

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2516

(SENATE AUTHORS: WESTROM, Draheim and Koran)		
DATE	D-PG	OFFICIAL STATUS
05/10/2021	4184	Introduction and first reading
		Referred to Commerce and Consumer Protection Finance and Policy
05/17/2021	4794	Author added Draheim: Koran

1.1

A bill for an act

1.2

relating to commerce; adopting under state law provisions of Federal Reserve

1.3

Board Regulation E by reference; extending protections related to unauthorized

1.4

transfers to accounts held by certain small businesses; proposing coding for new

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law in Minnesota Statutes, chapter 47.

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

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Section 1. **[47.86] FEDERAL ELECTRONIC FUND TRANSFER REGULATIONS;**

1.8

ADOPTION.

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Subdivision 1. **Applicability.** Financial institutions must comply with the federal

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regulations incorporated in this section, as modified by subdivision 3.

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Subd. 2. **Incorporation by reference.** Except as modified by subdivision 3, the provisions

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of Federal Reserve Board Regulation E, Code of Federal Regulations, title 12, sections

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205.1 to 205.14, are incorporated by reference.

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Subd. 3. **Modification; extension of certain protections to small business accounts.** For

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purposes of state law, the definition of "consumer" in Code of Federal Regulations, title 12,

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section 205.2, includes a business entity with less than 50 full time equivalent employees,

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and the definition of "account" includes an account owned by a business entity with less

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than 50 full time equivalent employees.

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Subd. 4. **Good faith standard.** A financial institution and any person who initiated an

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electronic fund transfer from the consumer's account must cooperate in good faith with the

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consumer to establish the facts relevant to an unauthorized electronic fund transfer.

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EFFECTIVE DATE. This section is effective August 1, 2021.