

1.1 A bill for an act

1.2 relating to state government; appropriating money and making reductions for
1.3 environment, natural resources, energy, and commerce; providing for the transfer
1.4 of funds; modifying requirements for youth hunters; providing for licensing and
1.5 regulation in mortgage loan origination and mortgage loan business; modifying
1.6 disposition of certain receipts; modifying continuing education requirements for
1.7 commerce licenses; modifying regulation of securities; providing for certain
1.8 electronic transactions; establishing accounts; amending Minnesota Statutes
1.9 2008, sections 58.04, subdivision 1; 58.08, by adding a subdivision; 58.09;
1.10 58.10, subdivision 1; 58.11; 80A.46; 84.027, subdivision 15; 85.052, subdivision
1.11 4; 85.22, subdivision 5; 97A.015, by adding a subdivision; 97A.435, subdivision
1.12 2; 97A.445, subdivision 5; 97A.451, subdivision 3; 97A.475, subdivisions 3a,
1.13 4, 43, 44; 97B.015, subdivisions 4, 5, 5a, 6, 7; 97B.020; 97B.021, subdivision
1.14 1; 97B.022, subdivision 2; 97B.301, subdivisions 3, 6; 97B.601, subdivision
1.15 4; 103G.705, subdivision 2; Minnesota Statutes 2009 Supplement, sections
1.16 45.30, subdivision 6; 58.06, subdivision 2; 97A.075, subdivisions 1, 5; 97A.441,
1.17 subdivision 7; 97A.475, subdivisions 2, 3; 357.021, subdivision 7; Laws 2009,
1.18 chapter 172, article 2, section 5; proposing coding for new law in Minnesota
1.19 Statutes, chapters 97A; 97B; proposing coding for new law as Minnesota
1.20 Statutes, chapter 58A; repealing Minnesota Statutes 2008, sections 97A.451,
1.21 subdivisions 3a, 4; 97A.485, subdivision 12; 97B.022, subdivision 1; Minnesota
1.22 Statutes 2009 Supplement, section 58.126.

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

1.24 **ARTICLE 1**

1.25 **ENVIRONMENT AND NATURAL RESOURCES**

1.26 Section 1. **SUMMARY OF APPROPRIATIONS.**

1.27 The amounts shown in this section summarize changes to direct appropriations, by
1.28 fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
1.30 <u>General</u>	<u>\$ (1,166,787)</u>	<u>\$ (2,997,605)</u>	<u>(4,164,392)</u>
1.31 <u>Environmental</u>	<u>(1,315,000)</u>	<u>(1,763,000)</u>	<u>(3,078,000)</u>

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3.1	<u>General</u>	<u>(186,000)</u>	<u>(304,000)</u>
3.2	<u>Environmental</u>	<u>(253,000)</u>	<u>(322,000)</u>
3.3	<u>The legislature approves the groundwater</u>		
3.4	<u>protection plan submitted to the legislature</u>		
3.5	<u>in January 2010 as required by Laws 2009,</u>		
3.6	<u>chapter 172, article 2, section 4, paragraph</u>		
3.7	<u>(m), and authorizes the Pollution Control</u>		
3.8	<u>Agency to spend that appropriation in</u>		
3.9	<u>accordance with the approved plan.</u>		
3.10	<u>Subd. 3. Air</u>	<u>(174,000)</u>	<u>(323,000)</u>
3.11	<u>Appropriations by Fund</u>		
3.12		<u>2010</u>	<u>2011</u>
3.13	<u>Environmental</u>	<u>(174,000)</u>	<u>(323,000)</u>
3.14	<u>Subd. 4. Land</u>	<u>(149,000)</u>	<u>(274,000)</u>
3.15	<u>Appropriations by Fund</u>		
3.16		<u>2010</u>	<u>2011</u>
3.17	<u>Environmental</u>	<u>(31,000)</u>	<u>(95,000)</u>
3.18	<u>Remediation</u>	<u>(118,000)</u>	<u>(179,000)</u>
3.19	<u>Subd. 5. Environmental Assistance and Cross</u>		
3.20	<u>Media</u>	<u>(919,000)</u>	<u>(1,118,000)</u>
3.21	<u>Appropriations by Fund</u>		
3.22		<u>2010</u>	<u>2011</u>
3.23	<u>General</u>	<u>(61,000)</u>	<u>(95,000)</u>
3.24	<u>Environmental</u>	<u>(858,000)</u>	<u>(1,023,000)</u>
3.25	<u>Subd. 6. Administrative Support</u>	<u>(29,000)</u>	<u>(56,000)</u>
3.26	<u>Appropriations by Fund</u>		
3.27		<u>2010</u>	<u>2011</u>
3.28	<u>General</u>	<u>(29,000)</u>	<u>(56,000)</u>
3.29	<u>Subd. 7. Transfers to the General Fund</u>		
3.30	<u>By July 1, 2010, the commissioner of the</u>		
3.31	<u>Pollution Control Agency shall transfer</u>		
3.32	<u>\$3,429,000 from the environmental fund to</u>		
3.33	<u>the general fund. Of this amount, \$200,000</u>		
3.34	<u>is from the metropolitan landfill account</u>		

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5.1 resources under Minnesota Statutes, section
 5.2 88.82, for grants to communities to provide
 5.3 funding for no-interest loans to private land
 5.4 owners for the removal of emerald ash borer
 5.5 infested ash trees on private lands. Grants
 5.6 made to communities will be available for
 5.7 ten years. At the end of the ten-year grant
 5.8 period, the full grant amount will be canceled
 5.9 for redeposit in the environmental trust fund.
 5.10 This appropriation cancels on June 30, 2012.

5.11 \$106,089 in 2011 is transferred from the
 5.12 forest resource assessment appropriation in
 5.13 the dedicated receipts account in the natural
 5.14 resources fund to the general fund. This is a
 5.15 onetime transfer.

5.16 **Subd. 5. Parks and Trails Management** (203,337) (1,345,556)

5.17 Appropriations by Fund
 5.18 General (203,337) (483,555)
 5.19 Natural Resources 0 (862,001)

5.20 **Subd. 6. Fish and Wildlife Management** -0- (50,000)

5.21 Appropriations by Fund
 5.22 General -0- (50,000)

5.23 \$340,000 in 2011 is transferred from the
 5.24 account balance in the water recreation
 5.25 electronic licensing appropriation in the
 5.26 natural resources fund to the general fund.
 5.27 This is a onetime transfer.

5.28 **Subd. 7. Ecological Services** (170,000) (140,000)

5.29 Appropriations by Fund
 5.30 General (170,000) (140,000)

5.31 **Subd. 8. Enforcement** (136,000) (224,000)

5.32 Appropriations by Fund
 5.33 General (136,000) (224,000)

6.1 On June 30, 2010, the balance of surcharges
 6.2 on criminal and traffic offenders credited
 6.3 to the game and fish fund under Minnesota
 6.4 Statutes, section 357.021, subdivision 7, and
 6.5 collected prior to that date are transferred to
 6.6 the general fund.

6.7 Subd. 9. Operations Support (10,000) (100,000)

6.8 Appropriations by Fund
 6.9 General (10,000) (100,000)

6.10 Sec. 5. BOARD OF WATER AND SOIL
 6.11 RESOURCES

6.12 Subdivision 1. Total Appropriation \$ -0- \$ (460,000)

6.13 Appropriations by Fund
 6.14 General -0- (460,000)

6.15 \$20,000 in 2011 is a reduction from
 6.16 the appropriation for establishing and
 6.17 maintaining riparian vegetation buffers of
 6.18 restored native prairie and restored prairie.

6.19 \$100,000 in 2011 is a reduction in the
 6.20 appropriation for cost-share grants to local
 6.21 governments for public drainage records
 6.22 modernization.

6.23 \$100,000 in 2011 is a reduction from
 6.24 the appropriation for grants to local units
 6.25 of government within the 11-county
 6.26 metropolitan area to improve response to
 6.27 major wetland violations.

6.28 \$100,000 in 2011 is a reduction from the
 6.29 appropriation to transfer to the commissioner
 6.30 of natural resources for enforcement of
 6.31 wetland violations.

6.32 \$25,000 in 2011 is a reduction in the
 6.33 appropriation to provide assistance to local

7.1 drainage management officials and for the
7.2 costs of the Drainage Work Group.

7.3 \$40,000 in 2011 is a reduction in the
7.4 appropriation for implementation and
7.5 enforcement of the Wetland Conservation
7.6 Act.

7.7 \$384,000 of the current balance in the
7.8 agricultural watershed restoration account
7.9 is canceled back to the general fund on
7.10 December 15, 2010.

7.11 **Subd. 2. Reduction; DR-1717 Disaster Relief**

7.12 Laws 2007, First Special Session chapter 2,
7.13 article 1, is reduced as follows:

7.14 \$40,000 in 2010 from funds received
7.15 interagency for disaster relief in the area
7.16 included in DR-1717.

7.17 **Subd. 3. Reduction; Rehabilitation Erosion**
7.18 **and Sediment Control**

7.19 Laws 2008, chapter 363, article 5, section 5,
7.20 is reduced as follows:

7.21 \$125,000 in 2010 from the appropriation
7.22 for implementing rehabilitation erosion and
7.23 sediment control projects in the area included
7.24 in DR-1717.

7.25 **Subd. 4. Returned Grants**

7.26 Beginning July 1, 2010, all returned grant
7.27 money originating from general fund grant
7.28 programs will be deposited into individual
7.29 accounts in the special revenue fund and held
7.30 for eventual transfer back to the general fund.

7.31 On December 15, 2010, and on December
7.32 15 of each year thereafter, \$310,000 of the
7.33 receipts in this special revenue fund will be
7.34 transferred to the general fund. If less than

9.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$</u>	<u>(14,000)</u>	<u>\$</u>	<u>(29,000)</u>
9.2	<u>Appropriations by Fund</u>					
9.3		<u>2010</u>		<u>2011</u>		
9.4	<u>General</u>	<u>(7,000)</u>		<u>(14,000)</u>		
9.5	<u>Natural Resources</u>	<u>(7,000)</u>		<u>(15,000)</u>		

9.6 The appropriation reduction in the natural
 9.7 resources fund is in the current biennium
 9.8 only. On June 1, 2010, \$7,000 will be
 9.9 transferred from the natural resources fund to
 9.10 the general fund. On June 1, 2011, \$15,000
 9.11 will be transferred from the natural resources
 9.12 fund to the general fund.

9.13 Sec. 8. **ZOOLOGICAL BOARD**

9.14	<u>Subdivision 1. Total Appropriation</u>		<u>\$</u>	<u>(24,000)</u>	<u>\$</u>	<u>(197,000)</u>
9.15	<u>Appropriations by Fund</u>					
9.16		<u>2010</u>		<u>2011</u>		
9.17	<u>General</u>	<u>(24,000)</u>		<u>(197,000)</u>		

9.18 Sec. 9. Minnesota Statutes 2008, section 84.027, subdivision 15, is amended to read:

9.19 Subd. 15. **Electronic transactions.** (a) The commissioner may receive an
 9.20 application for, sell, and issue any license, stamp, permit, pass, sticker, ~~duplicate gift~~
 9.21 card, safety training certification, registration, or transfer under the jurisdiction of the
 9.22 commissioner by electronic means, including by telephone. Notwithstanding section
 9.23 97A.472, electronic and telephone transactions may be made outside of the state. The
 9.24 commissioner may:

9.25 (1) provide for the electronic transfer of funds generated by electronic transactions,
 9.26 including by telephone;

9.27 (2) assign an identification number to an applicant who purchases a hunting or
 9.28 fishing license or recreational vehicle registration by electronic means, to serve as
 9.29 temporary authorization to engage in the activity requiring a license or registration until
 9.30 the license or registration is received or expires;

9.31 (3) charge and permit agents to charge a fee of individuals who make electronic
 9.32 transactions and transactions by telephone or Internet, including issuing fees and an
 9.33 additional transaction fee not to exceed \$3.50;

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10.1 (4) charge and permit agents to charge a convenience fee not to exceed three percent
10.2 of the cost of the license to individuals who use electronic bank cards for payment. An
10.3 electronic licensing system agent charging a fee of individuals making an electronic
10.4 bank card transaction in person must post a sign informing individuals of the fee. The
10.5 sign must be near the point of payment, clearly visible, include the amount of the fee, and
10.6 state: "License agents are allowed by state law to charge a fee not to exceed three percent
10.7 of the cost of state licenses to persons who use electronic bank cards for payment. The
10.8 fee is not required by state law.";

10.9 (5) establish, by written order, an electronic licensing system commission to be
10.10 paid by revenues generated from all sales made through the electronic licensing system.
10.11 The commissioner shall establish the commission in a manner that neither significantly
10.12 overrecovers nor underrecovers costs involved in providing the electronic licensing
10.13 system; and

10.14 (6) adopt rules to administer the provisions of this subdivision.

10.15 (b) The fees established under paragraph (a), clauses (3) and (4), and the commission
10.16 established under paragraph (a), clause (5), are not subject to the rulemaking procedures
10.17 of chapter 14 and section 14.386 does not apply.

10.18 (c) Money received from fees and commissions collected under this subdivision,
10.19 including interest earned, is annually appropriated from the game and fish fund and the
10.20 natural resources fund to the commissioner for the cost of electronic licensing.

10.21 Sec. 10. Minnesota Statutes 2008, section 85.052, subdivision 4, is amended to read:

10.22 Subd. 4. **Deposit of fees.** (a) Fees paid for providing contracted products and
10.23 services within a state park, state recreation area, or wayside, and for special state park
10.24 uses under this section shall be deposited in the natural resources fund and credited to a
10.25 state parks account.

10.26 (b) Gross receipts derived from sales, rentals, or leases of natural resources within
10.27 state parks, recreation areas, and waysides, other than those on trust fund lands, must be
10.28 deposited in the state treasury and credited to the ~~general fund~~ state parks working capital
10.29 account.

10.30 (c) Notwithstanding paragraph (b), the gross receipts from the sale of stockpile
10.31 materials, aggregate, or other earth materials from the Iron Range Off-Highway Vehicle
10.32 Recreation Area shall be deposited in the dedicated accounts in the natural resources fund
10.33 from which the purchase of the stockpile material was made.

10.34 Sec. 11. Minnesota Statutes 2008, section 85.22, subdivision 5, is amended to read:

11.1 Subd. 5. **Exemption.** Purchases for resale or rental made from the state parks
11.2 working capital ~~fund~~ account are exempt from competitive bidding, notwithstanding
11.3 chapter 16C.

11.4 Sec. 12. Minnesota Statutes 2008, section 97A.015, is amended by adding a
11.5 subdivision to read:

11.6 Subd. 1a. **Accompanied.** "Accompanied" means:

11.7 (1) for a youth age 13 or under hunting small game other than wild turkey, a parent or
11.8 guardian over age 18 is within unaided sight and hearing distance of the youth hunter that is
11.9 adequate for the parent or guardian to provide direction and control over the youth hunter;

11.10 (2) for a youth age 13 or under hunting wild turkey or big game, a parent or guardian
11.11 over age 18 is in close enough proximity of the youth hunter for the parent or guardian to
11.12 immediately assume control of the youth hunter's firearm or bow; or

11.13 (3) for a person age 13 or over born after December 31, 1979, and hunting with an
11.14 apprentice hunter validation under section 97B.022, an adult licensed to hunt in Minnesota
11.15 whose license was not obtained using an apprentice hunter validation is within unaided
11.16 sight and hearing distance of the person that is adequate for the licensed adult to provide
11.17 direction and control over the apprentice hunter.

11.18 Sec. 13. Minnesota Statutes 2009 Supplement, section 97A.075, subdivision 1, is
11.19 amended to read:

11.20 Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this
11.21 subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2,
11.22 clauses ~~(5)~~, (6), (7), ~~(13)~~, ~~(14)~~, and ~~(15)~~ (8), and 3, clauses ~~(2)~~, (3), (4), ~~(10)~~, (5), and (11),
11.23 ~~and (12)~~, and licenses issued under section 97B.301, subdivision 4.

11.24 (b) \$2 from each annual deer license and \$2 annually from the lifetime fish and
11.25 wildlife trust fund, established in section 97A.4742, for each license issued under section
11.26 97A.473, subdivision 4, shall be credited to the deer management account and shall be
11.27 used for deer habitat improvement or deer management programs.

11.28 (c) \$1 from each annual deer license and each bear license and \$1 annually from
11.29 the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license
11.30 issued under section 97A.473, subdivision 4, shall be credited to the deer and bear
11.31 management account and shall be used for deer and bear management programs, including
11.32 a computerized licensing system.

11.33 (d) Fifty cents from each deer license is credited to the emergency deer feeding and
11.34 wild cervidae health management account and is appropriated for emergency deer feeding

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12.1 and wild cervidae health management. Money appropriated for emergency deer feeding
12.2 and wild cervidae health management is available until expended. The commissioner must
12.3 inform the legislative chairs of the natural resources finance committees every two years
12.4 on how the money for emergency deer feeding and wild cervidae health management
12.5 has been spent.

12.6 When the unencumbered balance in the appropriation for emergency deer feeding
12.7 and wild cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the
12.8 unencumbered balance in excess of \$2,500,000 is canceled and available for deer and bear
12.9 management programs and computerized licensing.

12.10 Sec. 14. Minnesota Statutes 2009 Supplement, section 97A.075, subdivision 5, is
12.11 amended to read:

12.12 Subd. 5. **Turkey account.** (a) \$4.50 from each turkey license sold, except youth
12.13 licenses under section 97A.475, subdivision 2, clause ~~(4)~~(5), and subdivision 3, clause
12.14 ~~(7)~~(8), must be credited to the wild turkey management account. Money in the account
12.15 may be used only for:

12.16 (1) the development, restoration, and maintenance of suitable habitat for wild
12.17 turkeys on public and private land including forest stand improvement and establishment
12.18 of nesting cover, winter roost area, and reliable food sources;

12.19 (2) acquisitions of, or easements on, critical wild turkey habitat;

12.20 (3) reimbursement of expenditures to provide wild turkey habitat on public and
12.21 private land;

12.22 (4) trapping and transplantation of wild turkeys; and

12.23 (5) the promotion of turkey habitat development and maintenance, population
12.24 surveys and monitoring, and research.

12.25 (b) Money in the account may not be used for:

12.26 (1) costs unless they are directly related to a specific parcel of land under paragraph
12.27 (a), clauses (1) to (3), a specific trap and transplant project under paragraph (a), clause (4),
12.28 or to specific promotional or evaluative activities under paragraph (a), clause (5); or

12.29 (2) any permanent personnel costs.

12.30 Sec. 15. **[97A.26] PEACE OFFICER TRAINING ACCOUNT.**

12.31 **Subdivision 1. Account established; sources.** The peace officer training account is
12.32 created in the game and fish fund in the state treasury. Revenue from the portion of the
12.33 surcharges assessed to criminal and traffic offenders under section 357.021, subdivision

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13.1 7, clause (1), shall be deposited in the account and is appropriated to the commissioner.

13.2 Money in the account may be spent only for the purposes provided in subdivision 2.

13.3 Subd. 2. **Purposes of account.** Money in the peace officer training account may be
13.4 spent by the commissioner only for peace officer training for employees of the department
13.5 who are licensed under sections 626.84 to 626.863 to enforce game and fish laws.

13.6 Sec. 16. Minnesota Statutes 2008, section 97A.435, subdivision 2, is amended to read:

13.7 Subd. 2. **Eligibility.** Persons eligible for a turkey license shall be determined by
13.8 ~~this section and commissioner's rule adopted by the commissioner. A person is eligible for~~
13.9 ~~a turkey license only if the person is at least age 16 before the season opens, possesses a~~
13.10 ~~firearms safety certificate, or, if under age 12, is accompanied by a parent or guardian.~~

13.11 Sec. 17. Minnesota Statutes 2009 Supplement, section 97A.441, subdivision 7, is
13.12 amended to read:

13.13 Subd. 7. **Owners or tenants of agricultural land.** (a) The commissioner may
13.14 issue, without a fee, a license to take an antlerless deer to a resident who is an owner or
13.15 tenant, or a nonresident who is an owner, of at least 80 acres of agricultural land, as
13.16 defined in section 97B.001, in deer permit areas that have deer archery licenses to take
13.17 additional deer under section 97B.301, subdivision 4. A person may receive only one
13.18 license per year under this subdivision. For properties with co-owners or cotenants, only
13.19 one co-owner or cotenant may receive a license under this subdivision per year. The
13.20 license issued under this subdivision is restricted to land leased for agricultural purposes
13.21 or owned by the holder of the license within the permit area where the qualifying land
13.22 is located. The holder of the license may transfer the license to the holder's spouse or
13.23 dependent. Notwithstanding sections 97A.415, subdivision 1, and 97B.301, subdivision
13.24 2, the holder of the license may purchase an additional license for taking deer and may
13.25 take an additional deer under that license.

13.26 (b) A person who obtains a license under paragraph (a) must allow public deer
13.27 hunting on their land during that deer hunting season, with the exception of the first
13.28 Saturday and Sunday during the deer hunting season applicable to the license issued under
13.29 section 97A.475, subdivision 2, clause ~~(5)~~ (6).

13.30 Sec. 18. Minnesota Statutes 2008, section 97A.445, subdivision 5, is amended to read:

13.31 Subd. 5. **Small game hunting; ~~Take a Kid Hunting Weekend.~~** (a) A resident over
13.32 age 18 may take small game by hunting without a license during one Saturday and Sunday
13.33 of the small game hunting season designated by rule of the commissioner if accompanied

14.1 by a child who is under age ~~16~~ 18. The commissioner shall publicize the Saturday and
14.2 Sunday as "Take a Kid Hunting Weekend." Notwithstanding section 97A.451, subdivision
14.3 3, a person under age 18 does not need a hunting license to take small game by hunting on
14.4 the weekend designated under this paragraph.

14.5 (b) Notwithstanding section 97A.451, subdivision 3, a person under age 16 may
14.6 take waterfowl without a license when accompanied by a nonhunting adult age 18 or
14.7 over during youth waterfowl hunting days designated by rule of the commissioner in
14.8 accordance with federal law.

14.9 Sec. 19. Minnesota Statutes 2008, section 97A.451, subdivision 3, is amended to read:

14.10 Subd. 3. **Residents under age 16; small game Resident and nonresident hunting.**

14.11 ~~(a) A resident under age 16 must obtain a small game license in order to take small game~~
14.12 ~~by firearms or bow and arrow without paying the applicable fees under section 97A.475,~~
14.13 ~~subdivisions 2, 4, and 5, if the resident is: Except as otherwise specifically provided by~~
14.14 ~~law, a person must obtain a license to hunt big game or small game by firearms or bow and~~
14.15 ~~arrow and is eligible to obtain a license and use it for hunting if the person was born on or~~
14.16 ~~before December 31, 1979, or, if born after December 31, 1979, is:~~

14.17 ~~(1) 12 years of age or under and is accompanied by a parent or guardian;~~

14.18 ~~(2) 13 years of age, possesses a hunter education firearms safety certificate, and~~
14.19 ~~is accompanied by a parent or guardian;~~

14.20 ~~(3) 14 years of age or over and possesses a hunter education firearms safety~~
14.21 ~~certificate; or~~

14.22 ~~(4) 13 years of age or over, possesses an apprentice hunter validation, and is~~
14.23 ~~accompanied by an adult 18 years of age or over who is licensed to hunt in Minnesota and~~
14.24 ~~whose license was not obtained using an apprentice hunter validation.~~

14.25 ~~(1) age 14 or 15 and possesses a firearms safety certificate;~~

14.26 ~~(2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or~~
14.27 ~~guardian;~~

14.28 ~~(3) age 13, 14, or 15, possesses an apprentice hunter validation, and is accompanied~~
14.29 ~~by a parent or guardian who possesses a small game license that was not obtained using an~~
14.30 ~~apprentice hunter validation; or~~

14.31 ~~(4) age 12 or under and is accompanied by a parent or guardian.~~

14.32 (b) A resident under age 16 may take small game by trapping without a small game
14.33 license, but a resident 13 years of age or older must have a trapping license to take small
14.34 game by trapping. A resident under age 13 may trap without a trapping license, but may
14.35 not register fisher, otter, bobcat, or pine marten unless the resident is at least age five. Any

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15.1 fisher, otter, bobcat, or pine marten taken by a resident under age five must be included in
15.2 the limit of the accompanying parent or guardian.

15.3 ~~(c) A resident under age 12 may apply for a turkey license and may take a turkey~~
15.4 ~~without a firearms safety certificate if the resident is accompanied by an adult parent or~~
15.5 ~~guardian who has a firearms safety certificate.~~

15.6 ~~(d) A resident under age 12 may apply for a prairie chicken license and may take a~~
15.7 ~~prairie chicken without a firearms safety certificate if the resident is accompanied by an~~
15.8 ~~adult parent or guardian who has a firearms safety certificate.~~

15.9 Sec. 20. Minnesota Statutes 2009 Supplement, section 97A.475, subdivision 2, is
15.10 amended to read:

15.11 Subd. 2. **Resident hunting.** Fees for the following licenses, to be issued to residents
15.12 only, are:

15.13 (1) for persons under age 18 to take small game, \$2.50;

15.14 (2) for persons age 18 or over and under age 65 to take small game, \$12.50;

15.15 ~~(2)~~ (3) for persons ages 16 and 17 and age 65 or over, \$6 to take small game;

15.16 ~~(3)~~ (4) for persons age 18 or over to take turkey, \$23;

15.17 ~~(4)~~ (5) for persons under age 18 to take turkey, \$12 \$2.50;

15.18 ~~(5)~~ (6) for persons age 18 or over to take deer with firearms during the regular
15.19 firearms season, \$26;

15.20 ~~(6)~~ (7) for persons age 18 or over to take deer by archery, \$26;

15.21 ~~(7)~~ (8) for persons age 18 or over to take deer by muzzleloader during the
15.22 muzzleloader season, \$26;

15.23 ~~(8)~~ (9) to take moose, for a party of not more than six persons, \$310;

15.24 ~~(9)~~ (10) to take bear, \$38;

15.25 ~~(10)~~ (11) to take elk, for a party of not more than two persons, \$250;

15.26 ~~(11)~~ (12) to take Canada geese during a special season, \$4;

15.27 ~~(12)~~ (13) to take prairie chickens, \$20;

15.28 ~~(13)~~ (14) for persons under age 18 to take deer with firearms during the regular
15.29 firearms season, \$13 \$2.50;

15.30 ~~(14)~~ (15) for persons under age 18 to take deer by archery, \$13 \$2.50; and

15.31 ~~(15)~~ (16) for persons under age 18 to take deer by muzzleloader during the
15.32 muzzleloader season, \$13 \$2.50.

15.33 Sec. 21. Minnesota Statutes 2009 Supplement, section 97A.475, subdivision 3, is
15.34 amended to read:

16.1 Subd. 3. **Nonresident hunting.** (a) Fees for the following licenses, to be issued
16.2 to nonresidents, are:

16.3 (1) for persons under age 18 to take small game, \$2.50;

16.4 (2) for persons age 18 or over to take small game, \$73;

16.5 ~~(2)~~ (3) for persons age 18 or over to take deer with firearms during the regular
16.6 firearms season, \$135;

16.7 ~~(3)~~ (4) for persons age 18 or over to take deer by archery, \$135;

16.8 ~~(4)~~ (5) for persons age 18 or over to take deer by muzzleloader during the
16.9 muzzleloader season, \$135;

16.10 ~~(5)~~ (6) to take bear, \$195;

16.11 ~~(6)~~ (7) for persons age 18 ~~and older~~ or over to take turkey, \$78;

16.12 ~~(7)~~ (8) for persons under age 18 to take turkey, ~~\$12~~ \$2.50;

16.13 ~~(8)~~ (9) to take raccoon or bobcat, \$155;

16.14 ~~(9)~~ (10) to take Canada geese during a special season, \$4;

16.15 ~~(10)~~ (11) for persons under age 18 to take deer with firearms during the regular
16.16 firearms season in any open season option or time period, \$13;

16.17 ~~(11)~~ (12) for persons under age 18 to take deer by archery, \$13; and

16.18 ~~(12)~~ (13) for persons under age 18 to take deer during the muzzleloader season,
16.19 ~~\$13~~ \$2.50.

16.20 (b) A \$5 surcharge shall be added to nonresident hunting licenses issued under
16.21 paragraph (a), clauses ~~(1)~~ (2) to ~~(8)~~ (9). An additional commission may not be assessed
16.22 on this surcharge.

16.23 Sec. 22. Minnesota Statutes 2008, section 97A.475, subdivision 3a, is amended to read:

16.24 Subd. 3a. **Deer license surcharge.** A person may agree to add a donation of \$1,
16.25 \$3, or \$5 to the fees for annual resident and nonresident licenses to take deer by firearms
16.26 or archery established under subdivisions 2, clauses ~~(5)~~, (6), (7), ~~(11)~~, and ~~(13)~~ (8), and
16.27 3, clauses ~~(2)~~, (3), (4), and ~~(9)~~ (5). Beginning March 1, 2008, fees for bonus licenses to
16.28 take deer by firearms or archery established under section 97B.301, subdivision 4, must be
16.29 increased by a surcharge of \$1. An additional commission may not be assessed on the
16.30 donation or surcharge and the following statement must be included in the annual deer
16.31 hunting regulations: "The deer license donations and surcharges are being paid by hunters
16.32 for deer management, including assisting with the costs of processing deer donated for
16.33 charitable purposes."

16.34 Sec. 23. Minnesota Statutes 2008, section 97A.475, subdivision 4, is amended to read:

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17.1 Subd. 4. **Small game surcharge.** Fees for annual licenses to take small game must
17.2 be increased by a surcharge of \$6.50. An additional commission may not be assessed on
17.3 the surcharge and the following statement must be included in the annual small game
17.4 hunting regulations: "This \$6.50 surcharge is being paid by hunters for the acquisition and
17.5 development of wildlife lands." Small game licenses issued to individuals under age 18
17.6 are exempt from this surcharge.

17.7 Sec. 24. Minnesota Statutes 2008, section 97A.475, subdivision 43, is amended to read:

17.8 Subd. 43. **Duplicate licenses.** The fees for duplicate licenses are:

17.9 (1) for licenses to take big game, \$5; ~~and~~

17.10 (2) for a license issued to a person under age 18, \$1; and

17.11 (3) for other licenses, \$2.

17.12 Sec. 25. Minnesota Statutes 2008, section 97A.475, subdivision 44, is amended to read:

17.13 Subd. 44. **Replacement licenses.** (a) The fee for a replacement firearms deer
17.14 license is \$5.

17.15 (b) The fee for a replacement firearms deer license issued to a person under age
17.16 18 is \$1.

17.17 Sec. 26. Minnesota Statutes 2008, section 97B.015, subdivision 4, is amended to read:

17.18 Subd. 4. **Student fee.** To defray the expense of the course, the Enforcement
17.19 Division shall collect a fee from each person that takes the hunter education firearm safety
17.20 course. The commissioner shall establish a fee that neither significantly overrecovers nor
17.21 underrecovers costs, including overhead costs, involved in providing the services. The
17.22 fee is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not
17.23 apply. The fees shall be deposited in the game and fish fund and the amount thereof
17.24 is appropriated annually to the Enforcement Division of the Department of Natural
17.25 Resources for the administration of the program. In addition to the fee established by
17.26 the commissioner, instructors may charge each person up to the established fee amount
17.27 for class materials and expenses.

17.28 Sec. 27. Minnesota Statutes 2008, section 97B.015, subdivision 5, is amended to read:

17.29 Subd. 5. **Hunter education firearms safety certificate.** The commissioner shall
17.30 issue a hunter education firearms safety certificate to a person that satisfactorily completes
17.31 the required course of instruction. A person must be at least age 11 to take the hunter
17.32 education firearms safety course ~~and may receive a firearms safety certificate, but the~~

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18.1 ~~certificate is not valid for hunting until the year the person reaches age 12. A person who~~
18.2 ~~is age 11 and has a firearms safety certificate may purchase a license to take big game that~~
18.3 ~~will be valid for hunting during the entire regular season for which the license is valid if~~
18.4 ~~the person will reach age 12 during that calendar year. A firearms safety certificate issued~~
18.5 ~~to a person under age 12 by another state as provided in section 97B.020 is not valid for~~
18.6 ~~hunting in Minnesota until the person reaches age 12. The form and content of the hunter~~
18.7 ~~education firearms safety certificate shall be prescribed by the commissioner.~~

18.8 Sec. 28. Minnesota Statutes 2008, section 97B.015, subdivision 5a, is amended to read:

18.9 Subd. 5a. **Exemption for military personnel.** Notwithstanding subdivision 5, a
18.10 person who has successfully completed basic training in the United States armed forces is
18.11 exempt from the range and shooting exercise portion of the required course of instruction
18.12 for the hunter education firearms safety certificate. The commissioner may require written
18.13 proof of the person's military training, as deemed appropriate for implementing this
18.14 subdivision. The commissioner shall publicly announce this exemption from the range
18.15 and shooting exercise requirement and the availability of the department's online, remote
18.16 study option for adults seeking hunter education firearms safety certification. Military
18.17 personnel are not exempt from any other requirement of this section for obtaining a hunter
18.18 education firearms safety certificate.

18.19 Sec. 29. Minnesota Statutes 2008, section 97B.015, subdivision 6, is amended to read:

18.20 Subd. 6. **Provisional certificate for persons with developmental disability.** Upon
18.21 the recommendation of a course instructor, the commissioner may issue a provisional
18.22 hunter education firearms safety certificate to a person who satisfactorily completes the
18.23 classroom portion of the hunter education firearms safety course but is unable to pass
18.24 the written or an alternate format exam portion of the course because of developmental
18.25 disability as defined in section 97B.1055, subdivision 1. The certificate is valid only
18.26 when used according to section 97B.1055.

18.27 Sec. 30. Minnesota Statutes 2008, section 97B.015, subdivision 7, is amended to read:

18.28 Subd. 7. **Fee for duplicate certificate.** The commissioner shall collect a fee, to
18.29 include a \$1 issuing fee for licensing agents, for issuing a duplicate hunter education
18.30 firearms safety certificate. The commissioner shall establish a fee that neither significantly
18.31 overrecovers nor underrecovers costs, including overhead costs, involved in providing
18.32 the service. The fee is not subject to the rulemaking provisions of chapter 14 and section
18.33 14.386 does not apply. The commissioner may establish the fee notwithstanding section

19.1 16A.1283. The duplicate certificate fees, except for the issuing fee for licensing agents
19.2 under this subdivision, shall be deposited in the game and fish fund and, except for the
19.3 electronic licensing system commission established by the commissioner under section
19.4 84.027, subdivision 15, and issuing fees collected by the commissioner, are appropriated
19.5 annually to the Enforcement Division of the Department of Natural Resources for the
19.6 administration of the hunter education firearm safety course program.

19.7 Sec. 31. Minnesota Statutes 2008, section 97B.020, is amended to read:

19.8 **97B.020 HUNTER EDUCATION FIREARMS SAFETY CERTIFICATE**
19.9 **REQUIRED.**

19.10 (a) Except as provided in this section ~~and section 97A.451, subdivision 3a~~, a person
19.11 age 13 or over born after December 31, 1979, may not obtain an annual license to take
19.12 wild animals by firearms unless the person has:

19.13 (1) a hunter education firearms safety certificate or equivalent certificate;

19.14 (2) a driver's license or identification card with a valid hunter education firearms
19.15 safety qualification indicator issued under section 171.07, subdivision 13;

19.16 (3) a previous hunting license with a valid hunter education firearms safety
19.17 qualification indicator;

19.18 (4) an apprentice hunter validation issued under section 97B.022; or

19.19 (5) other evidence indicating that the person has completed in this state or in another
19.20 state a hunter safety course recognized by the department under a reciprocity agreement or
19.21 certified by the department as substantially similar.

19.22 (b) A person who is on active duty and has successfully completed basic training
19.23 in the United States armed forces, reserve component, or National Guard may obtain a
19.24 hunting license or approval authorizing hunting regardless of whether the person is issued
19.25 a hunter education firearms safety certificate.

19.26 (c) A person age 13 or over born after December 31, 1979, may not use a lifetime
19.27 license to take wild animals by firearms, unless the person meets the requirements for
19.28 obtaining an annual license under paragraph (a) or (b).

19.29 Sec. 32. Minnesota Statutes 2008, section 97B.021, subdivision 1, is amended to read:

19.30 Subdivision 1. **Restrictions.** (a) Except as provided in this subdivision, a person
19.31 under the age of 16 may not possess a firearm, unless accompanied by a parent or guardian.

19.32 (b) A person under age 16 may possess a firearm without being accompanied by a
19.33 parent or guardian:

20.1 (1) on land owned by, or occupied as the principal residence of, the person or the
20.2 person's parent or guardian;

20.3 (2) while participating in an organized target shooting program with adult
20.4 supervision;

20.5 (3) while the person is participating in a hunter education firearms safety program
20.6 or traveling to and from class; or

20.7 (4) if the person is age 14 or 15 and has a hunter education firearms safety certificate.

20.8 (c) A person age 13, 14, or 15 hunting with an apprentice hunter validation may
20.9 possess a firearm if accompanied by a parent or guardian age 18 or over who is licensed
20.10 to hunt in Minnesota and whose license was not obtained using an apprentice hunter
20.11 validation.

20.12 Sec. 33. **[97B.0215] PARENT OR GUARDIAN RESPONSIBILITY; VIOLATION.**

20.13 A parent or guardian may not knowingly direct, allow, or permit a person under the
20.14 age of 18 to hunt without the required license, permit, training, or certification, or in
20.15 violation of the game and fish laws.

20.16 Sec. 34. Minnesota Statutes 2008, section 97B.022, subdivision 2, is amended to read:

20.17 Subd. 2. **Apprentice hunter validation requirements.** A resident born after
20.18 December 31, 1979, who is age ~~12~~ 13 or ~~older~~ over and who does not possess a hunter
20.19 education firearms safety certificate or a nonresident who is age 13 to 17 and who does
20.20 not possess a hunter education firearms safety certificate may be issued an apprentice
20.21 hunter validation. An apprentice hunter validation is valid for only ~~one~~ two license ~~year~~
20.22 years in a lifetime. An individual in possession of an apprentice hunter validation may
20.23 hunt small game ~~and~~ deer, and bear only when accompanied by an adult licensed to hunt
20.24 in Minnesota whose license was not obtained using an apprentice hunter validation. An
20.25 apprentice hunter validation holder must obtain all required licenses and stamps.

20.26 Sec. 35. Minnesota Statutes 2008, section 97B.301, subdivision 3, is amended to read:

20.27 Subd. 3. **Party hunting.** If two or more persons with licenses to take deer by
20.28 firearms, or two or more persons with licenses to take deer by archery, are hunting as a
20.29 party, a member of the party may take more than one deer, but the total number of deer
20.30 taken by the party may not exceed the number of persons licensed to take deer in the
20.31 party. For a deer license issued to a person under age 18, only the person to whom the
20.32 license is issued may take and tag a deer under that license.

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21.1 Sec. 36. Minnesota Statutes 2008, section 97B.301, subdivision 6, is amended to read:

21.2 Subd. 6. **Residents or nonresidents under age 18 may take deer of either sex.** A
21.3 resident or nonresident under the age of 18 may take a deer of either sex except in those
21.4 antlerless permit areas and seasons where no antlerless permits are offered. In antlerless
21.5 permit areas where no antlerless permits are offered, the commissioner may provide
21.6 a limited number of youth either sex permits to residents or nonresidents under age 18,
21.7 under the procedures provided in section 97B.305, and may give preference to residents or
21.8 nonresidents under the age of 18 that have not previously been selected. This subdivision
21.9 does not authorize the taking of ~~an antlerless deer~~ on the youth hunter's license by another
21.10 member of a party ~~under subdivision 3.~~

21.11 Sec. 37. Minnesota Statutes 2008, section 97B.601, subdivision 4, is amended to read:

21.12 Subd. 4. **Exception to license requirements.** (a) ~~A resident under age 16 may take~~
21.13 ~~small game without a small game license, and a resident under age 13 may trap without a~~
21.14 ~~trapping license, as provided in section 97A.451, subdivision 3.~~

21.15 (b) A person may take small game without a small game license on land occupied by
21.16 the person as a principal residence.

21.17 (c) An owner or occupant may take certain small game causing damage without a
21.18 small game or trapping license as provided in section 97B.655.

21.19 (d) A person may use dogs to pursue and tree raccoons under section 97B.621,
21.20 subdivision 2, during the closed season without a license.

21.21 (e) A person may take a turkey or a prairie chicken without a small game license.

21.22 (f) A person participating in "Take a Kid Hunting Weekend" may take small game
21.23 without a license as provided in section 97A.445, subdivision 5.

21.24 (g) A person under age 16 may take waterfowl without a small game license on
21.25 youth waterfowl days as provided in section 97A.445, subdivision 5.

21.26 (h) Certain military personnel or discharged veterans may take small game without a
21.27 license as provided in section 97A.465.

21.28 Sec. 38. Minnesota Statutes 2008, section 103G.705, subdivision 2, is amended to read:

21.29 Subd. 2. **Stream protection and improvement fund.** There is established in the
21.30 state treasury a stream protection and redevelopment fund. All repayments of loans
21.31 made and administrative fees assessed under subdivision 1 must be deposited in this
21.32 fund. Interest earned on money in the fund accrues to the fund and money in the fund
21.33 is appropriated to the commissioner of natural resources for purposes of the stream
21.34 protection and redevelopment program, including costs incurred by the commissioner to

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22.1 establish and administer the program. Beginning in fiscal year 2010, all repayments of
22.2 loans made and administrative fees assessed under subdivision 1 must be transferred
22.3 to the general fund. This includes any balance within the fund from repayments and
22.4 administrative fees assessed prior to July 1, 2009.

22.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

22.6 Sec. 39. Minnesota Statutes 2009 Supplement, section 357.021, subdivision 7, is
22.7 amended to read:

22.8 Subd. 7. **Disbursement of surcharges by commissioner of management and**
22.9 **budget.** (a) Except as provided in paragraphs (b), (c), and (d), the commissioner of
22.10 management and budget shall disburse surcharges received under subdivision 6 and
22.11 section 97A.065, subdivision 2, as follows:

22.12 (1) one percent shall be credited to the peace officer training account in the game
22.13 and fish fund and appropriated to the commissioner of natural resources to provide peace
22.14 officer training for employees of the Department of Natural Resources who are licensed
22.15 under sections 626.84 to 626.863, and who possess peace officer authority for the purpose
22.16 of enforcing game and fish laws;

22.17 (2) 39 percent shall be credited to the peace officers training account in the special
22.18 revenue fund; and

22.19 (3) 60 percent shall be credited to the general fund.

22.20 (b) The commissioner of management and budget shall credit \$3 of each surcharge
22.21 received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

22.22 (c) In addition to any amounts credited under paragraph (a), the commissioner of
22.23 management and budget shall credit \$47 of each surcharge received under subdivision 6
22.24 and section 97A.065, subdivision 2, and the \$12 parking surcharge, to the general fund.

22.25 (d) If the Ramsey County Board of Commissioners authorizes imposition of the
22.26 additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator
22.27 in the Second Judicial District shall transmit the surcharge to the commissioner of
22.28 management and budget. The \$1 special surcharge is deposited in a Ramsey County
22.29 surcharge account in the special revenue fund and amounts in the account are appropriated
22.30 to the trial courts for the administration of the petty misdemeanor diversion program
22.31 operated by the Second Judicial District Ramsey County Violations Bureau.

22.32 Sec. 40. Laws 2009, chapter 172, article 2, section 5, is amended to read:

22.33 Sec. 5. **DEPARTMENT OF NATURAL**
22.34 **RESOURCES** \$ 6,690,000 \$ 7,835,000

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- 23.1 (a) \$1,240,000 the first year and \$2,460,000
23.2 the second year are for assisting in water
23.3 quality assessments in supporting the
23.4 identification of impaired waters.
- 23.5 (b) \$600,000 the first year and \$525,000 the
23.6 second year are for drinking water planning
23.7 and protection activities.
- 23.8 (c) \$1,050,000 the first year and \$1,050,000
23.9 the second year are for TMDL development
23.10 and TMDL implementation plans for waters
23.11 listed on the United States Environmental
23.12 Protection Agency approved Impaired
23.13 Waters List in accordance with Minnesota
23.14 Statutes, chapter 114D.
- 23.15 (d) \$2,800,000 the first year and \$2,800,000
23.16 the second year are to acquire and distribute
23.17 high-resolution digital elevation data
23.18 using light detection and ranging to aid
23.19 with impaired waters modeling and total
23.20 maximum daily load implementation under
23.21 Minnesota Statutes, chapter 114D. The data
23.22 will be collected for areas of the state that
23.23 have not acquired such data prior to January
23.24 1, 2007, or to complete acquisition and
23.25 distribution of the data for those areas of
23.26 the state that have not previously received
23.27 state funds for acquiring and distributing
23.28 the data. The distribution of data acquired
23.29 under this paragraph must be conducted
23.30 under the auspices of the Land Management
23.31 Information Center or its successor, which
23.32 shall receive 2.5 percent of the appropriation
23.33 in this paragraph to support coordination of
23.34 data acquisition and distribution. Mapping
23.35 and data set distribution under this paragraph

24.1 must be completed within three years of
24.2 funds availability. The commissioner shall
24.3 utilize department staff whenever possible.
24.4 The commissioner may contract for services
24.5 only if they cannot otherwise be provided
24.6 by the department. If the commissioner
24.7 contracts for services with this appropriation
24.8 and any of the work done under the contract
24.9 will be done outside of the United States, the
24.10 commissioner must report to the chairs of the
24.11 house of representatives and senate finance
24.12 committees on the proposed contract at least
24.13 30 days before entering into the contract.
24.14 The report must include an analysis of why
24.15 the contract with the selected contractor
24.16 provides the state with "best value," as
24.17 defined in Minnesota Statutes, section
24.18 16C.02; any alternatives to the selected
24.19 contractor that were considered; what data
24.20 will be provided to the contractor, including
24.21 the data that will be transmitted outside of
24.22 the United States; what security measures
24.23 will be taken to ensure that the data is
24.24 treated in accordance with the Minnesota
24.25 Government Data Practices Act; and what
24.26 remedies will be available to the state if the
24.27 data is not treated in accordance with the
24.28 Minnesota Government Data Practices Act.
24.29 This appropriation is available until June 30,
24.30 2012.
24.31 (e) \$250,000 the first year and \$250,000
24.32 the second year are to adopt rules for the
24.33 Mississippi River corridor critical area
24.34 under Minnesota Statutes, section 116G.15.
24.35 The commissioner shall begin rulemaking
24.36 under chapter 14 no later than January 15,

25.1 2010. At least 30 days prior to beginning
25.2 the rulemaking, the commissioner shall
25.3 notify local units of government within the
25.4 Mississippi River corridor critical area of
25.5 the intent to adopt rules. The local units of
25.6 government shall make reasonable efforts to
25.7 notify the public of the contact information
25.8 for the appropriate department staff. The
25.9 commissioner shall maintain an e-mail
25.10 list of interested parties to provide timely
25.11 information about the proposed schedule
25.12 for rulemaking, opportunities for public
25.13 comment, and contact information for the
25.14 appropriate department staff.

25.15 (f) \$500,000 the first year and \$500,000
25.16 the second year are to investigate physical
25.17 and recharge characteristics as part of the
25.18 collection and interpretation of subsurface
25.19 geological information and acceleration of
25.20 the county geologic atlas program. This
25.21 appropriation represents a continuing effort
25.22 to complete the county geologic atlases
25.23 throughout the state in order to provide
25.24 information and assist in planning for the
25.25 sustainable use of groundwater and surface
25.26 water that does not harm ecosystems,
25.27 degrade water quality, or compromise the
25.28 ability of future generations to meet their
25.29 own needs. This appropriation is available
25.30 until December 31, 2014.

25.31 (g) \$250,000 the first year and \$250,000
25.32 the second year are for nonpoint source
25.33 restoration and protection activities.

25.34 Sec. 41. **REPEALER.**

26.1 Minnesota Statutes 2008, sections 97A.451, subdivisions 3a and 4; 97A.485,
 26.2 subdivision 12; and 97B.022, subdivision 1, are repealed.

26.3 **ARTICLE 2**

26.4 **ENERGY AND COMMERCE**

26.5 Section 1. **SUMMARY OF APPROPRIATIONS.**

26.6 The amounts shown in this section summarize direct appropriations, by fund, made
 26.7 in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
26.9	<u>General</u>	\$	<u>210,000</u>	\$	<u>(322,000)</u>	<u>(112,000)</u>
26.10	<u>Petroleum Tank Cleanup</u>		<u>(25,000)</u>		<u>(32,000)</u>	<u>(57,000)</u>
26.11	<u>Total</u>	<u>\$</u>	<u>185,000</u>	<u>\$</u>	<u>(354,000)</u>	<u>(169,000)</u>

26.12 Sec. 2. **ENERGY FINANCE APPROPRIATIONS.**

26.13 The sums shown in the columns marked "Appropriations" are added to or, if shown
 26.14 in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 2, to
 26.15 the agencies and for the purposes specified in this article. The appropriations are from the
 26.16 general fund, or another named fund, and are available for the fiscal years indicated for
 26.17 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 26.18 to or subtraction from the appropriation listed under them is available for the fiscal year
 26.19 ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010.
 26.20 "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.
 26.21 Supplemental appropriations, reductions to appropriations, and transfers for the fiscal year
 26.22 ending June 30, 2010, are effective the day following final enactment.

26.23 **APPROPRIATIONS**
 26.24 **Available for the Year**
 26.25 **Ending June 30**
 26.26 **2010** **2011**

26.27 Sec. 3. **DEPARTMENT OF COMMERCE**

26.28 Subdivision 1. **Total Appropriation** **\$** **185,000** **\$** **(354,000)**

26.29 Appropriations by Fund

	<u>2010</u>	<u>2011</u>
26.31	<u>210,000</u>	<u>(322,000)</u>
26.32	<u>(25,000)</u>	<u>(32,000)</u>

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27.1	<u>The amounts that may be spent for each</u>		
27.2	<u>purpose are specified in the following</u>		
27.3	<u>subdivisions.</u>		
27.4	Subd. 2. <u>Financial Institutions</u>	<u>400,000</u>	<u>-0-</u>
27.5	<u>This is a onetime appropriation for</u>		
27.6	<u>implementation of the federal SAFE Act.</u>		
27.7	Subd. 3. <u>Petroleum Tank Release Cleanup</u>		
27.8	<u>Board</u>	<u>(25,000)</u>	<u>(32,000)</u>
27.9	<u>Open appropriations established under</u>		
27.10	<u>Minnesota Statutes, sections 16A.127,</u>		
27.11	<u>115.10, 115C.09, and 115C.094, from</u>		
27.12	<u>the petroleum tank fund are reduced by</u>		
27.13	<u>\$544,000. Prior to June 30, 2010, the</u>		
27.14	<u>commissioner of commerce shall transfer</u>		
27.15	<u>\$569,000 from the unexpended balance</u>		
27.16	<u>of the petroleum tank fund established in</u>		
27.17	<u>Minnesota Statutes, section 115C.08, to the</u>		
27.18	<u>general fund.</u>		
27.19	<u>Prior to June 30, 2011, the commissioner</u>		
27.20	<u>of commerce shall transfer \$32,000 from</u>		
27.21	<u>the unexpended balance of the petroleum</u>		
27.22	<u>tank fund established in Minnesota Statutes,</u>		
27.23	<u>section 115C.08, to the general fund.</u>		
27.24	Subd. 4. <u>Administrative Services</u>	<u>(66,000)</u>	<u>(126,000)</u>
27.25	Subd. 5. <u>Market Assurance</u>	<u>(124,000)</u>	<u>(196,000)</u>
27.26	Subd. 6. <u>Telecommunications Access</u>		
27.27	<u>Minnesota</u>		
27.28	<u>Prior to June 30, 2010, the commissioner</u>		
27.29	<u>of commerce shall transfer \$128,000</u>		
27.30	<u>from the unexpended balance of the</u>		
27.31	<u>telecommunications access Minnesota fund</u>		
27.32	<u>established in Minnesota Statutes, section</u>		
27.33	<u>237.52, to the general fund.</u>		

28.1 Prior to June 30, 2011, the commissioner
28.2 of commerce shall transfer \$135,000
28.3 from the unexpended balance of the
28.4 telecommunications access Minnesota fund
28.5 established in Minnesota Statutes, section
28.6 237.52, to the general fund.

28.7 Subd. 7. **Transfers**

28.8 Prior to June 30, 2010, the commissioner
28.9 of commerce shall transfer \$34,000 from
28.10 the unexpended balance of the license
28.11 technology surcharge account established
28.12 in Minnesota Statutes, section 45.24, to the
28.13 general fund.

28.14 Prior to June 30, 2011, the commissioner
28.15 of commerce shall transfer \$52,000 from
28.16 the unexpended balance of the license
28.17 technology surcharge account established
28.18 in Minnesota Statutes, section 45.24, to the
28.19 general fund.

28.20 Prior to June 30, 2010, the commissioner of
28.21 commerce shall transfer \$64,000 from the
28.22 unexpended balance of the insurance fraud
28.23 prevention account established in Minnesota
28.24 Statutes, section 45.0135, to the general fund.

28.25 Prior to June 30, 2011, the commissioner of
28.26 commerce shall transfer \$48,000 from the
28.27 unexpended balance of the insurance fraud
28.28 prevention account established in Minnesota
28.29 Statutes, section 45.0135, to the general fund.

28.30 Prior to June 30, 2010, the commissioner of
28.31 commerce shall transfer \$133,000 from the
28.32 unexpended balance of the automobile theft
28.33 prevention account established in Minnesota
28.34 Statutes, section 168A.40, to the general
28.35 fund.

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29.1 Prior to June 30, 2011, the commissioner of
29.2 commerce shall transfer \$111,000 from the
29.3 unexpended balance of the automobile theft
29.4 prevention account established in Minnesota
29.5 Statutes, section 168A.40, to the general
29.6 fund.

29.7 Prior to June 30, 2010, the commissioner
29.8 of commerce shall transfer \$49,000 from
29.9 the unexpended balance of the real estate
29.10 education, research and recovery fund
29.11 established in Minnesota Statutes, section
29.12 82.43, to the general fund.

29.13 Prior to June 30, 2011, the commissioner
29.14 of commerce shall transfer \$5,000 from
29.15 the unexpended balance of the real estate
29.16 education, research and recovery fund
29.17 established in Minnesota Statutes, section
29.18 82.43, to the general fund.

29.19 Prior to June 30, 2010, the commissioner
29.20 of commerce shall transfer \$7,000 from
29.21 the unexpended balance of the consumer
29.22 education account established in Minnesota
29.23 Statutes, section 58.10, to the general fund.

29.24 Prior to June 30, 2010, the commissioner
29.25 of commerce shall transfer \$4,000 from the
29.26 unexpended balance of the HMO regulation
29.27 account established under Minnesota
29.28 Statutes, section 471.59, to the general fund.

29.29 Prior to June 30, 2011, the commissioner
29.30 of commerce shall transfer \$9,000 from the
29.31 unexpended balance of the HMO regulation
29.32 account established under Minnesota
29.33 Statutes, section 471.59, to the general fund.

29.34 Prior to June 30, 2010, the commissioner
29.35 of commerce shall transfer \$4,000 from the

30.1 unexpended balance of the renewable energy
30.2 equipment grants account established under
30.3 Minnesota Statutes, section 239.101, to the
30.4 general fund.

30.5 Prior to June 30, 2010, the commissioner
30.6 of commerce shall transfer \$15,000 from
30.7 the unexpended balance of the energy
30.8 planning and systems account established
30.9 in Minnesota Statutes, section 216C.052,
30.10 to the general fund. Funds transferred to
30.11 the general fund will be considered general
30.12 administrative costs of the administrator.

30.13 Prior to June 30, 2010, the commissioner
30.14 of commerce shall transfer \$43,000 from
30.15 the unexpended balance of the conservation
30.16 improvement technical assistance account
30.17 established in Minnesota Statutes, section
30.18 216B.241, subdivision 1d, to the general
30.19 fund.

30.20 Prior to June 30, 2011, the commissioner
30.21 of commerce shall transfer \$17,000 from
30.22 the unexpended balance of the conservation
30.23 improvement technical assistance account
30.24 established in Minnesota Statutes, section
30.25 216B.241, subdivision 1d, to the general
30.26 fund.

30.27 Prior to June 30, 2010, the commissioner
30.28 of commerce shall transfer \$316,000
30.29 from the unexpended balance of the
30.30 conservation improvement applied research
30.31 and development grants account established
30.32 in Minnesota Statutes, section 216B.241,
30.33 subdivision 1e, to the general fund.

30.34 Prior to June 30, 2011, the commissioner
30.35 of commerce shall transfer \$213,000

31.1 from the unexpended balance of the
31.2 conservation improvement applied research
31.3 and development grants account established
31.4 in Minnesota Statutes, section 216B.241,
31.5 subdivision 1e, to the general fund.

31.6 Prior to June 30, 2010, the commissioner
31.7 of commerce shall transfer \$22,000 from
31.8 the unexpended balance of the residential
31.9 propane account established in Minnesota
31.10 Statutes, section 239.785, to the general fund.

31.11 Prior to June 30, 2011, the commissioner
31.12 of commerce shall transfer \$18,000 from
31.13 the unexpended balance of the residential
31.14 propane account established in Minnesota
31.15 Statutes, section 239.785, to the general fund.

31.16 Prior to June 30, 2010, the commissioner of
31.17 commerce shall transfer \$22,000 from the
31.18 unexpended balance of the facilities energy
31.19 efficiency account established in Minnesota
31.20 Statutes, section 216B.241, subdivision 1f, to
31.21 the general fund.

31.22 Prior to June 30, 2011, the commissioner of
31.23 commerce shall transfer \$30,000 from the
31.24 unexpended balance of the facilities energy
31.25 efficiency account established in Minnesota
31.26 Statutes, section 216B.241, subdivision 1f, to
31.27 the general fund.

31.28 Prior to June 30, 2010, the commissioner
31.29 of commerce shall transfer \$11,000 from
31.30 the unexpended balance of the power plant
31.31 assessment account established in Minnesota
31.32 Statutes, section 216E.18, subdivision 3, to
31.33 the general fund. Funds transferred to the
31.34 general fund will be considered expenditures
31.35 for assessment purposes.

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32.1 Prior to June 30, 2011, the commissioner
32.2 of commerce shall transfer \$15,000 from
32.3 the unexpended balance of the power plant
32.4 assessment account established in Minnesota
32.5 Statutes, section 216E.18, subdivision 3, to
32.6 the general fund. Funds transferred to the
32.7 general fund will be considered expenditures
32.8 for assessment purposes.

32.9 Prior to June 30, 2010, the commissioner
32.10 of commerce shall transfer the remaining
32.11 balance of the pipeline account under
32.12 Minnesota Statutes, section 216G.02, to the
32.13 general fund.

32.14 Prior to June 30, 2010, the commissioner of
32.15 commerce shall transfer \$40,000 from the
32.16 unexpended balance of the biogas recovery
32.17 grants appropriation in Laws 2007, chapter
32.18 57, article 2, section 3, subdivision 6, to the
32.19 general fund.

32.20 Prior to June 30, 2010, the commissioner
32.21 of commerce shall transfer \$4,000 from the
32.22 unexpended balance of the solar electricity
32.23 projects appropriation in Laws 2007, chapter
32.24 57, article 2, section 3, subdivision 6, to the
32.25 general fund.

32.26 Prior to June 30, 2010, the commissioner
32.27 of commerce shall transfer \$6,000 from
32.28 the unexpended balance of the CERTS
32.29 continuation appropriation in Laws 2007,
32.30 chapter 57, article 2, section 3, subdivision
32.31 6, to the general fund.

32.32 Prior to June 30, 2010, the commissioner
32.33 of commerce shall transfer \$39,000 from
32.34 the unexpended balance of the automotive
32.35 projects appropriation in Laws 2007, chapter

33.1 57, article 2, section 3, subdivision 6, to the
33.2 general fund.

33.3 Prior to June 30, 2010, the commissioner of
33.4 commerce shall transfer \$19,000 from the
33.5 unexpended balance of the hydrogen road
33.6 map appropriation in Laws 2007, chapter
33.7 57, article 2, section 3, subdivision 6, to the
33.8 general fund.

33.9 Prior to June 30, 2010, the commissioner of
33.10 commerce shall transfer \$40,000 from the
33.11 unexpended balance of the renewable energy
33.12 grants appropriation in Laws 2007, chapter
33.13 57, article 2, section 3, subdivision 6, to the
33.14 general fund.

33.15 Prior to June 30, 2010, the commissioner
33.16 of commerce shall transfer \$8,000 from the
33.17 unexpended balance of the green economy
33.18 and manufacturing appropriation in Laws
33.19 2008, chapter 363, article 6, section 3,
33.20 subdivision 4, to the general fund.

33.21 Prior to June 30, 2010, the commissioner of
33.22 commerce shall transfer \$13,000 from the
33.23 unexpended balance of the greenhouse gas
33.24 advisory group appropriation in Laws 2008,
33.25 chapter 340, section 5, to the general fund.

33.26 Prior to June 30, 2010, the commissioner
33.27 of commerce shall transfer \$18,000 from
33.28 the unexpended balance of the heat flow
33.29 maps appropriation in Laws 2009, chapter
33.30 37, article 2, section 3, subdivision 7, to the
33.31 general fund.

33.32 Prior to June 30, 2010, the commissioner
33.33 of commerce shall transfer \$31,000 from
33.34 the unexpended balance of the CERTS
33.35 appropriation in Laws 2009, chapter 37,

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34.1 article 2, section 3, subdivision 7, to the
34.2 general fund.

34.3 Prior to June 30, 2011, the commissioner
34.4 of commerce shall transfer \$38,000 from
34.5 the unexpended balance of the CERTS
34.6 appropriation in Laws 2009, chapter 37,
34.7 article 2, section 3, subdivision 7, to the
34.8 general fund.

34.9 Prior to June 30, 2010, the commissioner
34.10 of commerce shall transfer \$24,000 from
34.11 the unexpended balance of the solar rebates
34.12 appropriation in Laws 2009, chapter 37,
34.13 article 2, section 3, subdivision 7, to the
34.14 general fund.

34.15 Prior to June 30, 2010, the commissioner
34.16 of commerce shall transfer \$90,000 from
34.17 the unexpended balance of the IRETI grant
34.18 appropriation in Laws 2009, chapter 37,
34.19 article 2, section 13, to the general fund.

34.20 Prior to June 30, 2010, the commissioner of
34.21 commerce shall transfer \$36,000 from the
34.22 unexpended balance of the solar lab grant
34.23 appropriation in Laws 2009, chapter 37,
34.24 article 2, section 13, to the general fund.

34.25 Sec. 4. Minnesota Statutes 2009 Supplement, section 45.30, subdivision 6, is amended
34.26 to read:

34.27 Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in
34.28 advance. A course that is required by federal criteria or a reciprocity agreement to receive
34.29 a substantive review will be approved or disapproved on the basis of its compliance with
34.30 the provisions of laws and rules relating to the appropriate industry. At the commissioner's
34.31 discretion, a course that is not required by federal criteria or a reciprocity agreement to
34.32 receive a substantive review may be approved based on a qualified provider's certification
34.33 on a form specified by the commissioner that the course complies with the provisions of
34.34 this chapter and the laws and rules relating to the appropriate industry. For the purposes

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35.1 of this section, a "qualified provider" is one of the following: (1) a degree-granting
35.2 institution of higher learning located within this state; (2) a private school licensed by the
35.3 Minnesota Office of Higher Education; or (3) when conducting courses for its members, a
35.4 bona fide trade association that staffs and maintains in this state a physical location that
35.5 contains course and student records and that has done so for not less than three years.
35.6 The commissioner may review any approved course and may cancel its approval with
35.7 regard to all future offerings. The commissioner must make the final determination as to
35.8 accreditation and assignment of credit hours for courses. Courses must be at least one hour
35.9 in length, except courses for real estate appraisers must be at least two hours in length.

35.10 ~~Individuals wishing to receive credit for continuing education courses that have not~~
35.11 ~~been previously approved may submit the course information for approval. Courses~~
35.12 ~~must be in compliance with the laws and rules governing the types of courses that will~~
35.13 ~~and will not be approved.~~

35.14 Approval will not include time spent on meals or other unrelated activities.

35.15 (b) Courses must be submitted at least 30 days before the initial proposed course
35.16 offering.

35.17 (c) Approval must be granted for a subsequent offering of identical continuing
35.18 education courses without requiring a new application. The commissioner must deny
35.19 future offerings of courses if they are found not to be in compliance with the laws relating
35.20 to course approval.

35.21 (d) When either the content of an approved course or its method of instruction
35.22 changes, the course is no longer approved for license education credit. A new application
35.23 must be submitted for the changed course if the education provider intends to offer it for
35.24 license education credit.

35.25 Sec. 5. Minnesota Statutes 2008, section 58.04, subdivision 1, is amended to read:

35.26 Subdivision 1. **Residential mortgage originator licensing requirements.** (a)
35.27 No person shall act as a residential mortgage originator, or make residential mortgage
35.28 loans without first obtaining a license from the commissioner according to the licensing
35.29 procedures provided in this chapter.

35.30 (b) A licensee must be either a partnership, limited liability partnership, association,
35.31 limited liability company, corporation, or other form of business organization, and must
35.32 have and maintain ~~at all times one of the following: approval as a mortgagee by either the~~
35.33 ~~federal Department of Housing and Urban Development or the Federal National Mortgage~~
35.34 ~~Association; a minimum net worth, net of intangibles, of at least \$250,000; or a surety~~
35.35 ~~bond or irrevocable letter of credit in the amount of \$50,000~~ amounts prescribed under

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36.1 ~~section 58.08. Net worth, net of intangibles, must be calculated in accordance with~~
36.2 ~~generally accepted accounting principles.~~

36.3 (c) The following persons are exempt from the residential mortgage originator
36.4 licensing requirements:

36.5 (1) a person who is not in the business of making residential mortgage loans and who
36.6 makes no more than three such loans, with its own funds, during any 12-month period;

36.7 (2) a financial institution as defined in section 58.02, subdivision 10;

36.8 (3) an agency of the federal government, or of a state or municipal government;

36.9 (4) an employee or employer pension plan making loans only to its participants;

36.10 (5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of
36.11 a specific order issued by a court of competent jurisdiction; or

36.12 (6) a person exempted by order of the commissioner.

36.13 Sec. 6. Minnesota Statutes 2009 Supplement, section 58.06, subdivision 2, is amended
36.14 to read:

36.15 Subd. 2. **Application contents.** (a) The application must contain the name and
36.16 complete business address or addresses of the license applicant. The license applicant
36.17 must be a partnership, limited liability partnership, association, limited liability company,
36.18 corporation, or other form of business organization, and the application must contain the
36.19 names and complete business addresses of each partner, member, director, and principal
36.20 officer. The application must also include a description of the activities of the license
36.21 applicant, in the detail and for the periods the commissioner may require.

36.22 (b) A residential mortgage originator applicant must submit ~~one of the following:~~

36.23 ~~(1) evidence which shows, to the commissioner's satisfaction, that either the federal~~
36.24 ~~Department of Housing and Urban Development or the Federal National Mortgage~~
36.25 ~~Association has approved the residential mortgage originator applicant as a mortgagee;~~

36.26 ~~(2) a surety bond or irrevocable letter of credit in the amount of not less than~~
36.27 ~~\$50,000 in a form approved by the commissioner, issued by an insurance company or bank~~
36.28 ~~authorized to do so in this state. The bond or irrevocable letter of credit must be available~~
36.29 ~~for the recovery of expenses, fines, and fees levied by the commissioner under this chapter~~
36.30 ~~and for losses incurred by borrowers. The bond or letter of credit must be submitted with~~
36.31 ~~the license application, and evidence of continued coverage must be submitted with each~~
36.32 ~~renewal. Any change in the bond or letter of credit must be submitted for approval by the~~
36.33 ~~commissioner within ten days of its execution; or~~

36.34 ~~(3) a copy of the residential mortgage originator applicant's most recent audited~~
36.35 ~~financial statement, including balance sheet, statement of income or loss, statements of~~

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37.1 ~~changes in shareholder equity, and statement of changes in financial position. Financial~~
37.2 ~~statements must be as of a date within 12 months of the date of application. a surety bond~~
37.3 ~~that meets the requirements of section 58.08, subdivision 1a.~~

37.4 (c) The application must also include all of the following:

37.5 (1) an affirmation under oath that the applicant:

37.6 (i) is in compliance with the requirements of section 58.125;

37.7 ~~(ii) will maintain a perpetual roster of individuals employed as residential mortgage~~
37.8 ~~originators, including employees and independent contractors, which includes the dates~~
37.9 ~~that mandatory testing, initial education, and continuing education were completed. In~~
37.10 ~~addition, the roster must be made available to the commissioner on demand, within three~~
37.11 ~~business days of the commissioner's request;~~

37.12 ~~(iii) (ii)~~ will advise the commissioner of any material changes to the information
37.13 submitted in the most recent application within ten days of the change;

37.14 ~~(iv) (iii)~~ will advise the commissioner in writing immediately of any bankruptcy
37.15 petitions filed against or by the applicant or licensee;

37.16 ~~(v) (iv)~~ will maintain at all times ~~either a net worth, net of intangibles, of at least~~
37.17 ~~\$250,000 or a surety bond or irrevocable letter of credit in the amount of at least \$50,000~~
37.18 ~~\$100,000;~~

37.19 ~~(vi) (v)~~ complies with federal and state tax laws; and

37.20 ~~(vii) (vi)~~ complies with sections 345.31 to 345.60, the Minnesota unclaimed
37.21 property law;

37.22 (2) information as to the mortgage lending, servicing, or brokering experience of the
37.23 applicant and persons in control of the applicant;

37.24 (3) information as to criminal convictions, excluding traffic violations, of persons in
37.25 control of the license applicant;

37.26 (4) whether a court of competent jurisdiction has found that the applicant or persons
37.27 in control of the applicant have engaged in conduct evidencing gross negligence, fraud,
37.28 misrepresentation, or deceit in performing an act for which a license is required under
37.29 this chapter;

37.30 (5) whether the applicant or persons in control of the applicant have been the subject
37.31 of: an order of suspension or revocation, cease and desist order, or injunctive order, or
37.32 order barring involvement in an industry or profession issued by this or another state or
37.33 federal regulatory agency or by the Secretary of Housing and Urban Development within
37.34 the ten-year period immediately preceding submission of the application; and

37.35 (6) other information required by the commissioner.

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38.1 Sec. 7. Minnesota Statutes 2008, section 58.08, is amended by adding a subdivision to
38.2 read:

38.3 Subd. 1a. **Residential mortgage originators.** (a) An applicant for a residential
38.4 mortgage originator license must file with the department a surety bond in the amount of
38.5 \$100,000, issued by an insurance company authorized to do so in this state. The bond
38.6 must cover all mortgage loan originators who are employees or independent agents of
38.7 the applicant. The bond must be available for the recovery of expenses, fines, and fees
38.8 levied by the commissioner under this chapter and for losses incurred by borrowers as
38.9 a result of a licensee's noncompliance with the requirements of this chapter, sections
38.10 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities
38.11 regulated by this chapter.

38.12 (b) The bond must be submitted with the originator's license application and
38.13 evidence of continued coverage must be submitted with each renewal. Any change in the
38.14 bond must be submitted for approval by the commissioner, within ten days of its execution.
38.15 The bond or a substitute bond shall remain in effect during all periods of licensing.

38.16 (c) Upon filing of the mortgage call report as required by section 58A.17, a licensee
38.17 shall maintain or increase its surety bond to reflect the total dollar amount of the closed
38.18 residential mortgage loans originated in this state in the preceding year in accordance
38.19 with the table in this paragraph. A licensee may decrease its surety bond in accordance
38.20 with the table in this paragraph if the surety bond required is less than the amount of the
38.21 surety bond on file with the department.

<u>Dollar Amount of Closed Residential</u> <u>Mortgage Loans</u>	<u>Surety Bond Required</u>
<u>\$0 to \$5,000,000</u>	<u>\$100,000</u>
<u>\$5,000,000.01 to \$10,000,000</u>	<u>\$125,000</u>
<u>\$10,000,000.01 to \$25,000,000</u>	<u>\$150,000</u>
<u>Over \$25,000,000</u>	<u>\$200,000</u>

38.28 For purposes of this subdivision, "mortgage loan originator" has the meaning given
38.29 the term in section 58A.02, subdivision 8.

38.30 Sec. 8. Minnesota Statutes 2008, section 58.09, is amended to read:

38.31 **58.09 TERM OF LICENSE.**

38.32 ~~Initial~~ Licenses for residential mortgage originators and residential mortgage
38.33 servicers issued under this chapter expire on ~~July 31, 2001,~~ December 31 and are
38.34 renewable on ~~August 1, 2001, and on August 1~~ January 1 of each ~~odd-numbered~~ year
38.35 after that date. ~~A new licensee whose license expires less than 12 months from the date~~

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39.1 ~~of issuance shall pay a fee equal to one-half the applicable initial license fee set forth in~~
39.2 ~~section 58.10, subdivision 1, clause (1) or (3).~~

39.3 Sec. 9. Minnesota Statutes 2008, section 58.10, subdivision 1, is amended to read:

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

39.5 (1) for ~~an initial~~ a residential mortgage originator license, ~~\$2,125~~ \$1,000, \$50 of
39.6 which is credited to the consumer education account in the special revenue fund;

39.7 (2) for a renewal license, ~~\$1,125~~ \$500, \$50 of which is credited to the consumer
39.8 education account in the special revenue fund;

39.9 (3) for ~~an initial~~ a residential mortgage servicer's license, ~~\$1,000~~ \$500;

39.10 (4) for a renewal license, ~~\$500~~ \$250; and

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

39.12 Sec. 10. Minnesota Statutes 2008, section 58.11, is amended to read:

39.13 **58.11 LICENSE RENEWAL.**

39.14 Subdivision 1. **Term.** Licenses are renewable on ~~August 1, 2001, and on August 1~~
39.15 January 1 of each ~~odd-numbered year after that date.~~

39.16 Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely
39.17 filed who has not received notice of denial of renewal is considered approved for renewal
39.18 and the person may continue to transact business as a residential mortgage originator or
39.19 servicer whether or not the renewed license has been received on or before ~~August~~ January
39.20 1 of the renewal year. Application for renewal of a license is considered timely filed if
39.21 received by the commissioner by, or mailed with proper postage and postmarked by, ~~July~~
39.22 December 15 of the renewal year. An application for renewal is considered properly filed
39.23 if made upon forms duly executed and sworn to, accompanied by fees prescribed by this
39.24 chapter, and containing any information that the commissioner requires.

39.25 (b) A person who fails to make a timely application for renewal of a license and
39.26 who has not received the renewal license as of ~~August~~ January 1 of the renewal year is
39.27 unlicensed until the renewal license has been issued by the commissioner and is received
39.28 by the person.

39.29 Subd. 3. **Contents of renewal application.** Application for the renewal of an
39.30 existing license must contain the information specified in section 58.06, subdivision 2;
39.31 however, only the requested information having changed from the most recent prior
39.32 application need be submitted.

39.33 Subd. 4. **Cancellation.** A licensee ceasing an activity or activities regulated by this
39.34 chapter and desiring to no longer be licensed shall so inform the commissioner in writing

40.1 and, at the same time, surrender the license and all other symbols or indicia of licensure.
40.2 The licensee shall include a plan for the withdrawal from regulated business, including a
40.3 timetable for the disposition of the business.

40.4 Sec. 11. **[58A.01] TITLE.**

40.5 This chapter may be cited as the "Minnesota Secure and Fair Enforcement for
40.6 Mortgage Licensing Act of 2009" or "Minnesota S.A.F.E. Mortgage Licensing Act of
40.7 2009."

40.8 Sec. 12. **[58A.02] DEFINITIONS.**

40.9 Subdivision 1. **Application.** For purposes of this chapter, the definitions in
40.10 subdivisions 2 to 16 have the meanings given them.

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

40.12 Subd. 3. **Depository institution.** "Depository institution" has the meaning given in
40.13 United States Code, title 12, section 1813, and includes a credit union.

40.14 Subd. 4. **Federal banking agencies.** "Federal banking agencies" means the Board
40.15 of Governors of the Federal Reserve System, the comptroller of the currency, the director
40.16 of the Office of Thrift Supervision, the National Credit Union Administration, and the
40.17 Federal Deposit Insurance Corporation.

40.18 Subd. 5. **Immediate family member.** "Immediate family member" means a spouse,
40.19 child, sibling, a parent, grandparent, or grandchild. This includes stepparents, stepchildren,
40.20 stepsiblings, and adoptive relationships.

40.21 Subd. 6. **Individual.** "Individual" means a natural person.

40.22 Subd. 7. **Loan processor or underwriter.** "Loan processor or underwriter" means
40.23 an individual who performs clerical or support duties as an employee at the direction
40.24 of and subject to the supervision and instruction of a person licensed or exempt from
40.25 licensing under chapter 58. For purposes of this subdivision, the term "clerical or support
40.26 duties" may include after the receipt of an application:

40.27 (1) the receipt, collection, distribution, and analysis of information common for the
40.28 processing or underwriting of a residential mortgage loan; and

40.29 (2) communicating with a consumer to obtain the information necessary for the
40.30 processing or underwriting of a loan, to the extent that the communication does not include
40.31 offering or negotiating loan rates or terms, or counseling consumers about residential
40.32 mortgage loan rates or terms.

40.33 Subd. 8. **Mortgage loan originator.** "Mortgage loan originator":

41.1 (1) means an individual who for compensation or gain or in the expectation of
41.2 compensation or gain:

41.3 (i) takes a residential mortgage loan application; or

41.4 (ii) offers or negotiates terms of a residential mortgage loan;

41.5 (2) does not include an individual engaged solely as a loan processor or underwriter
41.6 except as otherwise provided in section 58A.03, subdivision 3;

41.7 (3) does not include a person or entity that only performs real estate brokerage
41.8 activities and is licensed or registered according to Minnesota law, unless the person or
41.9 entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or
41.10 by an agent of the lender, mortgage broker, or other mortgage loan originator; and

41.11 (4) does not include a person or entity solely involved in extensions of credit relating
41.12 to timeshare plans, as that term is defined in United States Code, title 11, section 101(53D).

41.13 Subd. 9. **Nationwide Mortgage Licensing System and Registry.** "Nationwide
41.14 Mortgage Licensing System and Registry" means a mortgage licensing system developed
41.15 and maintained by the Conference of State Bank Supervisors and the American
41.16 Association of Residential Mortgage Regulators for the licensing and registration of
41.17 licensed mortgage loan originators.

41.18 Subd. 10. **Nontraditional mortgage product.** "Nontraditional mortgage product"
41.19 means a mortgage product other than a 30-year fixed rate mortgage loan.

41.20 Subd. 11. **Person.** "Person" means a natural person, corporation, company, limited
41.21 liability company, partnership, or association.

41.22 Subd. 12. **Real estate brokerage activity.** "Real estate brokerage activity" means
41.23 an activity that involves offering or providing real estate brokerage services to the public,
41.24 including:

41.25 (1) acting as a real estate agent or real estate broker for a buyer, seller, lessor,
41.26 or lessee of real property;

41.27 (2) bringing together parties interested in the sale, purchase, lease, rental, or
41.28 exchange of real property;

41.29 (3) negotiating, on behalf of a party, a portion of a contract relating to the sale,
41.30 purchase, lease, rental, or exchange of real property other than in connection with
41.31 providing financing with respect to the transaction;

41.32 (4) engaging in an activity for which a person engaged in the activity is required to
41.33 be registered or licensed as a real estate agent or real estate broker under any applicable
41.34 law; and

41.35 (5) offering to engage in any activity, or act in any capacity, described in clause
41.36 (1), (2), (3), or (4).

42.1 Subd. 13. **Registered mortgage loan originator.** "Registered mortgage loan
42.2 originator" means an individual who:

42.3 (1) meets the definition of mortgage loan originator and is an employee of:

42.4 (i) a depository institution;

42.5 (ii) a subsidiary that is owned and controlled by a depository institution and
42.6 regulated by a federal banking agency; or

42.7 (iii) an institution regulated by the Farm Credit Administration; and

42.8 (2) is registered with, and maintains a unique identifier through, the Nationwide
42.9 Mortgage Licensing System and Registry.

42.10 Subd. 14. **Residential mortgage loan.** "Residential mortgage loan" means a loan
42.11 primarily for personal, family, or household use that is secured by a mortgage, deed of
42.12 trust, or other equivalent consensual security interest on a dwelling, as defined in United
42.13 States Code, title 15, section 1602(v), or residential real estate upon which a dwelling is
42.14 constructed or intended to be constructed.

42.15 Subd. 15. **Residential real estate.** "Residential real estate" means real property
42.16 located in Minnesota, upon which a dwelling is constructed or is intended to be
42.17 constructed.

42.18 Subd. 16. **Unique identifier.** "Unique identifier" means a number or other identifier
42.19 assigned by protocols established by the Nationwide Mortgage Licensing System and
42.20 Registry.

42.21 **Sec. 13. [58A.03] LICENSE AND REGISTRATION REQUIRED.**

42.22 Subdivision 1. **Generally.** An individual, unless specifically exempted from this
42.23 chapter under subdivision 2, shall not engage in the business of a mortgage loan originator
42.24 with respect to a dwelling located in this state without first obtaining and maintaining a
42.25 license under this chapter. An individual may not engage in the mortgage loan business
42.26 unless the individual is employed and supervised by an entity which is either licensed
42.27 or exempt from licensing under chapter 58. A licensed mortgage loan originator must
42.28 register with and maintain a valid unique identifier issued by the Nationwide Mortgage
42.29 Licensing System and Registry.

42.30 Subd. 2. **Exemptions.** The following are exempt from this chapter:

42.31 (1) a registered mortgage loan originator, when acting for an entity described in
42.32 section 58A.02, subdivision 13, clause (1);

42.33 (2) an individual who offers or negotiates terms of a residential mortgage loan with
42.34 or on behalf of an immediate family member of the individual;

43.1 (3) an individual who offers or negotiates terms of a residential mortgage loan
43.2 secured by a dwelling that served as the individual's residence; and

43.3 (4) a licensed attorney who negotiates the terms of a residential mortgage loan
43.4 on behalf of a client as an ancillary matter to the attorney's representation of the client,
43.5 unless the attorney is compensated by a lender, a mortgage broker, or other mortgage
43.6 loan originator or by any agent of the lender, mortgage broker, or other mortgage loan
43.7 originator.

43.8 Subd. 3. **Independent contractor loan processors or underwriters.** A loan
43.9 processor or underwriter who is an independent contractor may not engage in the activities
43.10 of a loan processor or underwriter unless the independent contractor loan processor
43.11 or underwriter obtains and maintains a license under subdivision 1. An independent
43.12 contractor loan processor or underwriter licensed as a mortgage loan originator must have
43.13 and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing
43.14 System and Registry.

43.15 **EFFECTIVE DATE.** In order to facilitate an orderly transition to licensing and
43.16 minimize disruption in the mortgage marketplace, the effective date for subdivision 1
43.17 is July 31, 2010, or a later date approved by the Secretary of the U.S. Department of
43.18 Housing and Urban Development, under the authority granted in Public Law 110-289,
43.19 section 1508(a).

43.20 Sec. 14. **[58A.04] STATE LICENSE AND REGISTRATION APPLICATION**
43.21 **AND ISSUANCE.**

43.22 Subdivision 1. **Application form.** An applicant for a license shall apply in a form
43.23 as prescribed by the commissioner. The form must contain content as set forth by rule,
43.24 instruction, or procedure of the commissioner and may be changed or updated as necessary
43.25 by the commissioner in order to carry out the purposes of this chapter.

43.26 Subd. 2. **Commissioner may establish relationships or contracts.** In order
43.27 to fulfill the purposes of this chapter, the commissioner is authorized to establish
43.28 relationships or contracts with the Nationwide Mortgage Licensing System and Registry
43.29 or other entities designated by the Nationwide Mortgage Licensing System and Registry to
43.30 collect and maintain records and process transaction fees or other fees related to licensees
43.31 or other persons subject to this chapter.

43.32 Subd. 3. **Waive or modify requirements.** For the purpose of participating in the
43.33 Nationwide Mortgage Licensing System and Registry, the commissioner is authorized to
43.34 waive or modify, in whole or in part, by rule or order, any or all of the requirements of

44.1 this chapter and to establish new requirements as reasonably necessary to participate in
44.2 the Nationwide Mortgage Licensing System and Registry.

44.3 Subd. 4. **Background checks.** In connection with an application for licensing as a
44.4 mortgage loan originator, the applicant shall, at a minimum, furnish to the Nationwide
44.5 Mortgage Licensing System and Registry information concerning the applicant's identity,
44.6 including:

44.7 (1) fingerprints for submission to the Federal Bureau of Investigation, and a
44.8 governmental agency or entity authorized to receive the information for a state, national,
44.9 and international criminal history background check; and

44.10 (2) personal history and experience in a form prescribed by the Nationwide
44.11 Mortgage Licensing System and Registry, including the submission of authorization for
44.12 the Nationwide Mortgage Licensing System and Registry and the commissioner to obtain:

44.13 (i) an independent credit report obtained from a consumer reporting agency
44.14 described in United States Code, title 15, section 1681a(p); and

44.15 (ii) information related to administrative, civil, or criminal findings by a
44.16 governmental jurisdiction.

44.17 Subd. 5. **Agent for purposes of requesting and distributing criminal**
44.18 **information.** For the purposes of this section and in order to reduce the points of
44.19 contact which the Federal Bureau of Investigation may have to maintain for purposes of
44.20 subdivision 4, clauses (1) and (2), the commissioner may use the Nationwide Mortgage
44.21 Licensing System and Registry as a channeling agent for requesting information from and
44.22 distributing information to the Department of Justice or any governmental agency.

44.23 Subd. 6. **Agent for purposes of requesting and distributing noncriminal**
44.24 **information.** For the purposes of this section and in order to reduce the points of contact
44.25 which the commissioner may have to maintain for purposes of subdivision 4, clause (2)(i)
44.26 and (ii), the commissioner may use the Nationwide Mortgage Licensing System and
44.27 Registry as a channeling agent for requesting and distributing information to and from any
44.28 source so directed by the commissioner.

44.29 Sec. 15. **[58A.05] ISSUANCE OF LICENSE.**

44.30 The commissioner shall not issue a mortgage loan originator license unless the
44.31 commissioner finds at a minimum, that:

44.32 (1) the applicant has never had a mortgage loan originator license revoked in a
44.33 governmental jurisdiction, except that a subsequent formal vacation of a revocation shall
44.34 not be deemed a revocation;

45.1 (2) the applicant has not been convicted of, or pled guilty or nolo contendere to, a
45.2 felony in a domestic, foreign, or military court:

45.3 (i) during the seven-year period preceding the date of the application for licensing
45.4 and registration;

45.5 (ii) at any time preceding the date of application, if the felony involved an act of
45.6 fraud, dishonesty, or a breach of trust, or money laundering; or

45.7 (iii) provided that a pardon of a conviction is not a conviction for purposes of this
45.8 clause;

45.9 (3) the applicant has demonstrated financial responsibility, character, and general
45.10 fitness such as to command the confidence of the community and to warrant a
45.11 determination that the mortgage loan originator will operate honestly, fairly, and efficiently
45.12 within the purposes of this chapter. For purposes of this chapter, a person has shown that
45.13 the person is not financially responsible when the person has shown a disregard in the
45.14 management of the person's own financial condition. A determination that an individual
45.15 has not shown financial responsibility may include, but is not limited to:

45.16 (i) current outstanding judgments, except judgments solely as a result of medical
45.17 expenses;

45.18 (ii) current outstanding tax liens or other government liens and filings;

45.19 (iii) foreclosures within the past three years; and

45.20 (iv) a pattern of seriously delinquent accounts within the past three years;

45.21 (4) the applicant has completed the prelicensing education requirement described
45.22 in section 58A.06;

45.23 (5) the applicant has passed a written test that meets the test requirement described
45.24 in section 58A.07; and

45.25 (6) the applicant has met the surety bond requirement as required under section
45.26 58A.13.

45.27 **Sec. 16. [58A.06] PRELICENSING AND RELICENSING EDUCATION OF**
45.28 **LOAN ORIGINATORS.**

45.29 Subdivision 1. **Minimum educational requirements.** In order to meet the
45.30 prelicensing education requirement referred to in section 58A.05, clause (4), a person
45.31 shall complete at least 20 hours of education approved according to subdivision 2, that
45.32 includes at least:

45.33 (1) three hours of federal law and regulations;

45.34 (2) three hours of ethics, which includes instruction on fraud, consumer protection,
45.35 and fair lending issues; and

46.1 (3) two hours of training related to lending standards for the nontraditional mortgage
46.2 product marketplace.

46.3 Subd. 2. **Approved educational courses.** For purposes of subdivision 1,
46.4 prelicensing education courses must be reviewed, and approved by the Nationwide
46.5 Mortgage Licensing System and Registry based upon reasonable standards. Review
46.6 and approval of a prelicensing education course must include review and approval of
46.7 the course provider.

46.8 Subd. 3. **Approval of employer and affiliate educational courses.** Nothing in
46.9 this section precludes a prelicensing education course, as approved by the Nationwide
46.10 Mortgage Licensing System and Registry, that is provided by the employer of the applicant
46.11 or an entity that is affiliated with the applicant by an agency contract, or any subsidiary or
46.12 affiliate of the employer or entity.

46.13 Subd. 4. **Venue of education.** Prelicensing education may be offered in a classroom,
46.14 on line, or by any other means approved by the Nationwide Mortgage Licensing System
46.15 and Registry.

46.16 Subd. 5. **Reciprocity of education.** The prelicensing education requirements
46.17 approved by the Nationwide Mortgage Licensing System and Registry in subdivision
46.18 1 for a state must be accepted as credit toward completion of prelicensing education
46.19 requirements in Minnesota.

46.20 Subd. 6. **Relicensing education requirements.** A person previously licensed under
46.21 this chapter after the effective date of this chapter applying to be licensed again must
46.22 prove that the person has completed all of the continuing education requirements for
46.23 the year in which the license was last held.

46.24 Sec. 17. **[58A.07] TESTING OF LOAN ORIGINATORS.**

46.25 Subdivision 1. **Generally.** In order to meet the written test requirement referred to
46.26 in section 58A.05, clause (5), an individual shall pass, in accordance with the standards
46.27 established under this section, a qualified written test developed by the Nationwide
46.28 Mortgage Licensing System and Registry and administered by a test provider approved
46.29 by the Nationwide Mortgage Licensing System and Registry based upon reasonable
46.30 standards.

46.31 Subd. 2. **Qualified test.** A written test must not be treated as a qualified written
46.32 test for purposes of subdivision 1 unless the test adequately measures the applicant's
46.33 knowledge and comprehension in appropriate subject areas, including:

46.34 (1) ethics;

46.35 (2) federal law and regulation pertaining to mortgage origination;

47.1 (3) state law and rule pertaining to mortgage origination; and
47.2 (4) federal and state law and rule, including instruction on fraud, consumer
47.3 protection, the nontraditional mortgage marketplace, and fair lending issues.

47.4 Subd. 3. **Testing location.** Nothing in this section prohibits a test provider approved
47.5 by the Nationwide Mortgage Licensing System and Registry from providing a test at the
47.6 location of the employer of the applicant or the location of a subsidiary or affiliate of the
47.7 employer of the applicant, or the location of an entity with which the applicant holds an
47.8 exclusive arrangement to conduct the business of a mortgage loan originator.

47.9 Subd. 4. **Minimum competence.** (a) An individual is not considered to have
47.10 passed a qualified written test unless the individual achieves a test score of not less than
47.11 75 percent correct answers to questions.

47.12 (b) An individual may retake a test three consecutive times with each consecutive
47.13 taking occurring at least 30 days after the preceding test.

47.14 (c) After failing three consecutive tests, an individual shall wait at least six months
47.15 before taking the test again.

47.16 (d) A licensed mortgage loan originator who fails to maintain a valid license for a
47.17 period of five years or longer shall retake the test, not taking into account any time during
47.18 which the individual is a registered mortgage loan originator.

47.19 Sec. 18. **[58A.08] STANDARDS FOR LICENSE RENEWAL.**

47.20 Subdivision 1. **Generally.** The minimum standards for license renewal for a
47.21 mortgage loan originator include that the mortgage loan originator:

47.22 (1) continues to meet the minimum standards for license issuance under section
47.23 58A.05;

47.24 (2) has satisfied the annual continuing education requirements described in section
47.25 58A.09; and

47.26 (3) has paid all required fees for renewal of the license.

47.27 Subd. 2. **Failure to satisfy minimum standards of license renewal.** The license of
47.28 a mortgage loan originator failing to satisfy the minimum standards for license renewal
47.29 expires. The commissioner may adopt procedures for the reinstatement of expired licenses
47.30 consistent with the standards established by the Nationwide Mortgage Licensing System
47.31 and Registry.

47.32 Sec. 19. **[58A.09] CONTINUING EDUCATION FOR MORTGAGE LOAN**
47.33 **ORIGINATORS.**

48.1 Subdivision 1. **Generally.** In order to meet the annual continuing education
48.2 requirements referred to in section 58A.08, subdivision 1, clause (2), a licensed mortgage
48.3 loan originator shall complete at least eight hours of education approved according to
48.4 subdivision 2 that includes at least:

48.5 (1) three hours of federal law and regulations;

48.6 (2) two hours of ethics, which includes instruction on fraud, consumer protection,
48.7 and fair lending issues; and

48.8 (3) two hours of training related to lending standards for the nontraditional mortgage
48.9 product marketplace.

48.10 Subd. 2. **Approved educational courses.** For purposes of subdivision 1, continuing
48.11 education courses must be reviewed and approved by the Nationwide Mortgage Licensing
48.12 System and Registry based upon reasonable standards. Review and approval of a
48.13 continuing education course must include review and approval of the course provider.

48.14 Subd. 3. **Approval of employer and affiliate educational courses.** Nothing in
48.15 this section precludes an education course, as approved by the Nationwide Mortgage
48.16 Licensing System and Registry, that is provided by the employer of the mortgage loan
48.17 originator or an entity that is affiliated with the mortgage loan originator by an agency
48.18 contract, or a subsidiary or affiliate of the employer or entity.

48.19 Subd. 4. **Venue of education.** Continuing education may be offered either in a
48.20 classroom, on line, or by other means approved by the Nationwide Mortgage Licensing
48.21 System and Registry.

48.22 Subd. 5. **Calculation of continuing education credits.** A licensed mortgage loan
48.23 originator:

48.24 (1) except for subdivision 9 and section 58A.08, subdivision 2, may only receive
48.25 credit for a continuing education course in the year in which the course is taken; and

48.26 (2) may not take the same approved course in the same or successive years to meet
48.27 the annual requirements for continuing education.

48.28 Subd. 6. **Instructor credit.** A licensed mortgage loan originator who is an approved
48.29 instructor of an approved continuing education course may receive credit for the licensed
48.30 mortgage loan originator's own annual continuing education requirement at the rate of
48.31 two hours credit for every one hour taught.

48.32 Subd. 7. **Reciprocity of education.** A person having successfully completed the
48.33 education requirements approved by the Nationwide Mortgage Licensing System and
48.34 Registry in subdivision 1 for a state must be accepted as credit toward completion of
48.35 continuing education requirements in Minnesota.

49.1 Subd. 8. **Lapse in license.** A licensed mortgage loan originator who subsequently
49.2 becomes unlicensed must complete the continuing education requirements for the last year
49.3 in which the license was held before a new or renewed license is issued.

49.4 Subd. 9. **Deficiency.** A person meeting the requirements of section 58A.08,
49.5 subdivision 1, clauses (1) and (3), may make up a deficiency in continuing education as
49.6 established by rule of the commissioner.

49.7 **Sec. 20. [58A.10] AUTHORITY TO REQUIRE LICENSE.**

49.8 In addition to any other duties imposed upon the commissioner by law, the
49.9 commissioner shall require mortgage loan originators to be licensed and registered
49.10 through the Nationwide Mortgage Licensing System and Registry. In order to carry out
49.11 this requirement, the commissioner may participate in the Nationwide Mortgage Licensing
49.12 System and Registry. For this purpose, the commissioner may establish by rule or order
49.13 requirements as necessary, including but not limited to:

49.14 (1) background checks for:

49.15 (i) criminal history through fingerprint or other databases;

49.16 (ii) civil or administrative records;

49.17 (iii) credit history; or

49.18 (iv) other information as determined necessary by the Nationwide Mortgage
49.19 Licensing System and Registry;

49.20 (2) the payment of fees to apply for or renew licenses through the Nationwide
49.21 Mortgage Licensing System and Registry;

49.22 (3) the setting or resetting as necessary of renewal or reporting dates; and

49.23 (4) requirements for amending or surrendering a license or other activities the
49.24 commissioner considers necessary for participation in the Nationwide Mortgage Licensing
49.25 System and Registry.

49.26 **Sec. 21. [58A.11] NATIONWIDE MORTGAGE LICENSING SYSTEM AND**
49.27 **REGISTRY INFORMATION CHALLENGE PROCESS.**

49.28 The commissioner shall establish a process that allows mortgage loan originators
49.29 to challenge information entered into the Nationwide Mortgage Licensing System and
49.30 Registry by the commissioner.

49.31 **Sec. 22. [58A.12] ENFORCEMENT AUTHORITIES, VIOLATIONS, AND**
49.32 **PENALTIES.**

50.1 (a) In order to ensure the effective supervision and enforcement of this chapter, the
50.2 commissioner may, pursuant to chapter 14:

50.3 (1) deny, suspend, revoke, condition, or decline to renew a license for a violation of
50.4 this chapter, rules issued under this chapter, or order or directive entered under this chapter;

50.5 (2) deny, suspend, revoke, condition, or decline to renew a license if an applicant
50.6 or licensee fails at anytime to meet the requirements of section 58A.05 or 58A.08, or
50.7 withholds information or makes a material misstatement in an application for a license
50.8 or renewal of a license;

50.9 (3) order restitution against persons subject to this chapter for violations of this
50.10 chapter;

50.11 (4) impose fines on persons subject to this chapter pursuant to paragraphs (b)
50.12 to (d); and

50.13 (5) issue orders or directives under this chapter as follows:

50.14 (i) order or direct persons subject to this chapter to cease and desist from conducting
50.15 business, including immediate temporary orders to cease and desist;

50.16 (ii) order or direct persons subject to this chapter to cease any harmful activities or
50.17 violations of this chapter, including immediate temporary orders to cease and desist;

50.18 (iii) enter immediate temporary orders to cease business under a license or interim
50.19 license issued pursuant to the authority granted under section 58A.03, subdivision 4, if
50.20 the commissioner determines that the license was erroneously granted or the licensee is
50.21 currently in violation of this chapter; and

50.22 (iv) order or direct other affirmative action the commissioner considers necessary.

50.23 (b) The commissioner may impose a civil penalty on a mortgage loan originator or
50.24 person subject to this chapter, if the commissioner finds, on the record after notice and
50.25 opportunity for hearing, that the mortgage loan originator or person subject to this chapter
50.26 has violated or failed to comply with any requirement of this chapter or any rule prescribed
50.27 by the commissioner under this chapter or order issued under authority of this chapter.

50.28 (c) The maximum amount of penalty for each act or omission described in paragraph
50.29 (b) is \$25,000.

50.30 (d) Each violation or failure to comply with any directive or order of the
50.31 commissioner is a separate and distinct violation or failure.

50.32 **Sec. 23. [58A.13] SURETY BOND REQUIRED.**

50.33 Subdivision 1. Coverage, form, and rules. (a) Each mortgage loan originator must
50.34 be covered by a surety bond meeting the requirements of this section. In the event that
50.35 the mortgage loan originator is an employee or exclusive agent of a person subject to this

51.1 chapter, the surety bond of the person subject to this chapter can be used in lieu of the
51.2 mortgage loan originator's surety bond requirement.

51.3 (b) The surety bond shall provide coverage for each mortgage loan originator in
51.4 an amount as prescribed in subdivision 2.

51.5 (c) The surety bond must be in a form as prescribed by the commissioner.

51.6 Subd. 2. **Penal sum of surety bond.** The penal sum of the surety bond must be
51.7 maintained in an amount that reflects the dollar amount of loans originated as determined
51.8 by the commissioner.

51.9 Subd. 3. **Action on bond.** When an action is commenced on a licensee's bond the
51.10 commissioner may require the filing of a new bond.

51.11 Subd. 4. **New bond.** Immediately upon recovery upon any action on the bond
51.12 the licensee shall file a new bond.

51.13 Sec. 24. **[58A.14] CONFIDENTIALITY.**

51.14 Subdivision 1. **Protections.** Except as otherwise provided in Public Law 110-289,
51.15 section 1512, the requirements under chapter 13 or any federal law regarding the privacy
51.16 or confidentiality of any information or material provided to the Nationwide Mortgage
51.17 Licensing System and Registry, and any privilege arising under federal or state law,
51.18 including the rules of any federal or state court, with respect to the information or material,
51.19 continue to apply to the information or material after the information or material has been
51.20 disclosed to the Nationwide Mortgage Licensing System and Registry. The information
51.21 and material may be shared with all state and federal regulatory officials with mortgage
51.22 industry oversight authority without the loss of privilege or the loss of confidentiality
51.23 protections provided by chapter 13 or federal law.

51.24 Subd. 2. **Agreements and sharing arrangements.** For purposes of this section,
51.25 the commissioner is authorized to enter agreements or sharing arrangements with
51.26 other governmental agencies, the Conference of State Bank Supervisors, the American
51.27 Association of Residential Mortgage Regulators, or other associations representing
51.28 governmental agencies as established by rule or order of the commissioner.

51.29 Subd. 3. **Nonapplicability of certain requirements.** Information or material that is
51.30 subject to a privilege or confidentiality under subdivision 1 is not subject to:

51.31 (1) disclosure under any federal or state law governing the disclosure to the public of
51.32 information held by an officer or an agency of the federal government or the respective
51.33 state; or

51.34 (2) subpoena or discovery, or admission into evidence, in any private civil action
51.35 or administrative process, unless with respect to any privilege held by the Nationwide

52.1 Mortgage Licensing System and Registry with respect to the information or material,
52.2 the person to whom the information or material pertains waives, in whole or in part, in
52.3 the discretion of the person, that privilege.

52.4 Subd. 4. **Coordination with Minnesota Government Data Practices Act.** Chapter
52.5 13 relating to the disclosure of confidential supervisory information or any information or
52.6 material described in subdivision 1 that is inconsistent with subdivision 1 is superseded by
52.7 the requirements of this section.

52.8 Subd. 5. **Public access to information.** This section does not apply with respect to
52.9 the information or material relating to the employment history of, and publicly adjudicated
52.10 disciplinary and enforcement actions against, mortgage loan originators that are included
52.11 in the Nationwide Mortgage Licensing System and Registry for access by the public.

52.12 Sec. 25. **[58A.15] INVESTIGATION AND EXAMINATION AUTHORITY.**

52.13 Subdivision 1. **Generally.** In addition to any authority allowed under this chapter,
52.14 the commissioner may conduct investigations and examinations according to subdivisions
52.15 2 to 9.

52.16 Subd. 2. **Authority to access information.** For purposes of initial licensing, license
52.17 renewal, license suspension, license conditioning, license revocation or termination, or
52.18 general or specific inquiry or investigation to determine compliance with this chapter, the
52.19 commissioner may access, receive and use any books, accounts, records, files, documents,
52.20 information or evidence including but not limited to:

52.21 (1) criminal, civil, and administrative history information, including nonconviction
52.22 data;

52.23 (2) personal history and experience information including independent credit reports
52.24 obtained from a consumer reporting agency described in United States Code, title 15,
52.25 section 1681a(p); and

52.26 (3) any other documents, information, or evidence the commissioner considers
52.27 relevant to the inquiry or investigation regardless of the location, possession, control, or
52.28 custody of the documents, information, or evidence.

52.29 Subd. 3. **Investigation, examination, and subpoena authority.** For the purposes
52.30 of investigating violations or complaints arising under this chapter, or for the purposes of
52.31 examination, the commissioner may review, investigate, or examine a licensee, individual,
52.32 or person subject to this chapter, as often as necessary in order to carry out the purposes
52.33 of this chapter. The commissioner may direct, subpoena, or order the attendance of and
52.34 examine under oath all persons whose testimony may be required about the loans or the
52.35 business or subject matter of any such examination or investigation, and may direct,

53.1 subpoena, or order such person to produce books, accounts, records, files, and any other
53.2 documents the commissioner considers relevant to the inquiry.

53.3 Subd. 4. **Availability of books and records.** A licensee, individual, or person
53.4 subject to this chapter shall make available to the commissioner upon request the books
53.5 and records relating to the operations of the licensee, individual, or person subject to this
53.6 chapter. The commissioner shall have access to the books and records and interview
53.7 the officers, principals, mortgage loan originators, employees, independent contractors,
53.8 agents, and customers of the licensee, individual, or person subject to this chapter
53.9 concerning the licensee's, individual's, or person's business.

53.10 Subd. 5. **Reports and other information as directed.** A licensee, individual, or
53.11 person subject to this chapter shall make or compile reports or prepare other information
53.12 as directed by the commissioner in order to carry out the purposes of this section including
53.13 but not limited to:

53.14 (1) accounting compilations;

53.15 (2) information lists and data concerning loan transactions in a format prescribed
53.16 by the commissioner; or

53.17 (3) other information the commissioner considers necessary to carry out the
53.18 purposes of this section.

53.19 Subd. 6. **Control access to records.** In making an examination or investigation
53.20 authorized by this chapter, the commissioner may control access to documents and records
53.21 of the licensee or person under examination or investigation. The commissioner may
53.22 take possession of the documents and records or place a person in exclusive charge of
53.23 the documents and records in the place where they are usually kept. During the period of
53.24 control, no individual or person shall remove or attempt to remove any of the documents
53.25 and records except pursuant to a court order or with the consent of the commissioner.
53.26 Unless the commissioner has reasonable grounds to believe the documents or records
53.27 of the licensee have been, or are at risk of being, altered or destroyed for purposes of
53.28 concealing a violation of this chapter, the licensee or owner of the documents and records
53.29 has access to the documents or records as necessary to conduct its ordinary business affairs.

53.30 Subd. 7. **Additional authority.** In order to carry out the purposes of this section,
53.31 the commissioner may:

53.32 (1) retain attorneys, accountants, or other professionals and specialists as examiners,
53.33 auditors, or investigators to conduct or assist in the conduct of examinations or
53.34 investigations;

53.35 (2) enter into agreements or relationships with other government officials or
53.36 regulatory associations in order to improve efficiencies and reduce regulatory burden

54.1 by sharing resources, standardized or uniform methods or procedures, and documents,
54.2 records, information, or evidence obtained under this section;

54.3 (3) use, hire, contract, or employ public or privately available analytical systems,
54.4 methods, or software to examine or investigate the licensee, individual, or person subject
54.5 to this chapter;

54.6 (4) accept and rely on examination or investigation reports made by other
54.7 government officials, within or without this state; or

54.8 (5) accept audit reports made by an independent certified public accountant for the
54.9 licensee, individual, or person subject to this chapter in the course of that part of the
54.10 examination covering the same general subject matter as the audit and incorporate the
54.11 audit report in the report of the examination, report of investigation or other writing of
54.12 the commissioner.

54.13 Subd. 8. **Effect of authority.** The authority of this section remains in effect,
54.14 whether a licensee, individual, or person subject to this chapter acts or claims to act under
54.15 any licensing or registration law of this state, or claims to act without such authority.

54.16 Subd. 9. **Withhold records.** A licensee, individual, or person subject to
54.17 investigation or examination under this section shall not knowingly withhold, abstract,
54.18 remove, mutilate, destroy, or secrete any books, records, computer records, or other
54.19 information.

54.20 Sec. 26. **[58A.16] PROHIBITED ACTS AND PRACTICES.**

54.21 Subdivision 1. **Generally.** It is a violation of this chapter for a person or individual
54.22 subject to this chapter to:

54.23 (1) directly or indirectly employ any scheme, device, or artifice to defraud or mislead
54.24 borrowers or lenders or to defraud any person;

54.25 (2) engage in any unfair or deceptive practice toward any person;

54.26 (3) obtain property by fraud or misrepresentation;

54.27 (4) solicit or enter into a contract with a borrower that provides in substance that the
54.28 person or individual subject to this chapter may earn a fee or commission through "best
54.29 efforts" to obtain a loan even though no loan is actually obtained for the borrower;

54.30 (5) solicit, advertise, or enter into a contract for specific interest rates, points, or
54.31 other financing terms unless the terms are actually available at the time of soliciting,
54.32 advertising, or contracting;

54.33 (6) conduct any business covered by this chapter without holding a valid license as
54.34 required under this chapter, or assist or aide and abet any person in the conduct of business
54.35 under this chapter without a valid license as required under this chapter;

55.1 (7) fail to make disclosures as required by this chapter and any other applicable
55.2 state or federal law or regulations;

55.3 (8) fail to comply with this chapter or rules adopted under this chapter or fail
55.4 to comply with any other state or federal law or regulations applicable to any business
55.5 authorized or conducted under this chapter;

55.6 (9) make, in any manner, any false or deceptive statement or representation
55.7 including, with regard to the rates, points, or other financing terms or conditions for a
55.8 residential mortgage loan; or engage in bait-and-switch advertising;

55.9 (10) negligently make a false statement or knowingly and willfully make an omission
55.10 of material fact in connection with any information or reports filed with a governmental
55.11 agency or the Nationwide Mortgage Licensing System and Registry or in connection with
55.12 an investigation conducted by the commissioner or another governmental agency;

55.13 (11) make a payment, threat, or promise, directly or indirectly, to a person for the
55.14 purposes of influencing the independent judgment of the person in connection with a
55.15 residential mortgage loan, or make a payment threat or promise, directly or indirectly, to
55.16 an appraiser of a property, for the purposes of influencing the independent judgment of the
55.17 appraiser with respect to the value of the property;

55.18 (12) collect, charge, attempt to collect or charge, or use or propose an agreement
55.19 purporting to collect or charge a fee prohibited by this chapter;

55.20 (13) cause or require a borrower to obtain property insurance coverage in an amount
55.21 that exceeds the replacement cost of the improvements as established by the property
55.22 insurer; or

55.23 (14) fail to truthfully account for money belonging to a party to a residential
55.24 mortgage loan transaction.

55.25 Subd. 2. **Loan processor or underwriter activities.** An individual engaging solely
55.26 in loan processor or underwriter activities shall not represent to the public, through
55.27 advertising or other means of communicating or providing information, including the use
55.28 of business cards, stationery, brochures, signs, rate lists, or other promotional items, that
55.29 the individual can or will perform any of the activities of a mortgage loan originator.

55.30 **Sec. 27. [58A.17] MORTGAGE CALL REPORTS.**

55.31 A mortgage licensee shall submit to the Nationwide Mortgage Licensing System and
55.32 Registry reports of condition, which must be in the form and contain the information the
55.33 Nationwide Mortgage Licensing System and Registry requires.

56.1 Sec. 28. [58A.18] REPORT TO NATIONWIDE MORTGAGE LICENSING
56.2 SYSTEM AND REGISTRY.

56.3 The commissioner shall regularly report violations of this chapter, as well as
56.4 enforcement actions and other relevant information, to the Nationwide Mortgage
56.5 Licensing System and Registry subject to the provisions contained in section 58A.14.

56.6 Sec. 29. [58A.20] UNIQUE IDENTIFIER SHOWN.

56.7 The unique identifier of any person originating a residential mortgage loan shall
56.8 be clearly shown on all residential mortgage loan application forms, solicitations, or
56.9 advertisements, including business cards or Web sites, and any other documents as
56.10 established by rule or order of the commissioner.

56.11 Sec. 30. Minnesota Statutes 2008, section 80A.46, is amended to read:

56.12 **80A.46 SECTION 202; EXEMPT TRANSACTIONS.**

56.13 The following transactions are exempt from the requirements of sections 80A.49
56.14 through 80A.54, except 80A.50, paragraph (a), clause (3), and 80A.71:

56.15 (1) isolated nonissuer transactions, consisting of sale to not more than ten purchasers
56.16 in Minnesota during any period of 12 consecutive months, whether effected by or through
56.17 a broker-dealer or not;

56.18 (2) a nonissuer transaction by or through a broker-dealer registered, or exempt from
56.19 registration under this chapter, and a resale transaction by a sponsor of a unit investment
56.20 trust registered under the Investment Company Act of 1940, in a security of a class that
56.21 has been outstanding in the hands of the public for at least 90 days, if, at the date of
56.22 the transaction:

56.23 (A) the issuer of the security is engaged in business, the issuer is not in the
56.24 organizational stage or in bankruptcy or receivership, and the issuer is not a blank check,
56.25 blind pool, or shell company that has no specific business plan or purpose or has indicated
56.26 that its primary business plan is to engage in a merger or combination of the business with,
56.27 or an acquisition of, an unidentified person;

56.28 (B) the security is sold at a price reasonably related to its current market price;

56.29 (C) the security does not constitute the whole or part of an unsold allotment to, or
56.30 a subscription or participation by, the broker-dealer as an underwriter of the security
56.31 or a redistribution;

56.32 (D) a nationally recognized securities manual or its electronic equivalent designated
56.33 by rule adopted or order issued under this chapter or a record filed with the Securities and
56.34 Exchange Commission that is publicly available contains:

S.F. No. 3290, as introduced - 86th Legislative Session (2009-2010) [10-5817]

- 57.1 (i) a description of the business and operations of the issuer;
- 57.2 (ii) the names of the issuer's executive officers and the names of the issuer's
57.3 directors, if any;
- 57.4 (iii) an audited balance sheet of the issuer as of a date within 18 months before the
57.5 date of the transaction or, in the case of a reorganization or merger when the parties to
57.6 the reorganization or merger each had an audited balance sheet, a pro forma balance
57.7 sheet for the combined organization; and
- 57.8 (iv) an audited income statement for each of the issuer's two immediately previous
57.9 fiscal years or for the period of existence of the issuer, whichever is shorter, or, in the case
57.10 of a reorganization or merger when each party to the reorganization or merger had audited
57.11 income statements, a pro forma income statement; and
- 57.12 (E) any one of the following requirements is met:
- 57.13 (i) the issuer of the security has a class of equity securities listed on a national
57.14 securities exchange registered under Section 6 of the Securities Exchange Act of 1934
57.15 or designated for trading on the National Association of Securities Dealers Automated
57.16 Quotation System;
- 57.17 (ii) the issuer of the security is a unit investment trust registered under the Investment
57.18 Company Act of 1940;
- 57.19 (iii) the issuer of the security, including its predecessors, has been engaged in
57.20 continuous business for at least three years; or
- 57.21 (iv) the issuer of the security has total assets of at least \$2,000,000 based on an
57.22 audited balance sheet as of a date within 18 months before the date of the transaction or, in
57.23 the case of a reorganization or merger when the parties to the reorganization or merger
57.24 each had such an audited balance sheet, a pro forma balance sheet for the combined
57.25 organization;
- 57.26 (3) a nonissuer transaction by or through a broker-dealer registered or exempt from
57.27 registration under this chapter in a security of a foreign issuer that is a margin security
57.28 defined in regulations or rules adopted by the Board of Governors of the Federal Reserve
57.29 System;
- 57.30 (4) a nonissuer transaction by or through a broker-dealer registered or exempt
57.31 from registration under this chapter in an outstanding security if the guarantor of the
57.32 security files reports with the Securities and Exchange Commission under the reporting
57.33 requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.
57.34 Sections 78m or 78o(d));
- 57.35 (5) a nonissuer transaction by or through a broker-dealer registered or exempt from
57.36 registration under this chapter in a security that:

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58.1 (A) is rated at the time of the transaction by a nationally recognized statistical rating
58.2 organization in one of its four highest rating categories; or

58.3 (B) has a fixed maturity or a fixed interest or dividend, if:

58.4 (i) a default has not occurred during the current fiscal year or within the three
58.5 previous fiscal years or during the existence of the issuer and any predecessor if less than
58.6 three fiscal years, in the payment of principal, interest, or dividends on the security; and

58.7 (ii) the issuer is engaged in business, is not in the organizational stage or in
58.8 bankruptcy or receivership, and is not and has not been within the previous 12 months a
58.9 blank check, blind pool, or shell company that has no specific business plan or purpose or
58.10 has indicated that its primary business plan is to engage in a merger or combination of the
58.11 business with, or an acquisition of, an unidentified person;

58.12 (6) a nonissuer transaction by or through a broker-dealer registered or exempt from
58.13 registration under this chapter effecting an unsolicited order or offer to purchase;

58.14 (7) a nonissuer transaction executed by a bona fide pledgee without the purpose
58.15 of evading this chapter;

58.16 (8) a nonissuer transaction by a federal covered investment adviser with investments
58.17 under management in excess of \$100,000,000 acting in the exercise of discretionary
58.18 authority in a signed record for the account of others;

58.19 (9) a transaction in a security, whether or not the security or transaction is otherwise
58.20 exempt, in exchange for one or more bona fide outstanding securities, claims, or property
58.21 interests, or partly in such exchange and partly for cash, if the terms and conditions of
58.22 the issuance and exchange or the delivery and exchange and the fairness of the terms and
58.23 conditions have been approved by the administrator after a hearing;

58.24 (10) a transaction between the issuer or other person on whose behalf the offering is
58.25 made and an underwriter, or among underwriters;

58.26 (11) a transaction in a note, bond, debenture, or other evidence of indebtedness
58.27 secured by a mortgage or other security agreement if:

58.28 (A) the note, bond, debenture, or other evidence of indebtedness is offered and sold
58.29 with the mortgage or other security agreement as a unit;

58.30 (B) a general solicitation or general advertisement of the transaction is not made; and

58.31 (C) a commission or other remuneration is not paid or given, directly or indirectly, to
58.32 a person not registered under this chapter as a broker-dealer or as an agent;

58.33 (12) a transaction by an executor, administrator of an estate, sheriff, marshal,
58.34 receiver, trustee in bankruptcy, guardian, or conservator;

58.35 (13) a sale or offer to sell to:

58.36 (A) an institutional investor;

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59.1 (B) an accredited investor;

59.2 (C) a federal covered investment adviser; or

59.3 (D) any other person exempted by rule adopted or order issued under this chapter;

59.4 (14) a sale or an offer to sell securities by an issuer, if the transaction is part of
59.5 a single issue in which:

59.6 (A) not more than 35 purchasers are present in this state during any 12 consecutive
59.7 months, other than those designated in paragraph (13);

59.8 (B) a general solicitation or general advertising is not made in connection with
59.9 the offer to sell or sale of the securities;

59.10 (C) a commission or other remuneration is not paid or given, directly or indirectly, to
59.11 a person other than a broker-dealer registered under this chapter or an agent registered
59.12 under this chapter for soliciting a prospective purchaser in this state; and

59.13 (D) the issuer reasonably believes that all the purchasers in this state, other than
59.14 those designated in paragraph (13), are purchasing for investment.

59.15 Any issuer selling to purchasers in this state in reliance on this clause (14) exemption
59.16 must provide to the administrator notice of the transaction by filing a statement of issuer
59.17 form as adopted by rule. Notice must be filed at least ten days in advance of any sale or
59.18 such shorter period as permitted by the administrator. However, an issuer who makes sales
59.19 to ten or fewer purchasers in Minnesota during any period of 12 consecutive months is not
59.20 required to provide this notice;

59.21 (15) a transaction under an offer to existing security holders of the issuer, including
59.22 persons that at the date of the transaction are holders of convertible securities, options,
59.23 or warrants, if a commission or other remuneration, other than a standby commission, is
59.24 not paid or given, directly or indirectly, for soliciting a security holder in this state. The
59.25 person making the offer and effecting the transaction must provide to the administrator
59.26 notice of the transaction by filing a written description of the transaction. Notice must be
59.27 filed at least ten days in advance of any transaction or such shorter period as permitted by
59.28 the administrator;

59.29 (16) an offer to sell, but not a sale, of a security not exempt from registration under
59.30 the Securities Act of 1933 if:

59.31 (A) a registration or offering statement or similar record as required under the
59.32 Securities Act of 1933 has been filed, but is not effective, or the offer is made in compliance
59.33 with Rule 165 adopted under the Securities Act of 1933 (17 C.F.R. 230.165); and

59.34 (B) a stop order of which the offeror is aware has not been issued against the offeror
59.35 by the administrator or the Securities and Exchange Commission, and an audit, inspection,

60.1 or proceeding that is public and that may culminate in a stop order is not known by the
60.2 offeror to be pending;

60.3 (17) an offer to sell, but not a sale, of a security exempt from registration under the
60.4 Securities Act of 1933 if:

60.5 (A) a registration statement has been filed under this chapter, but is not effective;

60.6 (B) a solicitation of interest is provided in a record to offerees in compliance with a
60.7 rule adopted by the administrator under this chapter; and

60.8 (C) a stop order of which the offeror is aware has not been issued by the administrator
60.9 under this chapter and an audit, inspection, or proceeding that may culminate in a stop
60.10 order is not known by the offeror to be pending;

60.11 (18) a transaction involving the distribution of the securities of an issuer to the
60.12 security holders of another person in connection with a merger, consolidation, exchange
60.13 of securities, sale of assets, or other reorganization to which the issuer, or its parent
60.14 or subsidiary and the other person, or its parent or subsidiary, are parties. The person
60.15 distributing the issuer's securities must provide to the administrator notice of the
60.16 transaction by filing a written description of the transaction along with a consent to service
60.17 of process complying with section 80A.88. Notice must be filed at least ten days in
60.18 advance of any transaction or such shorter period as permitted by the administrator;

60.19 (19) a rescission offer, sale, or purchase under section 80A.77;

60.20 (20) an offer or sale of a security to a person not a resident of this state and not
60.21 present in this state if the offer or sale does not constitute a violation of the laws of the
60.22 state or foreign jurisdiction in which the offeree or purchaser is present and is not part of
60.23 an unlawful plan or scheme to evade this chapter;

60.24 (21) employees' stock purchase, savings, option, profit-sharing, pension, or
60.25 similar employees' benefit plan, including any securities, plan interests, and guarantees
60.26 issued under a compensatory benefit plan or compensation contract, contained in a
60.27 record, established by the issuer, its parents, its majority-owned subsidiaries, or the
60.28 majority-owned subsidiaries of the issuer's parent for the participation of their employees
60.29 including offers or sales of such securities to:

60.30 (A) directors; general partners; trustees, if the issuer is a business trust; officers;
60.31 consultants; and advisors;

60.32 (B) family members who acquire such securities from those persons through gifts or
60.33 domestic relations orders;

60.34 (C) former employees, directors, general partners, trustees, officers, consultants, and
60.35 advisors if those individuals were employed by or providing services to the issuer when
60.36 the securities were offered; and

61.1 (D) insurance agents who are exclusive insurance agents of the issuer, or the issuer's
61.2 subsidiaries or parents, or who derive more than 50 percent of their annual income from
61.3 those organizations.

61.4 A person establishing an employee benefit plan under the exemption in this clause
61.5 (21) must provide to the administrator notice of the transaction by filing a written
61.6 description of the transaction along with a consent to service of process complying with
61.7 section 80A.88. Notice must be filed at least ten days in advance of any transaction or
61.8 such shorter period as permitted by the administrator;

61.9 (22) a transaction involving:

61.10 (A) a stock dividend or equivalent equity distribution, whether the corporation or
61.11 other business organization distributing the dividend or equivalent equity distribution is
61.12 the issuer or not, if nothing of value is given by stockholders or other equity holders for
61.13 the dividend or equivalent equity distribution other than the surrender of a right to a cash
61.14 or property dividend if each stockholder or other equity holder may elect to take the
61.15 dividend or equivalent equity distribution in cash, property, or stock;

61.16 (B) an act incident to a judicially approved reorganization in which a security is
61.17 issued in exchange for one or more outstanding securities, claims, or property interests, or
61.18 partly in such exchange and partly for cash; or

61.19 (C) the solicitation of tenders of securities by an offeror in a tender offer in
61.20 compliance with Rule 162 adopted under the Securities Act of 1933 (17 C.F.R. 230.162);

61.21 (23) a nonissuer transaction in an outstanding security by or through a broker-dealer
61.22 registered or exempt from registration under this chapter, if the issuer is a reporting
61.23 issuer in a foreign jurisdiction designated by this paragraph or by rule adopted or order
61.24 issued under this chapter; has been subject to continuous reporting requirements in the
61.25 foreign jurisdiction for not less than 180 days before the transaction; and the security is
61.26 listed on the foreign jurisdiction's securities exchange that has been designated by this
61.27 paragraph or by rule adopted or order issued under this chapter, or is a security of the same
61.28 issuer that is of senior or substantially equal rank to the listed security or is a warrant or
61.29 right to purchase or subscribe to any of the foregoing. For purposes of this paragraph,
61.30 Canada, together with its provinces and territories, is a designated foreign jurisdiction
61.31 and The Toronto Stock Exchange, Inc., is a designated securities exchange. After an
61.32 administrative hearing in compliance with chapter 14, the administrator, by rule adopted
61.33 or order issued under this chapter, may revoke the designation of a securities exchange
61.34 under this paragraph, if the administrator finds that revocation is necessary or appropriate
61.35 in the public interest and for the protection of investors;

62.1 (24) any transaction effected by or through a Canadian broker-dealer exempted from
62.2 broker-dealer registration pursuant to section 80A.56(b)(3); or

62.3 (25)(A) the offer and sale by a cooperative organized under chapter 308A, or
62.4 under the laws of another state, of its securities when the securities are offered and sold
62.5 only to its members, or when the purchase of the securities is necessary or incidental to
62.6 establishing membership in the cooperative, or when the securities are issued as patronage
62.7 dividends. This paragraph applies to a cooperative organized under chapter 308A, or under
62.8 the laws of another state, only if the cooperative has filed with the administrator a consent
62.9 to service of process under section 80A.88 and has, not less than ten days before the
62.10 issuance or delivery, furnished the administrator with a written general description of the
62.11 transaction and any other information that the administrator requires by rule or otherwise;

62.12 (B) the offer and sale by a cooperative organized under chapter 308B of its securities
62.13 when the securities are offered and sold to its existing members or when the purchase of the
62.14 securities is necessary or incidental to establishing patron membership in the cooperative,
62.15 or when such securities are issued as patronage dividends. The administrator has the
62.16 power to define "patron membership" for purposes of this paragraph. This paragraph
62.17 applies to securities, other than securities issued as patronage dividends, only when:

62.18 (i) the issuer, before the completion of the sale of the securities, provides each
62.19 offeree or purchaser disclosure materials that, to the extent material to an understanding of
62.20 the issuer, its business, and the securities being offered, substantially meet the disclosure
62.21 conditions and limitations found in rule 502(b) of Regulation D promulgated by the
62.22 Securities and Exchange Commission, Code of Federal Regulations, title 17, section
62.23 230.502; and

62.24 (ii) within 15 days after the completion of the first sale in each offering completed in
62.25 reliance upon this exemption, the cooperative has filed with the administrator a consent to
62.26 service of process under section 80A.88 (or has previously filed such a consent), and has
62.27 furnished the administrator with a written general description of the transaction and any
62.28 other information that the administrator requires by rule or otherwise; and

62.29 (C) a cooperative may, at or about the same time as offers or sales are being
62.30 completed in reliance upon the exemptions from registration found in this subpart and as
62.31 part of a common plan of financing, offer or sell its securities in reliance upon any other
62.32 exemption from registration available under this chapter. The offer or sale of securities in
62.33 reliance upon the exemptions found in this subpart will not be considered or deemed a part
62.34 of or be integrated with any offer or sale of securities conducted by the cooperative in
62.35 reliance upon any other exemption from registration available under this chapter, nor will
62.36 offers or sales of securities by the cooperative in reliance upon any other exemption from

63.1 registration available under this chapter be considered or deemed a part of or be integrated
63.2 with any offer or sale conducted by the cooperative in reliance upon this paragraph.

63.3 Sec. 31. **ASSESSMENT.**

63.4 (a) The commissioner of commerce may levy a pro rata assessment on institutions
63.5 licensed under Minnesota Statutes, chapter 58, to recover the costs to the Department of
63.6 Commerce for administering the licensing and registration requirements of Minnesota
63.7 Statutes, section 58A.10.

63.8 (b) The commissioner shall levy the assessments and notify each institution of the
63.9 amount of the assessment being levied by September 30, 2010. The institution shall pay
63.10 the assessment to the department no later than November 30, 2010. If an institution fails
63.11 to pay its assessment by this date, its license may be suspended by the commissioner
63.12 until it is paid in full.

63.13 (c) This section expires December 1, 2010.

63.14 Sec. 32. **REPEALER.**

63.15 Minnesota Statutes 2009 Supplement, section 58.126, is repealed.

63.16 Sec. 33. **EFFECTIVE DATE.**

63.17 Sections 5 to 29, 31, and 32 are effective July 31, 2010.

APPENDIX
Article locations in 10-5817

ARTICLE 1	ENVIRONMENT AND NATURAL RESOURCES	Page.Ln 1.24
ARTICLE 2	ENERGY AND COMMERCE	Page.Ln 26.3

58.126 EDUCATION AND TESTING REQUIREMENT.

(a) No individual shall engage in residential mortgage origination or make residential mortgage loans, whether as an employee or independent contractor, before the completion of 20 hours of educational training which has been approved by the commissioner, and covering state and federal laws concerning residential mortgage lending.

(b) In addition to the initial education requirements in paragraph (a), each individual must also complete eight hours of continuing education annually. The education must include:

(1) three hours of federal law and regulations;

(2) two hours of ethics, which must include fraud, consumer protection, and fair lending;
and

(3) two hours of standards governing nontraditional mortgage lending.

(c) The commissioner may by rule establish testing requirements for individuals subject to the requirements of paragraphs (a) and (b). An individual must satisfy the testing requirements established by the commissioner before engaging in residential mortgage loan origination or making residential mortgage loans.

97A.451 LICENSE REQUIREMENTS AND EXEMPTIONS RELATING TO AGE.

Subd. 3a. **Nonresidents under age 18; small game.** (a) A nonresident under age 18 may obtain a small game license at the resident fee under section 97A.475, subdivision 2, clause (2), if the nonresident:

(1) possesses a firearms safety certificate; or

(2) if age 13 or under, is accompanied by a parent or guardian when purchasing the license.

(b) A nonresident age 13 or under must be accompanied by a parent or guardian to take small game. A nonresident age 12 or under is not required to possess a firearms safety certificate under section 97B.020 to take small game.

Subd. 4. **Persons under age 16; big game.** (a) A person age 12, 13, 14, or 15 may not obtain a license to take big game unless the person possesses a firearms safety certificate. A person age 12 or 13 must be accompanied by a parent or guardian to hunt big game.

(b) A person age 10 or 11 may take big game provided the person is under the direct supervision of a parent or guardian where the parent or guardian is within immediate reach. Until March 1, 2009, a person age 10 or 11 may take big game under a parent or guardian's license. Beginning March 1, 2009, a person age 10 or 11 must obtain a license in order to take big game and may obtain the license without paying the fee required under section 97A.475, subdivision 2.

97A.485 ISSUANCE OF LICENSES.

Subd. 12. **Youth deer license.** The commissioner may, for a fee of \$5.50, issue to a resident under the age of 16 a license, without a tag, to take deer with firearms. A youth holding a license issued under this subdivision may hunt under the license only if accompanied by a licensed hunter who is at least 18 years of age and possesses a valid tag. A deer taken by a youth holding a license issued under this subdivision must be promptly tagged by the licensed hunter accompanying the youth. Section 97B.301, subdivision 6, does not apply to a youth holding a license issued under this subdivision.

97B.022 APPRENTICE HUNTER VALIDATION.

Subdivision 1. **Definition.** For the purpose of this section, "accompanied" means to stay within a distance of another person that permits uninterrupted visual contact and unaided verbal communication.