intent to establish a franchisor/franchisee relationship and grants an automatic extension of the existing distributor contractual arrangement during the notice period. The manufacturer may not establish any business in this state in competition with the distributor during the notice period. A manufacturer terminating an existing burglar alarm distributor contract in this state must wait ten years before opening a distributorship in this state.

81A.01 SHORT TITLE.

Sections 81A.01 to 81A.21 may be cited as the Uniform Athlete Agents Act.

81A.02 DEFINITIONS.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

81A.08 TEMPORARY REGISTRATION.

The commissioner may issue a temporary certificate of registration while an application for registration or renewal of registration is pending.

81A.18 UNIFORMITY OF APPLICATION AND CONSTRUCTION.

In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

82.60 EDUCATION; COURSE CURRICULUM.

Subd. 2. **Course I.** (a) Introduction to Real Estate, one hour:

- (1) overview of course I:
 - (i) course goals;
 - (ii) attendance breaks;
 - (iii) examination policy; and
 - (iv) course and instructor evaluation;

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- (2) scope of industry;
- (3) areas of specialization;
- (4) industry terminology;
- (5) professional standards and ethics; and
- (6) broker/salesperson relationship.
- (b) Title Closing, six hours:
 - (1) examination of title:
 - (i) history;
 - (ii) examination of abstract;
 - (iii) title insurance:
 - (A) owners;
 - (B) purchasers; and
 - (C) mortgage; and
 - (iv) title registration (torrens);
 - (2) closing:
 - (i) closing checklist;
 - (ii) methods of closing;
 - (A) closing through escrow; and
 - (B) other;
 - (iii) delivery of deed;
 - (iv) responsibilities of buyer and seller;
 - (A) taxes and liens;
 - (B) reduction certificate (assumption statement);
 - (C) insurance;
 - (D) leases;
 - (E) bill of sale;
 - (F) title search;
 - (G) survey;
 - (H) certificate of occupancy;
 - (I) violations (ordinances); and
 - (J) apportionments;
 - (v) adjournment of closing (settlement);
 - (vi) Real Estate Settlement Procedures Act (RESPA):
 - (A) lender requirements;
 - (B) truth in lending (Regulation Z); and
 - (C) settlement (closing);
 - (vii) responsibilities of broker;
 - (viii) deeds:
 - (A) parts of a deed:
 - 1. parties;
 - 2. consideration;
 - 3. words of conveyance;
 - 4. property description;
 - 5. appurtenances;
 - 6. habendum (estate);
 - 7. execution and acknowledgment; and
 - 8. seal;
 - (B) delivery;
 - (C) recording;
 - (D) types of deeds:
 - 1. quitclaim;
 - 2. warranty deed and covenants;
 - 3. special warranty deed; and
 - 4. other;
 - (E) covenants running with the land; and
 - (F) validity;
 - (3) search and examination of title:
 - (i) object of search:
 - (A) chain of title; and
 - (B) recording acts;
 - (ii) grantor-grantee system of indexing;
 - (A) running the chain of title;

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- (B) grantors;
- (C) mortgages;
- (D) lis pendens;
- (E) judgments;
- (F) liens;
- (G) taxes;
- (H) court with probate jurisdiction; and
- (I) special assessments; and
- (iii) lot and block indexing.
- (c) Real Estate Law, eight hours:
 - (1) real estate license law:
 - (i) purpose of law and rules;
 - (ii) administration of law:
 - (A) Department of Commerce; and
 - (B) penalties for violation; and
 - (iii) substantive provisions of law:
 - (A) trust accounts;
 - (B) prohibition of fraudulent, deceptive, or dishonest practices;
 - (C) standards of conduct;
 - (D) Real Estate Research and Recovery Fund; and
 - (E) licensing and education requirements;
 - (2) laws relating to agency;
 - (3) subdivided land act:
 - (i) scope of law;
 - (ii) registration provisions; and
 - (iii) licensing requirements;
 - (4) Securities Act-potential applicability to real estate; and
 - (5) appraiser licensing law.
 - (d) Basic Law of Contracts, three hours:
 - (1) definition;
 - (2) essentials;
 - (3) breach-remedies;
 - (4) types of real estate contracts:
 - (i) purchase agreement-parties to;
 - (ii) listing agreement-parties to;
 - (iii) contract for deed;
 - (iv) options; and
 - (v) lease; and
 - (5) cancellation.
 - (e) Principles of Financing, five hours:
 - (1) types:
 - (i) FHA;
 - (ii) VA;
 - (iii) Conventional/insured conventional;
 - (iv) ARM;
 - (v) other; and
 - (vi) points;
 - (2) sources of mortgage funds:
 - (i) lenders;
 - (ii) secondary mortgage market; and
 - (iii) owner financing; and
 - (3) usury.
 - (f) Types and Classifications of Property, four hours:
 - (1) residential construction, government regulation;
 - (2) land development and use:
 - (i) city planning; and
 - (ii) zoning; and
 - (3) condominiums, cooperatives, planned unit developments, common interest communities, manufactured housing:
 - (i) definitions;
 - (ii) financing;
 - (iii) licenses required to sell;

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- (iv) homeowner's associations; and
- (v) bylaws.
- (g) Environmental Issues, three hours.

Subd. 3. **Course II.** (a) Valuation, three hours:

- (1) evaluation vs. appraisal;
- (2) methods of valuation:
 - (i) market approach;
 - (ii) cost approach; and
 - (iii) income approach; and
- (3) tax value.
- (b) Financing Applications, seven hours:
 - (1) review of course I financing;
 - (2) mortgages:
 - (i) legal elements;
 - (ii) theories:
 - (A) lien; and
 - (B) title;
 - (iii) mortgage note; and
 - (iv) assumption; and
 - (3) foreclosure/default.
- (c) Contracts, 16 hours:
 - (1) review of course I contracts;
 - (2) purchase agreement, essential elements;
 - (3) listing agreement:
 - (i) employment contract - broker; and
 - (ii) essential elements; and
 - (4) contract for deed, essential elements.
- (d) Fair Housing, three hours:
 - (1) Federal fair housing laws; and
 - (2) state fair housing laws.
- (e) Real Estate Specialties, one hour.

Subd. 4. **Course III.** Course III must be a 30-hour course consisting of one of the courses in paragraphs (a) to (j).

- (a) Real Estate Appraisal:
 - (1) nature, importance, and purposes of appraisals;
 - (2) nature, importance, and characteristics of property and value;
 - (3) principles controlling real estate value;
 - (4) the appraisal process;
 - (5) economic and neighborhood analysis;
 - (6) considerations and fundamentals of site evaluation;
 - (7) construction methods and materials;
 - (8) architectural styles and utility;
 - (9) cost approach; estimating costs and accrued depreciation;
 - (10) analysis;
 - (11) market data approach;
 - (12) income approach; income and expense analysis, capitalization theory and techniques;
 - (13) reconciliation and final value estimate;
 - (14) writing the report;
 - (15) USPAP; and
 - (16) course examination.
- (b) Closing Procedures:
 - (1) overview of closing; persons present, protocol, timeliness;
 - (2) review of purchase agreement, supplements, addendum;
 - (3) compilation of data needed to prepare a closing file;
 - (4) legal documents;
 - (5) abstracts, title procedures;
 - (6) review of settlement costs; buyer, seller;
 - (7) closing statement; prorations and other math;
 - (8) review of sample cases;
 - (9) follow-up procedures; and
 - (10) course examination.
- (c) Farm and Ranch Brokerage:

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- (1) responsibilities of broker to seller and buyer;
- (2) selling options;
- (3) sources of financing;
- (4) factors in selecting a farm or ranch;
- (5) advantages and disadvantages of irrigation systems;
- (6) determination of farm and ranch value;
- (7) consideration in the constructing of purchase agreements; and
- (8) course examination.
- (d) Real Estate Finance:
 - (1) introduction to the mortgage market;
 - (2) sources of mortgage money;
 - (3) real estate investment trusts and syndication;
 - (4) mortgage banking;
 - (5) financing residential properties;
 - (6) financing income producing properties;
 - (7) construction and land development loans;
 - (8) special techniques used in financing real estate;
 - (9) junior mortgages;
 - (10) land contracts;
 - (11) financing long-term leases; and
 - (12) course examination.
- (e) Real Estate Investment:
 - (1) real estate investments;
 - (2) discounted cash flow analysis;
 - (3) measuring investment returns;
 - (4) estimation of real estate cash flows;
 - (5) real estate financing;
 - (6) the tax process;
 - (7) acquisitions and operations;
 - (8) dispositions and exchanges;
 - (9) after-tax investment analysis;
 - (10) speculative land investment;
 - (11) multiple exchanges; and
 - (12) course examination.
- (f) Real Estate Law:
 - (1) the process of real estate law;
 - (2) real estate brokerage;
 - (3) contract for the sale of real estate;
 - (4) property conveyance;
 - (5) title insurance and closing;
 - (6) property ownership and taxes;
 - (7) estates in land and landlord/tenant relationships;
 - (8) cooperatives, condominiums, and planned unit developments;
 - (9) real estate lending and land use regulations; and
 - (10) course examination.
- (g) Real Estate Management:
 - (1) overview and economics of real estate management;
 - (2) government involvement;
 - (3) the management plan;
 - (4) owner relations and record keeping;
 - (5) marketing and leasing;
 - (6) property operations:
 - (i) tenant administration;
 - (ii) physical plant maintenance; and
 - (iii) staffing and employee relations;
 - (7) residential management:
 - (i) rental housing; and
 - (ii) condominiums and cooperatives;
 - (8) commercial management:
 - (i) office building and special purpose properties; and
 - (ii) shopping centers and retail properties;
 - (9) the management office;

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- (10) creative property management; and
- (11) course examination.
- (h) Business Brokerage:
 - (1) business financial statements;
 - (2) financial statement ratio analysis;
 - (3) cash flow, rate of return, and break-even analysis;
 - (4) competitive market analysis;
 - (5) valuation of the business;
 - (6) developing the business plan;
 - (7) qualifying the buyer;
 - (8) terms of the purchase agreement;
 - (9) financing the business opportunity;
 - (10) evaluation of business risk; and
 - (11) course examination.
- (i) Commercial Real Estate:
 - (1) types of commercial properties;
 - (2) introduction to commercial real estate sales;
 - (3) office leasing;
 - (4) industrial leasing;
 - (5) retail leasing;
 - (6) business opportunity sales; and
 - (7) course examination.
- (j) Residential Architecture and Construction:
 - (1) architectural styles and designs;
 - (2) blueprints and plans;
 - (3) construction basics;
 - (4) exteriors;
 - (5) interiors;
 - (6) mechanical systems; and
 - (7) course examination.

A combination course must consist of no more than three of the preceding ten subjects and must devote at least ten hours to each subject. An education provider that proposes to offer a combination course III must submit to the commissioner, as part of the application for approval, an outline setting forth the subjects to be addressed and the number of hours proposed to be devoted to each topic.

82.63 LICENSING; OTHER REQUIREMENTS.

Subd. 7. **Automatic transfer of salesperson's license.** A salesperson may utilize the automatic license transfer provisions of subdivision 6, clause (b), if the salesperson commences association with the broker to whom the salesperson is transferring, as evidenced by the dates of the signatures of both brokers on the form prescribed by the commissioner, within five days after terminating the salesperson's association with the broker from whom the salesperson is transferring, provided the salesperson's educational requirements are not past due.

A salesperson may not utilize the automatic license transfer provisions of subdivision 6, clause (b), if the sales person has failed to notify the commissioner within ten days of any change of information contained in the salesperson's license application on file with the commissioner or of a civil judgment, disciplinary action, or criminal offense, which notice is required pursuant to section 82.65, subdivision 1.

Subd. 8. **Procedure.** An application for automatic transfer shall be made only on the form prescribed by the commissioner. The transfer is ineffective if the form is not completed in its entirety.

The form shall be accompanied by a \$20 transfer fee, and the license renewal fee, if applicable. Cash will not be accepted.

The signature of the broker from whom the salesperson is transferring must predate the signature of the broker to whom the salesperson is transferring. The salesperson is unlicensed for the period of time between the times and dates of both signatures. The broker from whom the salesperson is transferring shall sign and date the transfer application upon the request of the salesperson and shall destroy the salesperson's license immediately.

Subd. 9. **Effective date of license.** (a) The transfer is effective when the broker to whom the salesperson is transferring signs and dates the transfer application form, provided the commissioner receives the form and fee within 72 hours after the date and time of the new

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broker's signature, either by certified mail, or personal delivery to the commissioner's office. The commissioner may accept an application for license transfer made by an electronic agent or an electronic record with an electronic signature if the commissioner has the capability of accepting the application electronically. In the event of a delay in mail delivery, an application postmarked within 24 hours of the date of the signature of the new broker shall be deemed timely received. The properly executed automatic transfer form serves as a temporary real estate license for no more than 45 days.

(b) The transfer is ineffective if the fee is paid by means of a check, draft, or other negotiable or nonnegotiable instrument or order of withdrawal drawn on an account with insufficient funds.

(c) The salesperson shall retain the certified mail return receipt, if the transfer application is delivered to the commissioner by mail, retain a photocopy of the executed transfer application, and provide a photocopy of the executed transfer application to the broker from whom the salesperson is transferring.

(d) The real estate salesperson automatic transfer must be in the form prescribed by the commissioner.

Subd. 10. **Automatic transfer of broker's license.** When a broker terminates activity in order to begin association with another broker, the commissioner shall permit the automatic transfer of the broker's license to a salesperson's license. If there are licensed salespeople working for the broker, the broker shall certify that a broker will remain in the company that the broker is leaving prior to issuance of the transfer. The transfer shall be effective either upon the mailing of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office.

82A.04 APPLICATION FOR REGISTRATION.

Subdivision 1. **Filing fee.** A filing fee of \$500 shall accompany the application for registration of membership camping contracts.

Subd. 2. **Application contents.** The application for registration shall include:

(1) an irrevocable appointment of the commissioner to receive service of any lawful process as required by section 82A.22, subdivision 1;

(2) the name of the campground, the membership camping operator's name and the address of its principal place of business, the form, date of organization, and jurisdiction of its organization; and the name and address of each of its offices in this state;

(3) a copy of the membership camping operator's articles of incorporation, partnership agreement, or joint venture agreement as contemplated or currently in effect;

(4) the name, address, and principal occupation for the past five years of the membership camping operator and of each controlling person of the membership camping operator, and the extent and nature of each such person's interest in the membership camping operator as of a specified date within 30 days prior to the filing of the application;

(5) a statement indicating whether or not the membership camping operator, or any of the persons identified in clause (4), within the past ten years has been:

(i) convicted of a felony; or

(ii) enjoined or received any adverse administrative order relating to the sale of securities, land, or campgrounds or based on violations of any consumer protection statutes. If any of the above has occurred, the name of the person involved, the jurisdiction, offense, and date of the offense shall be listed;

(6) a legal description of each campground owned or operated in this state by the membership camping operator which is represented to be available for use by purchasers, and a map or maps showing the location of all campgrounds, wherever located, which are owned or operated by the membership camping operator and represented to be available for use by purchasers, and a statement identifying the existing amenities at each such campground and the planned amenities represented as to be available for use by purchasers in the future at each such campground;

(7) the states or jurisdictions in which an application for registration or similar document has been filed by the membership camping operator pursuant to any statute similar to this chapter regulating membership camping contracts and any adverse order, judgment, or decree entered against the operator in connection with membership camping contracts by any regulatory authority in any jurisdiction or by any court;

(8) a statement of the condition of the title to the campground owned or operated in this state by the membership camping operator and represented to be available for use by purchasers, including all encumbrances, deed restrictions, and covenants applicable thereto with data as to

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recording, as of a specified date within 30 days prior to the date of application, by a title opinion of a licensed attorney or by a title insurance policy, naming the operator or lender as beneficiaries and issued by an insurance company authorized to do business in this state, or by any evidence of title acceptable to the commissioner;

(9) copies of the instruments by which the membership camping operator's interest in the campgrounds in this state was acquired;

(10) copies of all recorded or unrecorded instruments, known to the membership campground operator, that evidence blanket encumbrances that materially adversely affect the campgrounds in this state;

(11) if there is a blanket encumbrance which materially adversely affects the campgrounds located in this state, a legal description of the encumbrance, and a description of the steps taken to protect purchasers, in accordance with section 82A.14, clause (1), in case of failure to discharge the lien or encumbrance;

(12) evidence showing compliance with the zoning and other applicable environmental or land use laws, ordinances, and rules affecting the use of the campgrounds located in this state;

(13) a statement of the existing and planned provisions for the following with respect to campgrounds located in this state:

(i) purchasers' access to the campgrounds;

(ii) the availability of sewage disposal facilities and other public utilities, including but not limited to water, electricity, gas, and telephone facilities in the campgrounds;

(iii) the proximity of community fire and police protection;

(iv) a statement of the amenities which will be represented to purchasers as guaranteed to be constructed or installed, whether the operator will be responsible for their cost, installation, and maintenance, and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur, and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator; and assurance that such amenities will be completed by filing a bond or irrevocable letter of credit, depositing funds in an escrow account, or such other provision as the commissioner may by order allow. The amount of the bond or escrow account shall be reduced monthly in proportion to the amount paid for completion of the amenities during such period. The bond, letter of credit, or escrow account shall be issued or held by a bank or insurance or surety company authorized to do business in this state;

(v) a statement of the amenities to be represented to purchasers as planned for construction and installation, but not guaranteed, whether the operator will be responsible for their costs, installation, and maintenance, and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator;

(14) the proposed disclosure statement as required by section 82A.05, subdivision 1, and the proposed separate disclosure, if applicable, as required by section 82A.05, subdivision 6;

(15) a financial statement of the membership camping operator as of the end of the membership camping operator's most recent fiscal year, prepared by an independent public accountant and certified by the camping operator; and, if the fiscal year end of the membership camping operator is in excess of 180 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 180 days of the date of application;

(16) a statement of the applicable material permits, other than building permits, not yet obtained but required to be obtained from various federal, state, and local agencies to operate the campground in this state, stating which have been applied for. If any permit has been refused, the reasons for the refusal and the effect the refusal will have on subsequent development of the campgrounds must be disclosed;

(17) a copy of each type of membership camping contract to be sold in this state, the purchase price of each type and, if the price varies, the reason for the variance;

(18) the number of membership camping contracts proposed to be sold at each campground located in this state and a statement describing the method used to determine the number;

(19) rules of general applicability governing use and occupancy of the campgrounds; but not including any rules adopted in response to unique local or immediate needs;

(20) copies of applications for and contracts with any reciprocal program entity in which the membership camping operator is to participate and represents as available for use by purchasers;

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(21) information concerning purchase or lease costs, rules, forms, and any fees, other than the initial membership fee and annual dues, which are required for purchaser usage of in-park trailers, recreational vehicles, tents, or other overnight accommodations, provided by or through the membership camping operator, for purchasers as an alternative to using the purchaser's own mobile accommodations; and

(22) any additional information the commissioner reasonably deems appropriate to administer the provisions of this chapter.

Subd. 3. **Signing of application.** The application shall be signed by the membership camping operator, duly authorized signatory, or any person holding a power of attorney for this purpose from the membership camping operator. If the application is signed pursuant to a power of attorney, a copy of the power of attorney shall be included with the application.

Subd. 4. **Effective date.** The registration is effective on the date the commissioner declares by order.

Subd. 5. **Withdrawal of application.** If no activity occurs with respect to an application for a period of 120 days, the commissioner may by order declare the application withdrawn. No part of the filing fee will be returned by the commissioner if a registration application is withdrawn according to this subdivision.

82A.06 EXEMPTIONS.

Subd. 2. **Partial transactional exemptions.** The following transactions are exempt from the provisions of sections 82A.03; 82A.04; 82A.05; 82A.07; 82A.08; 82A.11, subdivisions 2 and 4; and 82A.14: any sale which is made to a person who is not then physically present in this state, and any offer which invites an offeree to attend a sales presentation in another state if:

(1) the offeror has given at least ten days prior written notice to the commissioner of its intention to offer or sell membership camping contracts to residents of this state pursuant to this exemption and paid a fee of \$50;

(2) the offeror has demonstrated that the sales presentation will be made, and the sale will be consummated, in a state which specifically regulates the offer and sale of membership camping contracts;

(3) the offeror has demonstrated that it will deliver a disclosure statement to offerees who are residents of this state which contains substantially the same or greater disclosure as is required by section 82A.05; and

(4) the offeror has filed a consent to service of process pursuant to section 82A.22.

82A.07 AMENDMENT OF REGISTRATION.

A person with a registration in effect, within 30 days after the person becomes aware of, or should have become aware of, the occurrence of any material change in the information on file with the commissioner, including the disclosure statement, which change could adversely affect purchasers, shall notify the commissioner in writing of the change by an application to amend the registration accompanied by a filing fee of \$25. If the amendment is approved by the commissioner, it shall become effective upon the issuance by the commissioner of an order approving the amendment. The amendment shall automatically become effective upon the expiration of 15 business days following filing with the commissioner unless the commissioner has prior thereto issued an order denying or approving the amendment.

82A.08 ANNUAL REPORT.

Subdivision 1. **Requirement.** During the period a registration is effective, the membership camping operator shall file an annual report in a format the commissioner may reasonably prescribe. Every annual report shall be due by the 120th day following the end of the operator's fiscal year, unless extended in writing by the commissioner for good cause. The annual report shall:

(1) specify the aggregate number of membership camping contracts sold in this state pursuant to the registration or any amendment thereof;

(2) specify the number of membership camping contracts and aggregate dollar amount of all sales of membership camping contracts in this state by the membership camping operator since the date the registration became effective, or since the last annual report was filed with the commissioner, whatever date is later;

(3) specify any exemption from registration claimed for any sale described in clause (2);

(4) list any changes in the information required to be filed under section 82A.04, subdivision 2, clause (4);

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(5) include an audited or unaudited financial statement consisting of a balance sheet for the membership camping operator's last fiscal year end and an income statement for the 12 months next preceding the date of the balance sheet, both prepared by an independent certified public accountant; and

(6) provide such other information as the commissioner may by rule or order reasonably require to administer the provisions of this chapter, including but not limited to, audited financial statements.

Subd. 2. **Fee.** Every annual report filed pursuant to this section shall be accompanied by a fee of \$500.

Subd. 3. **Cancellation.** Failure to file the annual report shall be cause for cancellation of the registration. Cancellation shall occur ten days after mailing of the notice of cancellation to the operator or registrant. If canceled, the registration may be reinstated immediately following the filing of the report and payment of the appropriate fees.

82A.11 SALES CONTRACT; RESCISSION.

Subd. 2. **Generally.** Any membership camping contract not exempt under section 82A.06, and entered into after January 1, 1986, is voidable at the discretion of the purchaser, for a period of three years from the date of the sale, if the contract was not registered under this chapter at the time of the sale, unless subsequently thereto the contract is registered under this chapter and in connection therewith, the purchaser has received a written offer to repurchase the contract for cash payable on closing of the repurchase, together with interest thereon from the date of the purchase at the legal rate or at the rate charged by the membership camping operator or lender to the purchaser, whichever is higher, and the purchaser has failed to accept the offer in writing within 30 days of its receipt. No offer of repurchase shall be effective unless a duplicate copy thereof has been filed with the commissioner at least 20 days prior to its delivery to the offeree and the commissioner has not objected to the offer within that time. The offer to repurchase shall be in the form and contain the information the commissioner by rule or order prescribes. If the purchaser no longer owns the membership camping contract, the purchaser shall be entitled to maintain an action at law, and the damages shall be the consideration paid for the membership camping contract, together with interest thereon as specified above from the date of acquisition to the date of disposition, plus costs and reasonable attorney's fees, less the value received by the purchaser upon disposition of the membership camping contract.

82A.111 ESCROW REQUIREMENT.

Subd. 5. **Notice of trust account status.** The names of the banks and industrial loan and thrift companies and the escrow account numbers used by a broker must be provided to the commissioner at the time of application for the broker's license, and those used by the membership camping operator must be provided to the commissioner at the time of application for registration of the membership camping contract. Every broker or membership camping operator shall immediately report to the commissioner any change of escrow account status including changes in banks and industrial loan and thrift companies, account numbers, or additional accounts in the same or other banks and industrial loan and thrift companies. A broker or membership camping operator shall not close an existing escrow account without giving ten days' written notice to the commissioner.

82A.13 PROHIBITED PRACTICES.

Subd. 3. **Misrepresentations.** No person may represent or cause to be represented to any prospective purchaser of a membership camping contract that the filing of any document under this chapter or the registration or exemption from registration of a membership camping contract constitutes a finding by the commissioner that any document filed under this chapter is true, complete, and not misleading, or that the commissioner has passed in any way upon the merits of any membership camping contract, and no person may represent that a membership camping contract is registered or exempted from registration when in fact, such is not the case.

82A.18 ENFORCEMENT; PENALTIES AND REMEDIES.

Subd. 3. **Penalty for unpaid fees.** Any person who fails to pay the filing fees required by this chapter and continues to sell membership camping contracts, is liable civilly in an action

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brought by the attorney general on behalf of the commissioner for a penalty in an amount equal to treble the unpaid fees.

82A.22 SERVICE OF PROCESS.

Subdivision 1. **Consent to service.** Every membership camping operator or broker, on whose behalf an application for registration or exemption is filed, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and the commissioner's successors in office to be the membership camping operator's or broker's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the membership camping operator or broker or a successor, executor, or administrator which arises under this chapter or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the membership camping operator or the operator's successor, executor, or administrator. Service under this section shall be made in compliance with section 45.028, subdivision 2.

Subd. 3. **Continuances.** When process is served under this section, the court or the commissioner in a proceeding before the commissioner shall order such continuance as may be necessary to afford the defendant or respondent reasonable opportunity to defend.

82A.24 ADMINISTRATION.

Subd. 5. **Register of filing.** The commissioner shall keep a register of all filings which are or have ever been effective under this chapter and all denial, suspension, revocation, and other orders which have been entered under this chapter. The register shall be open for public inspection.

82B.021 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Analysis.** "Analysis" means a study of real estate or real property other than estimating value.

Subd. 3. **Applicant.** "Applicant" means an individual who has applied to the commissioner of commerce pursuant to this chapter for a license as a real estate appraiser.

Subd. 4. **Appraisal assignment.** "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in giving an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of named interests in, or aspects of, identified real estate.

Subd. 5. **Appraisal Foundation or foundation.** "Appraisal Foundation" or "foundation" means the Appraisal Foundation established on November 30, 1987, as a nonprofit corporation under the laws of Illinois.

Subd. 6. **Appraisal or real estate appraisal.** "Appraisal" or "real estate appraisal" means an analysis, opinion, or conclusion relating to the nature, quality, value, or utility of named interests in, or aspects of, identified real estate for purposes of preparing an appraisal report. An appraisal may be classified by subject matter into either a valuation or an analysis.

Subd. 7. **Appraisal report.** "Appraisal report" means an oral or written communication of an appraisal for compensation that is not a contingent fee as defined in section 82B.22 given or signed by a licensed real estate appraiser.

Subd. 8. **Appraisal Standards Board.** "Appraisal Standards Board" means the independent board of the Appraisal Foundation responsible for promulgation of minimum appraisal standards for federally related transactions.

Subd. 9. **Appraiser Qualifications Board.** "Appraiser Qualifications Board" means the independent board of the Appraisal Foundation responsible for promulgation of qualification criteria for licensure of real estate appraisers authorized to conduct appraisals on federally related transactions, and for issuing or endorsing a uniform state real estate appraiser qualification examination.

Subd. 10. **Board.** "Board" means the Real Estate Appraisal Advisory Board established under section 82B.05.

Subd. 11. **Certified general real property appraiser.** "Certified general real property appraiser" means an individual licensed under this chapter to perform appraisals on all types of real property.

Subd. 12. **Certified residential real property appraiser.** "Certified residential real property appraiser" means an individual licensed under this chapter to perform appraisals on one-family to four-family residential units or agricultural property regardless of transaction value or complexity.

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Subd. 13. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 14. **Federal Appraisal Subcommittee.** "Federal Appraisal Subcommittee" means the appraisal subcommittee of the Federal Financial Institutions Examinations Council under United States Code, title 12, section 3301 et seq.

Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial institutions regulatory agency" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, or the National Credit Union Administration.

Subd. 16. **Federally related transaction.** "Federally related transaction" means any real estate related financial transaction that a federal financial institutions regulatory agency or the federal Resolution Trust Corporation engages in, contracts for, or regulates; and that requires the services of a licensed or certified real estate appraiser.

Subd. 17. **Foundation appraisal organization.** "Foundation appraisal organization" means a member private appraisal trade organization of the Appraisal Foundation including, but not limited to, the following: American Institute of Real Estate Appraisers, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, International Right of Way Association, National Association of Independent Fee Appraisers, National Society of Real Estate Appraisers, or Society of Real Estate Appraisers.

Subd. 18. **Licensed real property appraiser.** "Licensed real property appraiser" means an individual licensed under this chapter to perform appraisals on noncomplex one-family to four-family residential units or agricultural property having a transactional value of less than \$1,000,000 and complex one-family to four-family residential units or agricultural property having a transactional value of less than \$250,000.

Subd. 19. **Market analysis; broker price opinion.** "Market analysis" or "broker price opinion" means a price opinion prepared by a licensed real estate salesperson, broker, or real estate appraiser in accordance with section 82.735.

Subd. 20. **Person.** "Person" means a natural person, firm, institution, partnership, corporation, or association.

Subd. 21. **Real estate.** "Real estate" means an identified parcel or tract of land, including improvements, if any.

Subd. 22. **Real estate appraiser or real property appraiser.** "Real estate appraiser" or "real property appraiser" means a person who develops and communicates appraisals on real property and holds a current, valid license issued under this chapter.

Subd. 23. **Real estate related financial transaction.** "Real estate related financial transaction" means any transaction involving the sale, lease, purchase, investment in, or exchange of real property, including interests in property, or the financing thereof; the refinancing of real property or interests in real property; and the use of real property or interests in property as security for a loan or investments, including mortgage-backed securities.

Subd. 24. **Real property.** "Real property" means one or more defined interests, benefits, and rights inherent in the ownership of real estate.

Subd. 25. **Residential real property or residential real estate.** "Residential real property" or "residential real estate" means property occupied by, or intended to be occupied by, one to four families as their residence.

Subd. 26. **Standards of professional practice.** "Standards of professional practice" means the uniform standards of professional appraisal practice of the Appraisers Standards Board of the Appraisal Foundation in effect as of January 1, 1991, or other version of these standards the commissioner may by order designate.

Subd. 27. **Trainee real property appraiser.** "Trainee real property appraiser" means an individual licensed under this chapter to perform appraisals on residential real property or agricultural acreage which does not require a net income capitalization analysis under the uniform standards of professional appraisal practice.

Subd. 28. **Transaction value.** "Transaction value" means:

(1) for loans or other extensions of credit, the amount of the loan or extension of credit;
(2) for sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and

(3) for the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.

Subd. 29. **USPAP.** "USPAP" means the Uniform Standards of Professional Appraisal Practice established by the Appraisal Foundation.

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Subd. 30. **Valuation.** "Valuation" means an estimate of value of real estate or real property.

115C.01 CITATION.

This chapter may be cited as the "Petroleum Tank Release Cleanup Act."

115C.111 CONSULTANT AND CONTRACTOR SANCTIONS; ACTIONS BASED ON CONDUCT OCCURRING BEFORE MARCH 14, 1996.

Subdivision 1. **Application.** This section applies to administrative actions based on conduct that occurred before March 14, 1996.

Subd. 2. **Authority.** The commissioner of commerce may by order censure, suspend, or revoke a registrant and require payment of all costs of proceedings resulting in an action instituted under this subdivision and impose a civil penalty of not more than \$10,000 if the commissioner of commerce finds: (i) that the order is in the public interest; and (ii) that the registrant or, in the case of a registrant that is not a natural person, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the registrant:

(1) has engaged in conduct that departs from or fails to conform to the minimal standards of acceptable and prevailing engineering, hydrogeological, or other technical practices within the reasonable control of the consultant or contractor;

(2) has participated in a kickback scheme prohibited under section 115C.045;

(3) has engaged in conduct likely to deceive or defraud, or demonstrated a willful or careless disregard for public health or the environment;

(4) has committed fraud, embezzlement, theft, forgery, bribery, falsified or destroyed records, made false statements, received stolen property, made false claims, or obstructed justice;

(5) is the subject of an order revoking, suspending, restricting, limiting, or imposing other disciplinary action against the contractor's or consultant's license or certification in another state or jurisdiction; or

(6) if the person is a consultant, has failed to comply with any of the ongoing obligations for registration as a consultant in section 115C.11, subdivision 1.

Subd. 3. **Amount of civil penalty.** The civil penalty that may be imposed under subdivision 2 shall be in an amount that the commissioner of commerce determines will deprive the consultant or contractor of any economic advantage gained by reason of the consultant's or contractor's conduct or to reimburse the board for the cost of the investigation and proceeding.

239.001 CITATION; METRIC IMPLEMENTATION AND STANDARDS ACT.

Sections 239.001 to 239.003 may be cited as the "Metric Implementation and Standards Act."

239.002 PURPOSE AND POLICY.

In recognition of the facts that (1) only about one dozen countries in the world have not yet adopted or begun to implement the metric system of weights and measures; (2) the United States is one, and the only major industrialized nation, of that remaining number; (3) the secretary of commerce of the United States, pursuant to a two-year study under the Metric Study Act of 1968, Public Law 90-472, has recommended that the United States now begin a deliberate change to the metric system; (4) economists and other students of international trade recognize the pressing necessity of such a change if this country is to maintain and improve its rightful place in the world trade community; and (5) as the continued economic growth of this state and its local industry is inextricably linked with the ability of the United States to hold and competitively serve foreign export markets, it is, therefore, declared to be in the best interest of the state of Minnesota and its citizens that this state now begin the gradual but deliberate implementation of the metric system of weights and measures.

239.003 IMPLEMENTATION RULES; COMMISSIONER OF ADMINISTRATION.

(a) The commissioner of administration shall have general supervisory authority over the implementation of the metric system in the state of Minnesota.

(b) The commissioner of administration shall promulgate such rules as may be necessary to plan for the gradual implementation in the commerce of this state the metric system of weights

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and measures. The rules promulgated by the commissioner of administration pursuant to this subdivision shall:

(1) provide for the full conversion of the commerce of this state to the metric system when this system has been fully adopted as national standards by the Congress of the United States; and

(2) insure that all state departments, divisions, agencies, boards, and commissions having any authority and/or responsibility in matters concerning standards of weights and measurement in this state shall forthwith initiate planning for the gradual conversion to and implementation of the metric system of weights and measures in this state.

239.012 SYSTEMS OF WEIGHTS AND MEASURES; RULES.

Subdivision 1. **Recognized systems.** The system of weights and measures in customary use in the United States and the metric system of weights and measures are both recognized. One or both of these systems must be used for commercial purposes in the state.

Subd. 2. **Rules.** The department shall adopt by rule definitions of basic units of weights and measures, tables of weights and measures, and weights and measures equivalents to govern weighing and measuring equipment and transactions in the state.

239.051 DEFINITIONS.

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce.

239.101 INSPECTION FEES.

Subd. 4. **Reviewing weights and measures fees.** The department shall review its schedule of inspection fees at the end of each six months.

239.28 DRY MEASURE.

The standard measure of capacity for commodities sold by dry measure shall be the bushel containing 2150.42 cubic inches. The half bushel, peck, half peck, quarter peck, quart, and pint shall be derived by successively dividing that measure by two.

239.29 LIQUID MEASURE.

The standard measure of capacity for liquids shall be the wine gallon, containing 231 cubic inches; and 31.50 gallons shall constitute a barrel, except for fermented malt liquors which shall be a barrel of 31 gallons, and 63 gallons a hogshead.

239.30 LINEAL MEASURE.

The standard measure of length, from which all other measures of extension, lineal, superficial, or solid, shall be derived, is the yard, of three feet, or 36 inches.

239.31 HUNDREDWEIGHT.

In contracts for the sale of goods or commodities, the term "hundredweight" shall mean 100 pounds avoirdupois.

239.35 STANDARD WEIGHT OF FLOUR.

In all contracts for the sale of flour, the term "barrel" shall mean 196 net pounds avoirdupois.

239.36 FRACTIONAL PARTS.

All contracts for the sale of a fractional part of a bushel, barrel, ton, or cord of any article or commodity on which the legal weight or measurement per bushel, barrel, ton, or cord has been established, shall require and mean a like fractional part of the legal and established weight or measurement per bushel, barrel, ton, or cord.

239.51 STANDARD WEIGHTS OF CERTAIN CONTAINERS.

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Subdivision 1. **Standard weights; exceptions.** (a) It shall be unlawful for any person, partnership, corporation, company, cooperative society, or organization to pack for sale, sell, offer or expose for sale in this state any of the following commodities except in containers of net avoirdupois weights of 3, 5, 10, 25, 50, and 100 pounds, and multiples of 100 pounds: wheat flour, self-rising wheat flour, phosphated wheat flour, bromated flour, enriched flour, enriched self-rising flour, enriched bromated flour, corn flour, corn meals, hominy, and hominy grits.

(b) The provisions of this section shall not apply to:

(1) the retailing of flours, meals, hominy, and hominy grits direct to the consumer from bulk stock;

(2) the sale of flours and meals to commercial bakers or blenders in containers of more than 100 pounds or for export;

(3) flours, meals, hominy, and hominy grits packed in containers the net contents of which are less than three pounds;

(4) the exchange of wheat for flour by mills grinding for toll.

Subd. 2. **Misdemeanor.** Any violation of this section constitutes a misdemeanor.

239.511 CONTAINERS FOR SMALL FRUITS.

Subdivision 1. **Legal size.** It shall be unlawful for any person to sell, offer for sale, or give away, any containers for the distribution of berries or small fruits in less quantities than one bushel, unless the containers are of the capacity of one quart, one pint, or one-half pint, or multiples of a quart standard dry measure, and all sales of raspberries, blackberries, blueberries, currants, gooseberries, strawberries, and similar berries, and all plums, cherries, and similar small fruit, in less quantities than one bushel shall be by dry measure, or in containers as above specified. The possession of containers for berries or small fruit shall be presumptive evidence that they were to be used for distribution. This subdivision shall not require containers as above specified when such berries and small fruits are picked by the consumer on the grower's property.

Subd. 2. **Refilling.** In no case shall such containers be refilled for use in the sale of berries or small fruits of any kind whatsoever.

Subd. 3. **Misdemeanor.** Any person violating the provisions of subdivisions 1 and 2 shall be guilty of a misdemeanor and punished by a penalty of not less than \$10 nor more than \$100 or by imprisonment in the county jail for not less than ten nor more than 90 days.

239.53 USING FALSE WEIGHT OR MEASURE.

Every person who shall injure or defraud another by using, with knowledge that the same is false, a false weight, measure, or other apparatus for determining the quantity of any commodity or article of merchandise, or by knowingly delivering less than the quantity represented; or who shall retain any weight or measure, knowing it to be false, unless it appears beyond a reasonable doubt that it was so retained without intent to use it, or permit it to be used in violation of the foregoing provisions of this section; or who shall knowingly mark or stamp false or short weights or false tare on any cask or package, or knowingly sell or offer for sale any cask or package so marked, shall be guilty of a misdemeanor.

239.54 INSPECTION OF MOTOR OIL AND AUTOMOTIVE BATTERY RETAILERS.

The division shall produce, print, and distribute the notices required by sections 325E.11 and 325E.115 and shall inspect all places where motor oil and motor oil filters are offered for sale by persons subject to section 325E.11 and where lead acid batteries are offered for sale at retail subject to section 325E.115 at least once every two years to determine compliance with those sections. In performing its duties under this section the division may inspect any place, building, or premises governed by sections 325E.11 and 325E.115. Authorized employees of the division may issue warnings and citations to persons who fail to comply with the requirements of those sections.

239.80 VIOLATIONS; PENALTIES.

Subd. 2. **Penalty.** A person who fails to comply with any provision of section 239.10; 239.101, subdivision 3; 239.761; 239.77; 239.79; 239.791, subdivisions 1 to 11; or 239.792, is guilty of a misdemeanor.

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Subd. 3. **Nonoxygenated gasoline penalty.** A person who fails to comply with section 239.791, subdivision 12, paragraph (b), (c), or (d), is guilty of a misdemeanor.

332.45 LIABILITY OF SURETIES.

Sureties for collection agencies who have executed bonds pursuant to Minnesota Statutes 1967, sections 332.01 to 332.03 shall not be liable for any new liabilities incurred by the collection agency after the commissioner of commerce has approved that agency's bond as required by section 332.34.

386.61 DEFINITIONS.

Subdivision 1. **Application.** For the purpose of sections 386.61 to 386.76, unless a different meaning is indicated by the context, the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. **Licensed abstracter.** "Licensed abstracter" means any official, person, firm or corporation obtaining licenses pursuant to the terms of sections 386.61 to 386.76; and includes (1) present duly qualified and acting county recorders not now prohibited by law from making abstracts; (2) any person, firm or corporation engaged in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not.

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

609B.109 INSURANCE POLICY VIOLATIONS; INSURANCE BUSINESS DISQUALIFICATION.

Section 72A.02 disqualifies a company, which has more than one conviction for making, issuing, delivering, or tendering any policy of insurance of any kind in violation of any provision of law, from conducting any insurance business until payment of all fines and for one year thereafter.

2782.0200 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 2782.0100 to 2782.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Applicant.** "Applicant" means a liquor vendor who makes application to the market assistance plan or the liquor liability assigned risk plan for insurance coverage.

Subp. 3. **Assigned risk plan.** "Assigned risk plan" means the methods and procedures established pursuant to Minnesota Statutes, section 340A.409, subdivision 3 to provide liquor liability coverage as required by Minnesota Statutes, section 340A.409, subdivisions 1, 2, and 4 to those liquor vendors unable to obtain coverage through insurance companies.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce.

Subp. 5. **Liquor vendor.** "Liquor vendor" means any person required by Minnesota Statutes, section 340A.409, subdivisions 1, 2, and 4 to demonstrate proof of financial responsibility.

Subp. 6. **Market assistance plan.** "Market assistance plan" means the methods and procedures established pursuant to Minnesota Statutes, section 340A.409, subdivisions 1, 2, and 4.

Subp. 7. **Monoline liquor liability policy.** "Monoline liquor liability policy" means an insurance policy for only one type of coverage. In regard to this chapter, it refers to a policy for only liquor liability insurance without any other type of coverage.

Subp. 8. **Multiline liquor liability policy.** "Multiline liquor liability policy" means an insurance policy which includes more than one type of insurance coverage. In regard to this chapter, it refers to liquor liability insurance offered in conjunction with other types of coverage such as general liability insurance, or fire insurance offered in a single package or policy.

2782.0300 MARKETING ASSISTANCE PROGRAM COMMITTEE.

Subpart 1. **Structure.** A market assistance program committee is created consisting of 12 members appointed by the commissioner of commerce. The commissioner or the commissioner's designated representative shall serve as an ex officio member.

The commissioner shall appoint four members representing casualty insurance companies; two members who are surplus lines agents or brokers; two members who are insurance agents; two members from the liquor industry; and two public members. If at any time after their appointment a member of the committee through change of employment or similar circumstances no longer is representative of the group he or she was appointed to represent, that member will be deemed to be unable to continue to serve as a member of the committee.

Subp. 2. **Terms and vacancies.** In the event of a member's inability to continue to serve, the commissioner shall appoint a replacement. The committee shall elect a chairperson and a vice chairperson from among the members. The term of each member is one year commencing on the first day of June.

2782.0400 MEETINGS.

The committee shall convene upon the call of the commissioner, the chairperson, or the vice chairperson, or at the request of one-third of the committee members. No quorum requirements are necessary.

2782.0500 ELIGIBILITY FOR ASSISTANCE.

A Minnesota liquor vendor or an insurance agent licensed by the Department of Commerce must submit a copy of the completed assigned risk plan application form to the Department of Commerce. The Department of Commerce will immediately advise the committee of the receipt of the application and forward the copy to the committee at an address the committee designates. Submission of the copy of the application to the Department of Commerce is submission to the market assistance program for all purposes under this chapter or applicable statutes.

2782.0600 DISPOSITION OF APPLICATION.

Subpart 1. **Action upon application.** Upon receipt of an application, the committee or such persons as the committee appoints or designates will immediately review the application to determine what assistance the committee can give. The assistance may include:

A. discussion with the applicant liquor vendor's most recent underwriter, if any, to determine if the applicant's coverage can be maintained with the most recent carrier;

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B. discussion with other known available insurance markets to determine if any other carrier will accept the applicant;

C. negotiating extensions of coverage with the most recent carrier or temporary carrier, if possible, to permit additional exploration of insurance markets or accumulation of essential underwriting data; and

D. referring the application to the first five participating insurers (participants) on the list in subpart 2. Subsequent applications will be sent to the next five participants on a rotating basis. If at any time there are less than ten participants on the master list this item will no longer be utilized.

Subp. 2. **List of participating insurers.** A list of participants shall be prepared and updated at least every two years in the following manner:

A. The committee will secure a mailing list from the Department of Commerce of every licensed casualty insurer admitted to do business in Minnesota as an eligible surplus lines licensee.

B. The committee will mail to each admitted casualty insurer and eligible surplus lines licensee an outline of the conditions of participation. The department will assist the committee by including the committee's mailing with any appropriate departmental mailings.

C. A master list of participants willing to take part in the market assistance program will be created from responses to the initial mailing. The master list will be updated at least every two years pursuant to items A and B. Order on the master list shall be determined by random selection.

Subp. 3. **Referral to participants.** Upon receipt of an application, the committee or such persons as the committee appoints or designates may mail or telex copies of the application to the first five participants on the master list.

Subp. 4. **Quotes.** A participant must quote on at least one out of every three applications submitted to it. Each participant will have the right to individually evaluate the risk the applicant poses and develop a price commensurate with that risk.

Subp. 5. **Rereferral.** If no quote is received from the first five participants on the list, the next five participants on the list shall receive the application and the same procedure shall be followed until a quote is obtained or the list is exhausted. All participants may, if the committee feels it appropriate, be given the application at once.

Subp. 6. **Response from participant.** Participants may provide a quote on the same coverage basis they normally provide liquor liability insurance in Minnesota. Participants will return their quotation or refusal to quote for a monoline liquor liability policy or a multiline liquor liability policy to the committee within ten days. The applicant or the applicant's agent, if any, will be notified of quotations. The agent will then complete the placement of the insurance, if the applicant accepts coverage from a participant at the price quoted, without need for an agency appointment from that participant. The insurer is not required to pay the agent any commission, but the agent may negotiate a fee with the applicant prior to initial submission of the copy of the application.

Subp. 7. **Limitation on reapplication.** An applicant provided a quotation in accordance with the above procedure will not be eligible to seek additional quotations from the market assistance plan or to obtain coverage from the liquor liability assigned risk plan if the quotation received would not be a notice of refusal for purposes of determining eligibility for participation in the assigned risk plan.

Subp. 8. **Review by full committee.** If the procedures in subparts 1 to 7 do not produce a quote, the application may be submitted to the committee. The committee, after reviewing the application, shall proceed as follows:

A. attempt to place the applicant with a single carrier;

B. attempt to arrange coverage on a quota-share basis with a number of carriers; and

C. advise the applicant on where it may engage loss control or consulting services that will enhance its marketability or reduce future premium costs.

Subp. 9. **Disqualification after coverage granted.** If an application is filed with the market assistance program less than 15 business days before the expiration date of the applicant's current insurance coverage, the market assistance program may continue to seek coverage for the applicant after coverage is extended by the assigned risk plan. The market assistance program will have 15 business days from the date of filing of the application with the market assistance program to obtain an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant within 15 business days of filing of the application and if the offer of coverage would not otherwise be considered a refusal for purposes of the

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assigned risk plan, the applicant will be deemed to not be qualified to participate in the assigned risk plan and coverage, if any, shall be terminated.

Subp. 10. **Notification of failure to place.** If the market assistance program does not produce a quota, it shall advise the submitting agent or the applicant with a copy to the commissioner at least 24 hours before the time the applicant's current insurance coverage terminates. Notwithstanding this subpart the market assistance program may continue to act pursuant to subpart 9. Notice that the market assistance program is continuing to act pursuant to subpart 9 shall be included in the notice required by this subpart.

2782.0700 PROGRAM PARTICIPATION.

Subpart 1. **Termination.** A participant may terminate its participation in the program at any time by providing written notice 90 days in advance of the termination to the commissioner and to the committee.

Subp. 2. **New participants.** New participants may join the program at any time by submitting a written request to the commissioner and to the committee.

2782.0800 REPORTS.

The committee shall prepare and submit to the commissioner an annual report specifying the number and type of applicant liquor vendors assisted and results of the assistance for each liquor vendor. At the request of the commissioner, periodic reports shall be prepared.

2795.2000 MINORS AS AGENTS AND SOLICITORS.

Subpart 1. **Licenses.** Insurance agents' licenses will not be issued to minors.

Subp. 2. **Solicitors.** In the absence of other objections, minors will be licensed as solicitors upon proper application.

2830.0010 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of these rules, the following terms have the meanings given them.

Subp. 2. **Abstract of title.** "Abstract of title" shall mean a compilation in orderly arrangement of the materials and facts of record affecting the title to a specific piece of land, issued under a certificate certifying to the matters therein contained.

Subp. 3. **Abstract office.** "Abstract office" shall mean a place of business wherein abstracts of title are made and compiled.

Subp. 4. **Commissioner.** "Commissioner" shall mean the commissioner of Commerce.

Subp. 5. **Licensed abstracter.** "Licensed abstracter" means any official, person, firm, or corporation obtaining licenses pursuant to the terms of Minnesota Statutes 1976, sections 386.61 to 386.76, and includes present duly qualified and acting county recorders not now prohibited by law from the business of making abstracts; and any person, firm, or corporation engaged in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not.

2830.0020 BOARD MEETINGS.

Subpart 1. **Annual meeting.** The board shall hold its annual meeting in May of each year.

Subp. 1a. **Examination.** Examinations shall be conducted by the board or its authorized representatives prior to each annual meeting in April of each year and shall be graded at the annual meeting provided for in subpart 1.

Subp. 2. **Emergency meetings.** The board may schedule an emergency meeting and conduct an examination for good cause shown for any applicant upon 30 days written notice to the applicant and board members.

Subp. 3. **Special meetings.** The board may hold special meetings at such other times as may be necessary and as it may determine.

Subp. 4. **Call of meetings.** All meetings shall be called by the executive secretary.

2830.0030 ABTRACTER'S LICENSE AND BOND OR INSURANCE.

No person, firm, or private corporation shall engage in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not, without first obtaining a license and a bond or

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abstracter's liability insurance policy pursuant to Minnesota Statutes 1976, sections 386.61 to 386.76 for each county in which the abstracter is doing business.

2830.0040 TEMPORARY LICENSE.

Subpart 1. **Qualifications.** The commissioner may, upon application to it by any person succeeding to the ownership of any abstract business by any means other than by purchase, or any person who, by reason of the incapacity of any licensed abstracter owner of any abstract business, is required to assume the operation of such abstract business, grant to such person, without examination, a temporary license.

Subp. 2. **Supporting documents.** Each application for a temporary license shall be accompanied by an affidavit setting forth the applicant's name, address, occupation, length of and place of employment, and experience in preparing, compiling, and selling abstracts of title.

Subp. 3. **Fee.** The fee for such temporary license shall be \$25.

Subp. 4. **Expiration.** Such license shall expire six months after its date or upon the expiration of 60 days after the next regularly scheduled examination which could be taken by the applicant, whichever period is longer. The commissioner shall notify such applicant by mail of the time and place of such examination.

2830.0050 CHANGE OF NAME ON LICENSE.

A change of name on a license must be accompanied by payment of \$50 even though an examination may be waived.

2830.0060 EMPLOYING LICENSED ABSTRACTERS.

Every person, firm, or private corporation engaged in the business of abstracting in one county only shall have in its employ persons who are licensed abstracters. Every person, firm, or private corporation engaged in the business of abstracting in more than one county in this state shall have at least one person who is a licensed abstracter for each county in which it maintains an abstract office, provided that no person may satisfy this requirement for more than one abstract office. No licensed abstracter may fulfill the requirements of this part for more than one company at any one time. Every person, firm, or private corporation engaged in the business of abstracting shall comply with the requirements of this part.

2830.0070 STANDARDS OF CONDUCT.

The methods, acts, or practices in this part are standards of conduct governing the activities of abstracters. The failure to comply with the standards shall constitute grounds for denial, refusal to renew, suspension, or revocation of the license of such person, or censure of the abstracter. An abstracter shall:

- A. refrain from using the abstracter's name or certification on an abstract, the preparation of which or part of which the abstracter was not directly responsible for;
- B. refrain from engaging in any discriminatory practices prohibited by law in the conduct of business;
- C. employ competent abstracters and employees;
- D. provide proper training and instruction for all employees; and
- E. refrain from splitting fees, or accepting or paying referral fees for abstracting services.

2830.0080 FRAUDULENT, DECEPTIVE, OR DISHONEST PRACTICES.

The methods, acts, and practices contained in this part or similar thereto shall be presumed fraudulent, deceptive, or dishonest if engaged in by the abstracter or the abstracter's agent and shall constitute grounds for denial, refusal to renew, suspension, or revocation of the license of the abstracter:

- A. making any material misstatement in the application for a license or in any information furnished to the commissioner or to the attorney general pursuant to Minnesota Statutes, chapter 214;
- B. causing to be published advertising, whether written or printed communication or any communication by recorded telephone message, radio, television, picture, or similar means, which is misleading or inaccurate in any material manner;
- C. procuring, or attempting to procure, an abstracter's license for the abstracter or any other person by fraud, misrepresentation, or deceit;

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D. violating any law, rule, regulation, or ordinance of this state or any of its political subdivisions, including the commissioner, or the United States government, or a United States agency relating to the practice of abstracters;

E. making a false statement as to the existence or amount of the bond or abstractor's liability insurance policy filed with the commissioner;

F. representing that the abstractor has a license or bond or abstractor's liability insurance policy when the abstractor, in fact, does not;

G. falsifying an abstract of title, or any entry, or the certification of an abstract; and

H. engaging in any other conduct which constitutes dishonest actions in the abstractor's practice as a licensed abstractor which endangers the interest of the public or any person, firm, or private corporation in connection with the performance of an abstract.

Nothing in this part shall limit the authority of the commissioner to take formal action against an abstractor for the use of fraudulent, deceptive, or dishonest activities of a type not specifically described.

2830.0090 DISCLOSURE.

Every abstract of title to real property in the state of Minnesota shall contain the following disclosure affixed to or stamped on a prominent place on the abstract of title:

"This abstract of title is a history of the record title of the property described therein and does not represent that the title is good and marketable."

2830.0100 ABSTRACTOR'S LIABILITY INSURANCE POLICY.

Liability policies as provided pursuant to Minnesota Statutes, section 386.66 must be written by an insurer authorized to do business in the state of Minnesota.

2870.0100 DEFINITIONS.

Subpart 1. [Repealed, L 2001 c 23 s 1]

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subp. 3. **Collection agency.** "Collection agency" means and includes:

A. Any person engaged in the business of collection for others any account, bill, or other indebtedness except as provided in Laws of Minnesota 1969, chapter 766. It includes persons who furnish collection systems carrying a name which simulates the name of a collection agency and who supply forms or form letters to be used by the creditor, even though such forms direct the debtor to make payments directly to the creditor rather than to such fictitious agency.

B. Agencies whose principal place of business is outside the state of Minnesota; and whose solicitors work within the state to sell collection systems or solicit accounts for collection, and/or whose collectors collect accounts within the state.

Subp. 4. **Division.** "Division" means the Registration and Licensing Division of the Department of Commerce.

2870.1100 FORMS.

All persons seeking to operate a collection agency in the state of Minnesota shall file and obtain a license from the division. The department will supply upon request:

- A. application forms;
- B. bond forms;
- C. questionnaire for each officer or manager; and
- D. financial statement forms.

2870.1200 INVESTIGATION FEE.

Applicants for a new license shall pay an investigation fee as determined by the division, subject to the provisions of the law.

2870.1400 UNFORESEEN CHANGES; NOTICE TO COMMISSIONER.

Subpart 1. **Office.** Every licensee shall notify the commissioner of any change of office location within ten days of such change.

Subp. 2. **Death.** Upon the death of any collection agency licensee, the license of the decedent may be transferred to the executor or administrator of the estate for the unexpired

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term of the license. The executor or administrator may be authorized to continue or discontinue the collection business of the decedent under the direction of the court having jurisdiction of the probate.

Subp. 3. **Ownership; personnel.** Any changes in ownership, controlling interest, or personnel from that reported on the application shall be reported to the division within ten days.

2870.1700 INSPECTION OF BOOKS AND RECORDS.

The division may investigate the collection records of a licensee, and for that purpose the division shall have free access to the books and records of a licensee.

2870.1800 INSPECTION OF FORM LETTERS AND STATIONERY.

All form letters and stationery used or sold by the collection agency shall be available at all times for inspection by the division.

2870.1900 NOTICE OF REJECTION OR SUSPENSION.

Written notice of the rejection of an application, or written notice of the revocation or suspension of a license, and the reasons for such rejection, revocation, or suspension shall be served by mail upon the applicant at the address stated in the application or license.

2870.2000 HEARING RIGHTS REGARDING REJECTION, REVOCATION, OR SUSPENSION.

Applicants shall have 30 days from receipt of the notice of rejection or notice of revocation or suspension in which to make application for hearing before the commissioner or an appointee.

2870.2100 APPLICATION FOR HEARING ON REJECTION, REVOCATION, OR SUSPENSION.

Application for hearing shall contain:

- A. the name and address of applicant;
- B. a statement of the nature of the determination requested; and
- C. attested signature of the applicant.

2870.2200 NOTICE OF APPLICATION FOR HEARING.

The division shall serve upon the applicant a notice of application within five days after receipt of application for hearing. The notice of application shall be served by mail and contain:

- A. a general statement of the issues;
- B. a statement of rights of parties;
- C. notification of when and where prehearing conference will be held;
- D. a statement of the purpose of the prehearing conference;
- E. signature of a person authorized to initiate a contested case; and
- F. the date of issuance of the notice.

2870.2300 RIGHTS OF PARTIES IN CONTESTED CASE HEARING.

Parties to a contested case shall have all rights under Minnesota Statutes, chapter 14.

2870.3100 THREATENING SUIT.

In collection letters or publications, or in any communication, oral or written, the licensee shall not threaten wage garnishment or legal suit by a particular lawyer, unless it has actually retained such lawyer.

2870.3200 EMPLOYING PUBLIC OFFICERS.

The licensee shall not use or employ justices of the peace, constables, sheriffs, or any other officer authorized to serve legal papers in connection with the collection of a claim, except when performing their legally authorized duties.

2870.3300 METHODS OF COLLECTION.

The licensee shall not use or threaten to use methods of collection that violate Minnesota law.

2870.3400 ENGAGING IN PRACTICE OF LAW.

The licensee shall not furnish legal advice or otherwise engage in the practice of law or represent that it is competent to do so.

2870.3500 COMMUNICATING WITH DEBTOR.

The licensee shall not communicate with debtors in a misleading or deceptive manner by using the stationery of a lawyer, forms, or instruments that only lawyers are authorized to prepare, or instruments that simulate the form and appearance of judicial process.

2870.3600 AUTHORIZING LEGAL ACTION.

The licensee shall not exercise authority on behalf of a creditor to employ the services of lawyers, unless the creditor has specifically authorized the agency in writing to do so and the agency's course of conduct is at all times consistent with a true relationship of attorney and client between the lawyer and the creditor.

2870.3700 BLACKLISTING AND INTIMIDATING.

The licensee shall not publish or cause to be published any list of debtors, except for credit reporting purposes, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, or use similar devices or methods of intimidation.

2870.3800 ACCOUNTING TO CREDITOR.

The licensee shall not refuse to return any claim and all valuable papers deposited with a claim upon written request of the creditor, claimant, or forwarder after tender of such amounts due and owing to the agency within 30 days after such request; nor refuse or intentionally fail to account to its clients for all money collected within 30 days from the last day of the month in which the same is collected; nor refuse or fail to furnish at intervals of not less than 90 days, upon written request of the claimant or forwarder, a written report upon claims received from such claimant or forwarder.

2870.3900 IMPROPER AGENCY NAME.

The licensee shall not operate under a name or in a manner that implies that such agency is a branch of or associated with any department of federal, state, county, or local government or an agency thereof.

2870.4000 COMMINGLING OF FUNDS.

The licensee shall not commingle money collected for a customer with the agency's operating funds or use any part of a customer's money in the conduct of the agency's business.

2870.4100 DEBT PRORATING.

The licensee shall not transact business or hold itself out as a debt prorater, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or pays the indebtedness of a debtor, unless there is no charge to the debtor or the pooling or liquidation is done pursuant to court order or under the supervision of a creditor's committee.

2870.5100 LIQUIDATING AGENCY.

In order to liquidate or rehabilitate a collection business, the division may establish a bank account. The division may both deposit and withdraw from the account.

7601.7010 VOLUNTARY REGISTRATION.

Subpart 1. **Placing in service registration.** The director will accept applications for voluntary registration in the placing in service program, and will issue annual registration certificates to qualified persons.

Subp. 2. **Application for voluntary registration.** An applicant shall provide the following information on an application form provided by the division:

- A. the applicant's name, business name, business address, and business telephone number;
- B. the applicant's Social Security number and Minnesota tax identification number;

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- C. evidence that the applicant has the required test equipment available for use, and has met the equipment calibration requirements in part 7601.7080; and
- D. the category of weighing and measuring equipment that the applicant will service.

7601.7090 PROBLEM RESOLUTION; CERTIFICATE OF REGISTRATION.

Subp. 3. **Additional training.** The director shall require a registrant to attend additional training or tutoring offered by the division if the director finds that a registrant has committed any of the violations listed in subpart 2, items A to H.

7601.8000 BIODIESEL BLEND QUANTIFICATION METHOD "MN BIODIESEL 2005" INCORPORATED BY REFERENCE.

Subpart 1. **"MN Biodiesel 2005" test method.** The director, in consultation with the National Biodiesel Board and the Governor's Task Force on Biodiesel, shall publish a test method, known as "MN Biodiesel 2005," for the quantification of biodiesel blends for the purpose of enforcing the biodiesel requirement in diesel fuel. The director shall use this method for enforcement purposes until a suitable, nationally accepted method exists, such as a method adopted by the American Society for Testing and Materials.

Subp. 2. **Location.** The director shall make available a copy of the method, which is incorporated by reference, and any updates or changes, including a nationally accepted method at the time it is available. The current version must be kept at the Minnesota State Law Library, Minnesota Judicial Center, 25 Rev. Dr. Martin Luther King, Jr. Boulevard, Saint Paul, Minnesota, 55155; provided to petroleum terminals in Minnesota; posted on the department's Web site; and available upon request. The method is not subject to frequent change.

7602.0100 INSPECTION FEES.

Subpart 1. **Generally.** The Weights and Measures Division of the Department of Commerce shall charge the following fees for all regular and special inspections as required by Minnesota Statutes, section 239.101:

- A. For scales classified by capacity;
 - (1) \$9 for scales up to and including six pounds capacity;
 - (2) \$19 for scales of seven pounds capacity up to and including 250 pounds capacity;
 - (3) \$30 for scales of 251 pounds capacity up to and including 1,100 pounds capacity;
 - (4) \$50 for scales of 1,101 pounds capacity up to and including 2,000 pounds capacity;
 - (5) \$75 for scales of 2,001 pounds capacity up to and including 4,000 pounds capacity;
 - (6) \$145 for scales of 4,001 pounds capacity up to and including 10,000 pounds capacity;
 - (7) \$175 for scales of 10,001 pounds capacity up to and including 30,000 pounds capacity; and
 - (8) \$240 for scales over 30,000 pounds capacity.
- B. For specific classes of scales;
 - (1) \$170 for a two-section vehicle scale;
 - (2) \$180 for a three-section vehicle scale;
 - (3) \$190 for a four-section vehicle scale;
 - (4) \$200 for a five-section vehicle scale;
 - (5) \$210 for a six-section vehicle scale;
 - (6) \$500 for a railroad track scale tested with equipment owned by the department;
 - (7) \$200 for a railroad track scale test monitored by the department, or for an additional test at a location with two or more railroad track scales;
 - (8) \$250 for a livestock scale;
 - (9) \$100 for a wheel load weigher used for law enforcement purposes; and
 - (10) \$125 for an agricultural liquid chemical scale.
- C. For liquid measuring devices;
 - (1) \$75 for an agricultural chemical meter;
 - (2) \$135 for a liquefied petroleum gas meter or stationary dispenser of liquefied petroleum gas; and

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(3) \$100 for a milk meter.

D. For a linear measuring machine, \$15.

E. For issuance or renewal of a placing-in-service permit, \$100. This fee includes administrative costs, supplies to registered agents, and 20 minutes of equipment calibration time. When calibration costs exceed this limit, the regular laboratory calibration rate will be charged.

F. For an inspection at an individual business location to determine whether a single lot of packaged commodities complies with the net content requirements of Minnesota Statutes, section 239.011, subdivision 2:

(1) \$30 when the lot of packages kept, offered, or exposed for sale at a single business location includes 300 or fewer packages;

(2) \$75 when the lot of packages kept, offered, or exposed for sale at a single business location includes at least 301 packages, up to and including 1,000 packages;

(3) \$200 when the lot of packages kept, offered, or exposed for sale at a single business location includes at least 1,001 packages, up to and including 2,500 packages; and

(4) \$300 when the lot of packages kept, offered, or exposed for sale at a single business location includes more than 2,500 packages.

G. A surcharge of \$100 is added to the applicable inspection fee in item F for a reinspection at an individual business location conducted within 60 days after an inspector has issued a written caution or warning statement to the business for failure to comply with the net content requirements of Minnesota Statutes, section 239.011.

Subp. 2. **Hourly rates.** The fees in subpart 1 are based on the average amount of time required for an individual inspection and test. This average includes travel, equipment, and administrative costs. For a nonroutine inspection and test, or when a device is not specified in subpart 1, the inspector shall calculate the total charge based on the following hourly rates:

A. \$65 for one inspector and appropriate test equipment designated for light capacity scale and volumetric equipment testing;

B. \$75 for one inspector and appropriate test equipment designated for heavy capacity scale testing; and

C. \$125 for metrology laboratory calibration time.

Subp. 3. **Zone charges for heavy capacity scales.** A zone charge is added to the fees in subparts 1 and 2 for the initial inspection of a new or newly installed vehicle, industrial, livestock, hopper, or railroad track scale, as follows:

A. zone 1: \$25 for a scale located within and including a 20-mile radius of the work station;

B. zone 2: \$50 for a scale located beyond a 20-mile radius, but within and including a 50-mile radius of the work station;

C. zone 3: \$100 for a scale located beyond a 50-mile radius, but within and including a 100-mile radius of the work station;

D. zone 4: \$150 for a scale located beyond a 100-mile radius, but within and including a 150-mile radius of the work station; and

E. zone 5: \$200 for a scale located beyond a 150-mile radius of the work station.

Subp. 4. **Zone charges for liquefied petroleum gas meters.** A zone charge is added to the fees in subparts 1 and 2 for inspecting a newly installed liquefied petroleum gas meter or stationary dispenser of liquefied petroleum gas, or for inspecting a liquefied petroleum gas meter or stationary dispenser of liquefied petroleum gas at the request of its owner or operator, as follows:

A. zone 1: \$50 for a meter located within and including a 75-mile radius of the work station;

B. zone 2: \$75 for a meter located beyond a 75-mile radius, but within and including a 150-mile radius of the work station; and

C. zone 3: \$100 for a meter located beyond a 150-mile radius of the work station.

Subp. 5. **Petroleum laboratory charges.** In compliance with the requirement in Minnesota Statutes, section 239.75, to offer petroleum testing services to licensed petroleum distributors, and in compliance with the requirement in Minnesota Statutes, section 239.101, to charge for those services, the department will charge the fees specified in items A to D for the petroleum tests listed in subpart 6 and performed at the request of a licensed petroleum distributor. The ASTM tests listed in subpart 6 are incorporated in the ASTM petroleum product specifications incorporated by reference in Minnesota Statutes, section 296.01. The tests for compliance with

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United States Environmental Protection Agency (EPA) requirements, also listed in subpart 6, are offered strictly as a service to licensed petroleum distributors. The department does not enforce EPA requirements for gasoline volatility or sulfur-in-diesel fuel.

A. \$30 to ship one sample container to a licensed petroleum distributor located in Minnesota, and to perform one of the tests specified in subpart 6, which includes prepaid return shipping and all necessary shipping containers, labels, and documents;

B. \$20 for each additional test specified in subpart 6 and performed on a sample submitted according to item A;

C. \$20 for each test specified in subpart 6 performed on a sample delivered to the petroleum laboratory by a licensed petroleum distributor in a container provided by the distributor; and

D. \$100 per hour for the time required to perform a special test or other special service not specified in subpart 6.

Subp. 6. **Tests performed.** The petroleum laboratory will perform any of the following tests at the request of a licensed petroleum distributor:

A. gasoline distillation according to ASTM method D-86;

B. flash point for heating fuel or diesel fuel according to ASTM method D-56;

C. calculated cetane value for diesel fuel according to ASTM method D-976, including a distillation test according to ASTM method D-86;

D. gasoline octane by spectrophotometric methods;

E. gasoline oxygenate content according to ASTM method D-4815;

F. gasoline volatility (Reid Vapor Pressure) by the Grabner method, according to ASTM method D-323;

G. API gravity for gasoline, diesel fuel, or heating fuel;

H. compliance with the gasoline volatility requirements of the United States Environmental Protection Agency, including a volatility test according to ASTM method D-323, and an oxygenates test according to ASTM method D-4815;

I. sulfur content of diesel fuel according to ASTM method D-4294; and

J. compliance with the sulfur-in-diesel fuel requirements of the United States Environmental Protection Agency, including a sulfur content test according to ASTM method D-4294, and a cetane value calculation according to ASTM method D-976.