

CHAPTER 234—H. F. No. 846.

An act relating to private trade schools, providing for the licensing and regulation thereof and of solicitors therefor and imposing penalties for violations of this act.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. **Definitions.**—The following words, terms and phrases when used in this Act shall have the meanings ascribed to them in this section :

(1) "Private trade school" means a school maintained or classes conducted for the purpose of teaching, for profit or for a tuition charge, any trade, technical, mechanical or industrial occupation, but shall not include: private schools engaged exclusively in the teaching of business subjects; schools engaged in teaching medical technology; colleges authorized by the laws of Minnesota to grant degrees; schools of nursing; public schools; private trade schools which are exempt from taxation under Mason's Minnesota Supplement 1940, Section 2394-5(H) of the Minnesota State Income Tax Laws; private schools which are exempt from taxation under Section 1, Article IX, of the Constitution of Minnesota; schools exclusively engaged in training physically handicapped persons for the State of Minnesota; schools engaged in giving instruction by correspondence; schools already or hereafter licensed by duly constituted boards under provisions of Minnesota laws; or schools and educational programs conducted by firms, corporations or persons for the training of their own employees, for which no fee is charged.

(2) "Solicitor" means a person who solicits business for a private trade school, or who offers to sell or sells any instruction or course of instruction by a private trade school. Private trade school as used in this paragraph includes those located within and without the State of Minnesota.

(3) "Person" means any individual, association, partnership, or corporation, and includes any receiver, referee, trustee, executor, or administrator.

(4) "Commissioner" means commissioner of education.

(5) "Board" means state board for vocational education.

Sec. 2. **Minimum standards established.**—The following minimum standards for private trade schools are hereby established, and no license shall be granted hereunder unless the board shall determine—

(a) That the school applying for a license has a sound financial structure with sufficient resources for its proper use and support.

(b) That the school has satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to adequately train the number of students proposed to be enrolled.

(c) That there are a sufficient number of qualified instructors sufficiently trained by experience and education to give the training contemplated.

(d) That the advertising and representations made on behalf of the school to prospective students shall be truthful and free from misrepresentation and fraud.

(e) That the charge made for instruction shall be reasonable based upon the service rendered.

(f) That the premises and conditions under which the students work or study shall be sanitary and healthful and safe, according to modern standards.

Sec. 3. Board to make rules and regulations.—The board shall, with the advice of the commissioner and of the State Advisory Committee of such board as prescribed in the state vocational plan for trade and industrial education, make rules and regulations to carry out the intent and purposes of this Act. Such rules and regulations shall be effective when filed in the office of the Secretary of State and amendments thereof shall be effective twenty days after being so filed.

Sec. 4. Private trade schools must be licensed.—No private trade school shall be operated by any person, or persons, firm, corporation, or by any private organization unless a license is first secured from the commissioner, who is empowered to issue it upon compliance with the terms and provisions of this Act. Application shall be made to the commissioner upon a form prescribed and furnished by him and shall be accompanied by an application fee of \$25.00. A license shall not be issued to any school until the commissioner has approved it as meeting the minimum standards and requirements as provided herein.

Sec. 5. Fees for licenses—bonds.—If the license is granted, it shall be issued upon the payment of an additional fee of \$25.00 and the filing with the commissioner of a surety bond to the State of Minnesota in the sum of \$1,000.00. Said bond shall be conditioned for the faithful performance of all agreements and contracts with students, as disclosed by the application for license,

and the compliance with this Act. Every license shall expire on the 31st day of December following the date of issuance.

Sec. 6. Subdivision 1. Solicitors must obtain permits.—Every solicitor, before engaging in such business, shall first procure a permit from the commissioner.

Subd. 2. Applications for permits—fees.—A permit shall only be issued upon written application to the commissioner. The application shall be upon a form prescribed and furnished by the commissioner and shall be accompanied by \$10.00, the fee for such permit. If the application is granted, the permit shall not be issued until the applicant has filed with the commissioner a continuous surety bond to the state of Minnesota in the penal sum of \$1,000.00, conditioned for the faithful performance of all contracts and agreements with students by the solicitor and the employing private trade school, as disclosed by the application for the permit, and for the compliance by the solicitor with this Act and all rules and regulations prescribed hereunder. Every permit shall expire on the 31st day of December following the date of issuance.

Sec. 7. Subd. 1. Licenses or permits may be revoked.—A license or permit issued hereunder may be revoked by the board for cause upon notice and hearing.

Subd. 2. Commissioner may extend permits or licenses.—Upon the filing with the board of charges against the holder of a license or permit issued hereunder, the commissioner may suspend such license or permit pending determination thereof.

Sec. 8. Certain designations unlawful.—It is unlawful for any private trade school operating within the State of Minnesota to apply to itself, either as a part of its name or in any other manner; the designation of "college" or "university", unless certified by the commissioner that the school meets appropriate standards and is entitled to such designation.

Sec. 9. Violation a misdemeanor.—Any person who violates any provisions of this Act shall be guilty of a misdemeanor.

Sec. 10. Fees to be paid into State Treasury.—All of the fees collected under the provisions of this Act shall be payable to the general revenue fund of the State of Minnesota.

Sec. 11. Effective July 1, 1943.—This Act shall be effective July 1, 1943, except that applications for a license or permit hereunder may be made at any time prior thereto.

Approved March 30, 1943.