

**CHAPTER 222--H.F.No. 2854**

*An act relating to commerce; removing or modifying obsolete, unnecessary, or redundant laws and rules administered by the Department of Commerce or the Public Utilities Commission; making conforming changes; amending Minnesota Statutes 2012, sections 16D.04, subdivisions 1, 4; 45.0111, subdivision 2; 45.22; 45.23; 46.046, by adding a subdivision; 47.20, subdivision 7; 47.325; 47.78; 48.93, subdivisions 1, 3; 53A.06; 56.131, subdivision 1; 56.14; 58.115; 59C.10, subdivision 2; 60A.131; 72B.03; 72B.041, subdivision 1; 72B.08, subdivision 1; 72B.135, subdivision 2; 82.63, subdivision 6; 82A.03; 82A.05, subdivision 6; 82A.08, subdivision 1; 82A.09, subdivision 2; 82A.10; 82A.111, subdivision 2; 82A.12, subdivision 1; 82A.14; 82A.22, subdivision 2; 82A.25; 82A.26; 83.26, subdivision 2; 83.30, subdivision 1; 115C.113; 115C.13; 216C.03; 237.04; 237.14; 237.16, subdivisions 8, 12; 237.164; 237.17; 237.30; 237.46; 237.491; 237.69, subdivisions 1, 15, 16; 237.71; 239.011, subdivision 2; 239.06; 239.081; 239.09; 239.091; 239.44; 239.46; 239.753; 256E.25, subdivision 5a; 270B.14, subdivision 1; 325E.11; 325E.115, subdivision 2; 332.31, subdivision 1; 332.311; 332.33, subdivisions 1, 2, 3, 5, 5a, 7; 332.38; 332.39; 332.40, subdivisions 1, 2, 3; 332.42, subdivisions 1, 2; 332.44; 386.015, subdivision 5; 386.62; 386.65, subdivision 1; 386.705; 386.706; 386.73; 386.74; 386.76; Minnesota Statutes 2013 Supplement, sections 82A.06, subdivision 2; 82A.13, subdivision 1; 237.036; 237.16, subdivision 9; 239.101, subdivision 3; repealing Minnesota Statutes 2012, sections 13.713, subdivision 4; 45.0111; 45.42, subdivision 1; 46.045, subdivision 2; 46.047; 48.34; 53A.081; 56.001, subdivisions 5, 6; 60A.18; 62A.319; 72A.53; 72B.02, subdivision 8; 80C.30; 81A.08; 81A.18; 82.63, subdivisions 7, 9, 10; 82A.04; 82A.07; 82A.08; 82A.11, subdivision 2; 82A.111, subdivision 5; 82A.13, subdivision 3; 82A.18, subdivision 3; 82A.22, subdivisions 1, 3; 82A.24, subdivision 5; 115C.111; 216C.14; 216C.262; 216C.263; 216C.373; 216C.38; 216C.44; 237.068; 237.16, subdivisions 10, 11, 13; 237.18; 237.33; 237.34; 237.35; 237.36; 237.37; 237.38; 237.39; 237.40; 237.44; 237.45; 237.47; 237.67; 237.711; 237.80, subdivision 1; 239.002; 239.003; 239.012; 239.101, subdivision 4; 239.28; 239.29; 239.30; 239.31; 239.35; 239.36; 239.51; 239.511; 239.53; 239.54; 332.45; 386.61, subdivisions 1, 2, 4; Minnesota Statutes 2013 Supplement, sections 82.63, subdivision 8; 82A.06, subdivision 2; Minnesota Rules, parts 2782.0200; 2782.0300; 2782.0400; 2782.0500; 2782.0600; 2782.0700; 2782.0800; 2795.2000; 2830.0010; 2830.0020; 2830.0030; 2830.0040; 2830.0050; 2830.0060; 2830.0070; 2830.0080; 2830.0090; 2830.0100; 2870.0100; 2870.1100; 2870.1200; 2870.1400; 2870.1700; 2870.1800; 2870.1900; 2870.2000; 2870.2100; 2870.2200; 2870.2300; 2870.3100; 2870.3200; 2870.3300; 2870.3400; 2870.3500; 2870.3600; 2870.3700; 2870.3800; 2870.3900; 2870.4000; 2870.4100; 2870.5100; 7601.7010; 7601.7090, subpart 3; 7602.0100; 7606.0010; 7606.0020, subparts 1, 2, 3, 4, 5, 5a, 6, 8, 9, 10; 7606.0030; 7606.0040; 7606.0050; 7606.0060; 7606.0070; 7606.0080; 7630.0110; 7630.0120; 7630.0200; 7630.0210; 7630.0220; 7630.0300; 7630.0310; 7630.0320; 7630.0330; 7630.0340; 7630.0350; 7630.0360.*

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

**ARTICLE 1****OBSOLETE, UNNECESSARY, OR REDUNDANT PROVISIONS**

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

**45.22 LICENSE EDUCATION APPROVAL.**

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

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

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

**45.23 LICENSE EDUCATION FEES.**

The following fees must be paid to the commissioner:

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

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

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

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

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

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

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

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

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

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

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

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

**47.325 APPEAL AND JUDICIAL REVIEW.**

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

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

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

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

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

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

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

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

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

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

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

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

Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section

53.015, if greater, a licensee may contract for and receive interest, finance charges, and other charges as provided in section 47.59.

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

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

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

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

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

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

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

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

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

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

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

~~(5)~~ (b) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

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

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

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

### **56.14 DUTIES OF LICENSEE.**

Every licensee shall:

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

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

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

(4) upon repayment of the loan in full, mark indelibly every obligation and security, other than a mortgage or security agreement which secures a new loan to the licensee, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage or security agreement which no longer secures a loan to the licensee, restore any pledge, and cancel and return any note, and any assignment given to the licensee which does not secure a new loan to the licensee within 20 days after the repayment. For purposes of this requirement, the document including actual evidence of an obligation or security may be maintained, stored, and retrieved in a form or format acceptable to the commissioner under section 46.04, subdivision 3;

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

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

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

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

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

#### **58.115 EXAMINATIONS.**

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

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

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

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

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

(a) If requested by the commissioner, an insurance company authorized to do business in this state shall disclose to the commissioner any changes in the principal management and directors of the company from that listed on page one of the annual statement within ten days of such change.

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

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

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

Sec. 12. Minnesota Statutes 2012, section 72B.03, is amended to read:

#### **72B.03 LICENSES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(14) an individual who:

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

(ii) conducts data entry including entering data into an automated claims adjudication system, provided that the individual is an employee of a licensed independent adjuster or its affiliate where no more than 25

such persons are under the supervision of one licensed independent adjuster or licensed insurance producer who is exempt from licensure under clause (12).

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

- (1) independent adjuster's license;
- (2) public adjuster's license; and
- ~~(3) public adjuster solicitor's license; and~~
- ~~(4)~~ (3) crop hail adjuster's license.

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

- (1) property and casualty; or
- (2) workers' compensation; or
- (3) crop.

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

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

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

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

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

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

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

(j) In order to assist in the performance of the commissioner's duties, the commissioner may contract with nongovernmental entities, including the National Association of Insurance Commissioners, its af-

filiates, or its subsidiaries, to perform any ministerial functions related to licensing that the commissioner may deem appropriate, including the collection of fees and data.

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

Sec. 13. Minnesota Statutes 2012, section 72B.041, subdivision 1, is amended to read:

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

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

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

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

(b) A business entity applying for a resident adjuster license must make application to the commissioner on the appropriate NAIC Uniform Business Entity Application in a format prescribed by the commissioner and declare under penalty of suspension, revocation, or refusal of the license that the statements made in the application are true, correct, and complete to the best of the business entity's knowledge and belief. Before approving the application, the commissioner shall find that the business entity:

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

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

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

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

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

Sec. 14. Minnesota Statutes 2012, section 72B.08, subdivision 1, is amended to read:

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

(1) failure to pass a required examination;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2012, section 72B.135, subdivision 2, is amended to read:

Subd. 2. **Writing required; notice of right to cancel; notice of cancellation.** (a) Before entering a contract referred to in subdivision 1, the public adjuster must:

(1) furnish the insured with a statement in boldface type of a minimum size of ten points, in substantially the following form:

"You, the insured, may cancel this contract at any time within 72 hours after the contract has been signed between the insured and the public adjuster. See attached notice of cancellation form for an explanation of this right."; and

(2) furnish each insured, a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract and easily detachable, and which shall contain in boldface type of a minimum size of ten points the following information and statements:

"NOTICE OF CANCELLATION

.....

(enter date of contract)

If you do not want to go forward with the contract with the public adjuster, you may cancel the contract by mailing or delivering a signed and dated copy of this cancellation notice or any other written notice, ~~or send a telegram~~ to (Name of Public Adjuster), at (Address of Public Adjuster's Place of Business) not later than midnight of (Date). If you cancel, any payments made by you under the contract will be returned within ten business days following receipt by the public adjuster of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

.....

(date)

.....

(Insured's signature)"

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to contracts entered into on or after that date.

Sec. 16. Minnesota Statutes 2012, section 82.63, subdivision 6, is amended to read:

Subd. 6. **Terminations; transfers.** ~~(a) Except as provided in paragraph (b),~~ When a salesperson terminates activity on behalf of a broker, the salesperson's license shall be ineffective. Within ten days of

the termination the broker shall notify the commissioner in writing, and shall return to the commissioner the license of the salesperson the form prescribed by the commissioner. The salesperson may apply for transfer of the license to active status with another broker at any time during the remainder of the license period, on forms provided by the commissioner. If the application for transfer qualifies, the commissioner shall grant the application. Upon receipt of a transfer application and payment of the transfer fee, the commissioner may issue a 45-day temporary license. If an application for transfer is not made within the license period, the commissioner shall require that an application for a new license be filed.

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

Sec. 17. Minnesota Statutes 2012, section 82A.03, is amended to read:

**82A.03 REGISTRATION REQUIREMENT.**

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

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

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

Sec. 18. Minnesota Statutes 2012, section 82A.09, subdivision 2, is amended to read:

Subd. 2. **Restrictions.** No person shall publish or cause to be published in this state any advertisement concerning any membership camping contract ~~which is required to be registered pursuant to this chapter, or which is exempt from registration under section 82A.06, subdivision 2,~~ after the commissioner has found that the advertisement contains any statement that is false or misleading, or omits to make any statement necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and has so notified the person by written order. The order may be issued without prior notice or hearing. Up to 30 days after the issuance of the order, the person desiring to use the advertisement may in writing request a hearing on the order. Upon receipt of a written request, the matter shall be set for hearing to commence within 15 days after the receipt unless the person making the request consents to a later date. After the hearing, which shall be conducted in accordance with the provisions of chapter 14, the commissioner shall, by written order, either affirm, modify, or vacate the order.

Sec. 19. Minnesota Statutes 2012, section 82A.10, is amended to read:

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

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

Sec. 20. Minnesota Statutes 2012, section 82A.111, subdivision 2, is amended to read:

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

Sec. 21. Minnesota Statutes 2012, section 82A.12, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

~~(9)~~ (7) that the membership camping operator or controlling person, agent, or employee thereof, has failed faithfully to perform any stipulation or agreement made with the commissioner ~~as an inducement to~~

~~grant any registration, to reinstate any registration, or to permit any disclosure statement; provided, however, that this clause shall not be deemed to require any stipulations or agreements.~~

Sec. 22. Minnesota Statutes 2013 Supplement, section 82A.13, subdivision 1, is amended to read:

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

Sec. 23. Minnesota Statutes 2012, section 82A.14, is amended to read:

#### **82A.14 UNFAIR PRACTICES.**

No membership camping operator shall:

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

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

(ii) a bond or irrevocable letter of credit has been issued, or cash or a certified check in an amount sufficient to cover payment of all amounts secured by the blanket encumbrance has been deposited, in the name of the state for the benefit and protection of purchasers of membership camping contracts and subject to terms as approved by the commissioner. Any interest accruing on amounts held in the account shall be payable, as and when earned, to the membership camping operator. Any bond shall be executed by an insurance company authorized to do business in this state, which has sufficient net worth to satisfy the indebtedness and which has given consent to be sued in this state. Any irrevocable letter of credit shall be issued by a bank or savings association which has sufficient net worth to satisfy the indebtedness and which has given its consent to be sued in this state. The bond, cash, certified check, or irrevocable letter of credit shall be in an amount which is not less than 110 percent of the remaining principal balance of every indebtedness or obligation secured by a blanket encumbrance affecting the campground. The bond or agreement accompanying the cash, certified check, or irrevocable bank letter of credit shall provide for the payment of all amounts secured by the blanket encumbrance, including costs, expenses, and legal fees of the lienholder, if for any reason the blanket encumbrance is enforced. The bond, cash, certified check, or letter of credit may be reduced periodically in proportion to the reductions in the amount secured by the blanket encumbrance; or

(iii) the lender providing the major hypothecation loan to the membership camping operator (the "hypothecation lender"), and having a lien on or security interest in the membership camping operator's interest in the campground, shall have executed and delivered a nondisturbance agreement and recorded the agreement in the real estate records of the county in which the campground is located in this state. Each person holding an interest in a blanket encumbrance superior to the interest held by the hypothecation lender shall have executed, delivered, and recorded an instrument stating that the person shall give the hypothecation lender notice of, and at least 30 days' opportunity to cure, any default under the blanket encumbrance which entitles the person to foreclose upon the campground. The instrument shall state that the notice and opportunity to cure shall be given before the person commences any foreclosure action affecting the campground and in accordance with the instrument. The hypothecation lender shall have guaranteed

that it will cure or arrange for the cure of the default. Any holder of a blanket encumbrance inferior to the hypothecation lender who acquires the campground in foreclosure shall take the campground subject to the hypothecation lender's nondisturbance agreement. For purposes of this provision, a "hypothecation lender" is any lender extending a loan or line of credit to a membership camping operator secured by all or substantially all of the contract receivables arising from the membership camping operator's sale of membership camping contracts in this state. For purposes of this provision, "lender" means an insurance company or a federally or state chartered bank, savings association, any other lending institution, the deposits of which are guaranteed or insured, by a federal agency, or any other person which has sufficient net worth to pay the obligations pursuant to this section if there are no reasonable grounds to believe that the lender will not be able to pay these obligations in the future; or

~~(iv) the operator can provide an alternative plan acceptable to the commissioner;~~

(2) sell any campground which is located in this state and available for use by purchasers, unless:

(i) the membership camping operator sells the campground to a person who takes the campground subject to all rights and interests of purchasers, and contractually agrees not to compromise the rights and interests of purchasers in regard to future conveyances of, or encumbrances placed on the campground;

(ii) the membership camping operator immediately substitutes for the use of purchasers another campground which is in the same general area and is at least as desirable for the purpose of camping and outdoor recreation as the previous campground. For purposes of this provision, "same general area" means a location within a 50-mile radius of the previous campground; or

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

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

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

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

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

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

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

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

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

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

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

(ii) the increase in the United States city average Consumer Price Index for all urban consumers issued by the United States Bureau of Labor Statistics or such other federally prepared Consumer Price Index or Wage Earner Index as reasonably selected by the operator in its discretion;

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

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

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

Sec. 24. Minnesota Statutes 2012, section 82A.22, subdivision 2, is amended to read:

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

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

#### **82A.25 CRIMINAL PENALTIES.**

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

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

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

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

Sec. 27. Minnesota Statutes 2012, section 83.26, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

(1) the subdivider has filed with the commissioner, no later than ten business days prior to the date of the first sale, a written notice of its intention to offer or sell improved lots, which notice shall be accompanied by a fee of \$50, together with a copy of the public offering statement accepted by the situs state and the standard purchase agreement which documents are required to be supplied by the subdivider to the purchaser; and

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

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2012, section 83.30, subdivision 1, is amended to read:

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

Sec. 29. Minnesota Statutes 2012, section 216C.03, is amended to read:

#### **216C.03 STATE GOVERNMENT ENERGY-SAVINGS PLAN.**

The commissioner of commerce, in coordination with the commissioners of the agencies listed in section 15.01, the chancellor of the Minnesota State Colleges and Universities, and the president of the University of Minnesota, shall identify policy options, barriers, and economic benefits and costs for state government operations to achieve the energy-savings goals in section 216B.2401 and the resulting carbon emissions reductions. ~~The commissioner of commerce must issue a report to the legislature by February 1, 2008.~~

Sec. 30. Minnesota Statutes 2013 Supplement, section 237.036, is amended to read:

**237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.**

(a) Neither commission approval nor a commission certificate is required to:

(1) site a coin-operated or public pay telephone in the state; or

(2) implement changes in service, services offered, rates, or location regarding a coin-operated or public pay telephone. Registration under section 237.64 is required to own or operate a coin-operated or public pay telephone in the state.

(b) This section does not change the authority of other state or local government entities to regulate aspects of coin-operated or public pay telephone ownership, location, or operation; however, an entity may not regulate aspects of these services that it did not regulate prior to May 26, 1999. The commission shall retain the authority delegated to it under federal and state law to protect the public interest with regard to coin-operated or public pay telephones.

(c) Owners and operators of coin-operated or public pay telephones are exempt from sections 237.06, 237.07, 237.075, 237.09, 237.23, 237.295, and 237.39 and the annual reporting requirement of section 237.11.

(d) Owners of coin-operated or public pay telephones shall:

(1) provide immediate coin-free access, to the extent technically feasible, to 911 emergency service or to another approved emergency service; and

(2) provide free access to the telecommunications relay service for people with communication disabilities.

(e) Owners of coin-operated or public pay telephones must post at each coin-operated or public pay telephone location:

(1) customer service and complaint information, including the name, address, and telephone number of the owner of the coin-operated or public pay telephone and the operator service handling calls from the coin-operated or public pay telephone; a toll-free number of the appropriate telephone company for the resolution of complaints; and the toll-free number of the public utilities commission; and

(2) a toll-free number at which consumers can obtain pricing information regarding rates, charges, terms, and conditions of local and long-distance calls.

Sec. 31. Minnesota Statutes 2012, section 237.04, is amended to read:

**237.04 WIRE CROSSING OR PARALLELING UTILITY LINE; RULES.**

(a) ~~The department shall determine and promulgate reasonable rules covering the maintenance and operation, also the nature, location, and character of the construction to be used, where telephone, telegraph, electric light, power, or other electric wires of any kind, or any natural gas pipelines, cross, or more or less parallel the lines of any railroad, or any other similar public service corporation; and, to this end, shall formulate and from time to time, issue general rules covering each class of construction, maintenance, and operation of such telephone, telegraph, telecommunications, cable, fiber optic, electric wire, or natural gas pipeline crossing, or paralleling, under the various conditions existing; and the department, upon the~~

complaint of any person, railroad, municipal utility, cooperative electric association, telephone company, telecommunications carrier, cable company, fiber optic carrier, or other public utility claiming to be injuriously affected or subjected to hazard by any such crossing or paralleling of the lines of any railroad or other similar public service corporation, constructed or about to be constructed, shall, after a hearing, make such order and prescribe such terms and conditions for the construction, maintenance, and operation of the lines in question as may be just and reasonable.

(b) The department may, upon request of any municipal utility, electric cooperative association, public utility, telephone company, telecommunications carrier, cable company, or fiber optic carrier determine the just and reasonable charge which a railroad, or owner of an abandoned railroad right-of-way, other than the state or a regional railroad authority, can prescribe for a new or existing crossing of a railroad right-of-way by any telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line, or new or existing telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line more or less paralleling a railroad right-of-way, based on the diminution in value caused by the crossing or paralleling of the right-of-way by the telephone, telegraph, telecommunications, cable, fiber optic, electric, or gas line. This section shall not be construed to eliminate the right of a public utility, municipal utility, or electric cooperative association to have any of the foregoing issues determined pursuant to an eminent domain proceeding commenced under chapter 117. Unless the railroad, or owner of an abandoned railroad right-of-way, other than the state or a regional railroad authority, asserts in writing that the proposed crossing or paralleling is a serious threat to the safe operations of the railroad or to the current use of the railroad right-of-way, a crossing can be constructed following filing of the requested action with the department, pending review of the requested action by the department.

(c) The department shall assess the cost of reviewing the requested action, and of determining a just and reasonable charge, equally among the parties.

(d) For the purposes of this section, "parallel" or "paralleling" means that the relevant utility facilities run adjacent to and alongside the lines of a railroad for no more than one mile, or another distance agreed to by the parties, before the utility facilities cross the railroad lines, terminate, or exit the railroad right-of-way.

Sec. 32. Minnesota Statutes 2012, section 237.14, is amended to read:

**237.14 RATE FOR SERVICE TO OFFICER.**

A telephone company may furnish service free or at reduced rates to its officers, agents, or employees in furtherance of their employment, but it shall charge full schedule rates without discrimination for all other services. ~~Nothing herein shall release any telephone company from carrying out any contract now existing between it and any municipality for the furnishing of any service free or at reduced rates. Any contract for telephone service, at discriminatory rates, other than those with municipalities, shall be terminated by the company as soon as the same becomes terminable by its terms.~~

Sec. 33. Minnesota Statutes 2012, section 237.16, subdivision 8, is amended to read:

Subd. 8. **Rules.** (a) ~~Before August 1, 1997,~~ The commission shall adopt rules applicable to all telephone companies and telecommunications carriers required to obtain or having obtained a certificate for provision of telephone service using any existing federal standards as minimum standards and incorporating any additional standards or requirements necessary to ensure the provision of high-quality telephone services throughout the state. The rules must, at a minimum:

- (1) define procedures for competitive entry and exit;

(2) require the provisions of equal access and interconnection with the company's network and other features, functions, and services which the commission considers necessary to promote fair and reasonable competition;

(3) require unbundling of network services and functions to at least the level required by existing federal standards;

(4) prescribe, if necessary, methods of reciprocal compensation between telephone companies;

(5) provide for local telephone number portability;

(6) prescribe appropriate regulatory standards for new local telephone service providers, that facilitate and support the development of competitive services;

(7) protect against cross-subsidization, unfair competition, and other practices harmful to promoting fair and reasonable competition;

(8) prescribe methods for the preservation of universal and affordable local telephone services;

(9) prescribe standards for quality of service;

(10) provide for the continued provision of local emergency telephone services under chapter 403; and

(11) protect residential and commercial customers from unauthorized changes in service providers in a competitively neutral manner.

~~(b) Before January 1, 1998, in a separate rulemaking, The commission shall adopt separate rules regarding the issues described in paragraph (a), clauses (1) to (11), as may be appropriate to provision of competitive local telephone service in areas served by telephone companies with less than 50,000 subscribers originally certified to provide local telephone services before January 1, 1988.~~

Sec. 34. Minnesota Statutes 2013 Supplement, section 237.16, subdivision 9, is amended to read:

**Subd. 9. Universal service fund.** The commission shall establish and require contributions to a universal service fund, to be supported by all providers of telephone services, whether or not they are telephone companies under section 237.01, including, but not limited to, local telephone companies, independent telephone companies, cooperative telephone companies, municipal telephone companies, telecommunications carriers, radio common carriers, personal communication service providers, and cellular carriers. Services that should be considered for inclusion as universal include, at a minimum, single-party service including access, usage and touch-tone capability; line quality capable of carrying facsimile and data transmissions; equal access; emergency services number capability; statewide telecommunications relay service for people with hearing loss; and blocking of long-distance toll services. The fund must be administered and distributed in accordance with rules adopted by the commission and designed to preserve the availability of universal service throughout the state. Any state universal service fund must be coordinated with any federal universal service fund and be consistent with section 254(b)(1) to (5) of the federal Telecommunications Act of 1996, Public Law 104-104. ~~The department shall make recommendations to the legislature by January 1, 1996, regarding a plan for contributions to and expenditures from the universal service fund. In particular, the department shall address the following issues:~~

~~(1) what additional services should be included in the basic set of essential telephone services which the state should encourage in its mandate to ensure universal service;~~

~~(2) whether and how expenditures from the fund should be used to ensure citizens access to local government and other public access programming; and~~

~~(3) whether expenditures from the fund should be used to encourage construction of infrastructure for, and access to, advanced services, especially in high-cost areas of the state, and, if the commission determines the fund should be used for this purpose, a plan to accomplish these goals.~~

Sec. 35. Minnesota Statutes 2012, section 237.16, subdivision 12, is amended to read:

Subd. 12. **Extension of interexchange facility.** In order to promote the development of competitive interexchange services and facilities, any interexchange facility that is owned by a certified telephone company, independent telephone company, telecommunications carrier or an affiliate and that is used to provide service to customers located in areas for which it has been previously certified to provide service may be extended to meet and interconnect with the facility of another telephone company, small telephone company, or telecommunications carrier, whether at a point inside or outside of its territories, without further proceeding, order, or determination of current or future public convenience and necessity, upon mutual consent with the other telephone company, small telephone company, or telecommunications carrier whose facilities will be met and interconnected. Written notice of the extension and interconnection must be provided to the Public Utilities Commission and Department of Public Safety within 30 days after completion. The written notice must be served on all incumbent local exchange companies certified before January 1, 1988, in all areas where the facilities are located.

Sec. 36. Minnesota Statutes 2012, section 237.164, is amended to read:

**237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.**

The commission shall establish intrastate service discounts for schools and libraries by order to the extent ~~and within the time frame~~ necessary to enable schools and libraries to ~~begin receiving~~ receive federally supported discounts at the ~~earliest date permitted by the Federal Communications Commission.~~

Sec. 37. Minnesota Statutes 2012, section 237.17, is amended to read:

**237.17 EXTENSION OF LONG-DISTANCE LINE.**

Any telephone company may extend its long-distance lines into or through any city of this state for the furnishing of long-distance service only, subject to ~~the regulation of the governing body of such city relative to the location of the poles and wires and the preservation of the safe and convenient use of such streets and alleys to the public~~ sections 237.162 and 237.163.

Sec. 38. Minnesota Statutes 2012, section 237.30, is amended to read:

**237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.**

~~The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the A Minnesota Telephone Investigation Fund shall exist for the use of the Department of Commerce and of the attorney general in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies to reimburse the department for its expenses pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be~~

paid into the state treasury and credited to the general fund. ~~The sum of \$25,000 herein appropriated and~~ All subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of management and budget upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund.

Sec. 39. Minnesota Statutes 2012, section 237.46, is amended to read:

**237.46 GROSS MISDEMEANOR VIOLATION.**

Any telephone company or telecommunications carrier and, if it be a corporation, the officers thereof, violating any provisions of ~~sections 237.01 to 237.27~~, this chapter shall be guilty of a gross misdemeanor.

Sec. 40. Minnesota Statutes 2012, section 237.491, is amended to read:

**237.491 COMBINED PER NUMBER FEE.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "911 emergency and public safety communications program" means the program governed by chapter 403.

(c) "Minnesota telephone number" means a ten-digit telephone number being used to connect to the public switched telephone network and starting with area code 218, 320, 507, 612, 651, 763, or 952, or any subsequent area code assigned to this state.

(d) "Service provider" means a provider doing business in this state who provides real-time, two-way voice service with a Minnesota telephone number.

(e) "Telecommunications access Minnesota program" means the program governed by sections 237.50 to 237.55.

(f) "Telephone assistance program" means the program governed by sections 237.69 to ~~237.71~~ 237.71.

Subd. 2. **Per number fee.** (a) ~~By January 15, 2006, the commissioner of commerce shall report to the legislature and to the senate Committee on Jobs, Energy and Community Development and the house of representatives Committee on Regulated Industries, recommendations for the amount of and method for assessing a fee that would apply to each service provider based upon the number of Minnesota telephone numbers in use by current customers of the service provider. The fee would~~ shall be set at a level calculated to generate only the amount of revenue necessary to fund:

(1) the telephone assistance program and the telecommunications access Minnesota program at the levels established by the commission under sections 237.52, subdivision 2, and 237.70; and

(2) the 911 emergency and public safety communications program at the levels appropriated by law to the commissioner of public safety and the commissioner of management and budget for purposes of sections 403.11, 403.113, 403.27, 403.30, and 403.31 for each fiscal year.

(b) The recommendations must include any changes to Minnesota Statutes necessary to establish the procedures whereby each service provider, to the extent allowed under federal law, would collect and remit the fee proceeds to the commissioner of revenue. The commissioner of revenue would allocate the fee proceeds to the three funding areas in paragraph (a) and credit the allocations to the appropriate accounts.

~~(c) The recommendations must be designed to allow the combined per telephone number fee to be collected beginning July 1, 2006. The per access line fee used to collect revenues to support the TAP, TAM, and 911 programs remains in effect until the statutory changes necessary to implement the per telephone number fee have been enacted into law and taken effect.~~

~~(d) As part of the process of developing the recommendations and preparing the report to the legislature required under paragraph (a), the commissioner of commerce must, at a minimum, consult regularly with the Departments of Public Safety, Management and Budget, and Administration, the Public Utilities Commission, service providers, the chairs and ranking minority members of the senate and house of representatives committees, subcommittees, and divisions having jurisdiction over telecommunications and public safety, and other affected parties.~~

Sec. 41. Minnesota Statutes 2012, section 237.69, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The terms used in sections 237.69 to ~~237.71~~ 237.71 have the meanings given them in this section.

Sec. 42. Minnesota Statutes 2012, section 237.69, subdivision 15, is amended to read:

Subd. 15. **Income.** For purposes of sections 237.69 to ~~237.71~~ 237.71, "income" has the meaning given it in section 290A.03, subdivision 3.

Sec. 43. Minnesota Statutes 2012, section 237.69, subdivision 16, is amended to read:

Subd. 16. **Telephone assistance plan.** "Telephone assistance plan" means the plan to be adopted by the commission and to be jointly administered by the commission, the Department of Human Services, and the telephone companies, as required by sections 237.69 to ~~237.71~~ 237.71.

Sec. 44. Minnesota Statutes 2012, section 237.71, is amended to read:

### **237.71 TAP RULES.**

The commission shall adopt rules under the Administrative Procedure Act necessary or appropriate to ~~establish~~ administer the telephone assistance plan in accordance with this chapter ~~so that the telephone assistance plan is effective as of January 1, 1988, or as soon after that date as Federal Communications Commission approval of the telephone assistance plan is obtained.~~

Sec. 45. Minnesota Statutes 2012, section 239.011, subdivision 2, is amended to read:

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

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

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

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

(4) shall enforce this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 46. Minnesota Statutes 2012, section 239.06, is amended to read:

### **239.06 RULES.**

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

Sec. 47. Minnesota Statutes 2012, section 239.081, is amended to read:

### **239.081 INSPECTING TRACK SCALE.**

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

Sec. 48. Minnesota Statutes 2012, section 239.09, is amended to read:

### **239.09 SPECIAL POLICE POWERS.**

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

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

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

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

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

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

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

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

Sec. 49. Minnesota Statutes 2012, section 239.091, is amended to read:

**239.091 METHOD OF SALE.**

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

Sec. 50. Minnesota Statutes 2013 Supplement, section 239.101, subdivision 3, is amended to read:

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

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

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

Sec. 51. Minnesota Statutes 2012, section 239.44, is amended to read:

**239.44 MISDEMEANOR VIOLATION.**

Whoever in selling gives a lower number or, in buying shall take any, takes a greater number of pounds or cubic feet to the bushel, barrel, ton, or cord, as the case may be, than is allowed and provided in sections

~~239.28 to 239.36~~ 239.32 and 239.33, or in selling, ~~shall give any less~~ gives a lower number, ~~shall be is~~ guilty of a misdemeanor.

Sec. 52. Minnesota Statutes 2012, section 239.46, is amended to read:

**239.46 FINES CREDITED TO SCHOOL FUNDS.**

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

Sec. 53. Minnesota Statutes 2012, section 239.753, is amended to read:

**239.753 ENTRY UPON PREMISES AND ACCESS TO RECORDS.**

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

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

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

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

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

Sec. 54. Minnesota Statutes 2012, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the Social Security numbers and names of participants in the telephone assistance plan operated under sections 237.69 to ~~237.71~~ 237.71, with those of property tax refund filers, and determine

whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Centers for Medicare and Medicaid Services section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services necessary to verify income for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, food support, Minnesota supplemental aid program, and child care assistance have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

(j) The commissioner may disclose information to the commissioner of human services necessary to verify income for purposes of calculating parental contribution amounts under section 252.27, subdivision 2a.

Sec. 55. Minnesota Statutes 2012, section 332.33, subdivision 5, is amended to read:

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

Sec. 56. Minnesota Statutes 2012, section 332.33, subdivision 5a, is amended to read:

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

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

Sec. 57. Minnesota Statutes 2012, section 332.33, subdivision 7, is amended to read:

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

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

Sec. 58. **REPEALER.**

**Subdivision 1. Statutory repeals.**

(a) Minnesota Statutes 2012, sections 45.0111; 45.42, subdivision 1; 46.045, subdivision 2; 46.047; 48.34; 53A.081; 56.001, subdivisions 5 and 6; 60A.18; 62A.319; 72B.02, subdivision 8; 80C.30; 81A.08; 81A.18; 82.63, subdivisions 7, 9, and 10; 82A.04; 82A.07; 82A.08; 82A.11, subdivision 2; 82A.111, subdivision 5; 82A.13, subdivision 3; 82A.18, subdivision 3; 82A.22, subdivisions 1 and 3; 82A.24, subdivision 5; 115C.111; 237.068; 237.16, subdivisions 10, 11, and 13; 237.18; 237.33; 237.34; 237.35; 237.36; 237.37; 237.38; 237.39; 237.40; 237.44; 237.45; 237.47; 237.67; 237.711; and 237.80, subdivision 1; 239.002; 239.003; 239.012; 239.101, subdivision 4; 239.28; 239.29; 239.30; 239.31; 239.35; 239.36; 239.51; 239.511; 239.53; 239.54; 332.45; 386.61, subdivisions 1, 2, and 4, are repealed.

(b) Minnesota Statutes 2012, sections 216C.14; 216C.262; 216C.263; 216C.373; 216C.38; and 216C.44, are repealed.

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

**Subd. 2. Administrative rules repeals.**

(a) Minnesota Rules, parts 2782.0200; 2782.0300; 2782.0400; 2782.0500; 2782.0600; 2782.0700; 2782.0800; 2795.2000; 2830.0010; 2830.0020; 2830.0030; 2830.0040; 2830.0050; 2830.0060; 2830.0070; 2830.0080; 2830.0090; 2830.0100; 2870.0100; 2870.1100; 2870.1200; 2870.1400; 2870.1700; 2870.1800; 2870.1900; 2870.2000; 2870.2100; 2870.2200; 2870.2300; 2870.3100; 2870.3200; 2870.3300; 2870.3400; 2870.3500; 2870.3600; 2870.3700; 2870.3800; 2870.3900; 2870.4000; 2870.4100; 2870.5100; 7601.7010; 7601.7090, subpart 3; and 7602.0100, are repealed.

(b) Minnesota Rules, parts 7606.0010; 7606.0020, subparts 1, 2, 3, 4, 5, 5a, 6, 8, 9, and 10; 7606.0030; 7606.0040; 7606.0050; 7606.0060; 7606.0070; 7606.0080; 7630.0110; 7630.0120; 7630.0200; 7630.0210; 7630.0220; 7630.0300; 7630.0310; 7630.0320; 7630.0330; 7630.0340; 7630.0350; and 7630.0360, are repealed.

**ARTICLE 2****CONFORMING CHANGES**

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

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

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

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

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

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

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

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

**47.78 CONTRACTS TO PROVIDE SERVICES.**

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

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

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

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

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

Subdivision 1. **Application.** An out-of-state bank holding company may, through a purchase of stock or assets of a bank, or through a purchase of stock or assets of or merger with a bank holding company, acquire control in an existing bank or banks whose home state is Minnesota if it meets the conditions in this section, ~~sections 46.047 and section 46.048~~ and it files an application in writing with the commissioner on forms provided by the department. The commissioner, upon receipt of the application, shall act upon it in the manner provided for in ~~sections 46.047 and section 46.048~~, except that the commissioner may extend the 60-day period an additional 30 days if in the commissioner's judgment any material information submitted is substantially inaccurate or the acquiring party has not furnished all the information required by statute, rule, or the commissioner. Within three days after making the decision to disapprove any proposed acquisition, the commissioner shall notify the acquiring party in writing of the disapproval. The notice must provide a statement of the basis for the disapproval.

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

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

Sec. 7. Minnesota Statutes 2012, section 82A.05, subdivision 6, is amended to read:

Subd. 6. **Separate disclosure.** If the membership camping operator or that person's salespeople represents to a prospective purchaser that the operator plans to construct or install any amenities in the future, but the operator has not guaranteed to do so ~~and has not provided assurances that the amenities will be installed pursuant to section 82A.04, subdivision 2, clause (13)(iv)~~, the operator shall furnish a separate disclosure to the prospective purchaser. The separate disclosure shall be in 10-point bold type and shall state: NOTICE: PURCHASE THIS MEMBERSHIP CAMPING CONTRACT ONLY ON THE BASIS OF EXISTING AMENITIES. CONSTRUCTION OF PLANNED AMENITIES IS NOT GUARANTEED. CONSTRUCTION MAY BE DEFERRED, REVISED, OR CANCELED FOR A VARIETY OF REASONS. THE PLANNED AMENITIES FOR THIS CAMPGROUND ARE (Insert list of amenities, including estimated year of completion of each). IF THE SALESPERSON DESCRIBES

A SIGNIFICANT AMENITY WHICH IS NOT ON THIS LIST, TELEPHONE COLLECT OR TOLL FREE TO (Insert headquarters telephone number) TO VERIFY THE OPERATOR'S PLAN FOR SUCH A FACILITY.

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

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

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

Sec. 8. Minnesota Statutes 2013 Supplement, section 82A.06, subdivision 2, is amended to read:

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

- (1) the offeror has given at least ten days prior written notice to the commissioner of its intention to offer or sell membership camping contracts to residents of this state pursuant to this exemption and paid a fee of \$50;
- (2) the offeror has demonstrated that the sales presentation will be made, and the sale will be consummated, in a state which specifically regulates the offer and sale of membership camping contracts;
- (3) the offeror has demonstrated that it will deliver a disclosure statement to offerees who are residents of this state which contains substantially the same or greater disclosure as is required by section 82A.05; and
- (4) the offeror has filed a consent to service of process pursuant to section 82A.22.

Sec. 9. Minnesota Statutes 2012, section 82A.08, subdivision 1, is amended to read:

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 2012, section 82A.09, subdivision 2, is amended to read:

Subd. 2. **Restrictions.** No person shall publish or cause to be published in this state any advertisement concerning any membership camping contract which is required to be registered pursuant to this chapter, ~~or which is exempt from registration under section 82A.06, subdivision 2,~~ after the commissioner has found that the advertisement contains any statement that is false or misleading, or omits to make any statement necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and has so notified the person by written order. The order may be issued without prior notice or hearing. Up to 30 days after the issuance of the order, the person desiring to use the advertisement may in writing request a hearing on the order. Upon receipt of a written request, the matter shall be set for hearing to commence within 15 days after the receipt unless the person making the request consents to a later date. After the hearing, which shall be conducted in accordance with the provisions of chapter 14, the commissioner shall, by written order, either affirm, modify, or vacate the order.

Sec. 11. Minnesota Statutes 2012, section 115C.113, is amended to read:

### **115C.113 ORDERS.**

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

Sec. 12. Minnesota Statutes 2012, section 115C.13, is amended to read:

### **115C.13 REPEALER.**

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

Sec. 13. Minnesota Statutes 2012, section 239.011, subdivision 2, is amended to read:

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

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

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

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

(4) shall enforce this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they

are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

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

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

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2012, section 239.46, is amended to read:

**239.46 FINES CREDITED TO SCHOOL FUNDS.**

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

Sec. 15. Minnesota Statutes 2012, section 256E.25, subdivision 5a, is amended to read:

Subd. 5a. **Excluded programs.** Programs transferred to the Department of Education from the Department of Employment and Economic Development may not be included in the consolidated funding account and are ineligible for local consolidation. The commissioner may not apply for federal waivers to include these programs in funding consolidation initiatives. The programs include the following:

(1) programs for the homeless under sections 116L.365 and 256E.33;

(2) emergency energy assistance ~~and energy conservation~~ programs under sections ~~216C.263 and section 216C.265~~;

- (3) weatherization programs under section 216C.264;
- (4) food shelf programs under section 256E.34 and the emergency food assistance program; and
- (5) lead abatement programs under section 256E.37.

Sec. 16. Minnesota Statutes 2012, section 325E.11, is amended to read:

**325E.11 COLLECTION FACILITIES; NOTICE.**

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

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

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

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

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

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 2012, section 325E.115, subdivision 2, is amended to read:

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

Sec. 18. Minnesota Statutes 2012, section 332.31, subdivision 1, is amended to read:

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

Sec. 19. Minnesota Statutes 2012, section 332.311, is amended to read:

### **332.311 TRANSFER OF ADMINISTRATIVE FUNCTIONS.**

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

Sec. 20. Minnesota Statutes 2012, section 332.33, subdivision 1, is amended to read:

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

Sec. 21. Minnesota Statutes 2012, section 332.33, subdivision 2, is amended to read:

Subd. 2. **Penalty.** A person who carries on business as a collection agency without first having obtained a license or acts as a collector without first having registered with the commissioner pursuant to sections 332.31 to ~~332.45~~ 332.44, or who carries on this business after the revocation, suspension, or expiration of a license or registration is guilty of a misdemeanor.

Sec. 22. Minnesota Statutes 2012, section 332.33, subdivision 3, is amended to read:

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

Sec. 23. Minnesota Statutes 2012, section 332.33, subdivision 5, is amended to read:

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

shall reject the application and shall give the applicant written notice of the rejection and the reasons for the rejection.

Sec. 24. Minnesota Statutes 2012, section 332.33, subdivision 5a, is amended to read:

Subd. 5a. **Individual collector registration.** A licensed collection agency, on behalf of an individual collector, must register with the state all individuals in the collection agency's employ who are performing the duties of a collector as defined in sections 332.31 to ~~332.45~~ 332.44. The collection agency must apply for an individual collection registration on a form provided by the commissioner, or electronically when available. The collection agency shall verify on the form that the applicant has confirmed that the applicant meets the requirements to perform the duties of a collector as defined in sections 332.31 to ~~332.45~~ 332.44. Upon submission of the form to the department, the individual may begin to perform the duties of a collector and may continue to do so unless the licensed collection agency is informed by the commissioner that the individual is ineligible.

Sec. 25. Minnesota Statutes 2012, section 332.38, is amended to read:

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

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

Sec. 26. Minnesota Statutes 2012, section 332.39, is amended to read:

**332.39 INJUNCTIONS.**

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

Sec. 27. Minnesota Statutes 2012, section 332.40, subdivision 1, is amended to read:

Subdivision 1. **Examination of licensee's or registered individual collector's records.** The commissioner of commerce may make examinations of the collection records of a licensee or registered individual collector at a reasonable time and in a scope as is necessary to enforce the provisions of sections 332.31 to ~~332.45~~ 332.44, and for that purpose the commissioner shall have free access to the books and records of a licensee or registered individual collector relating thereto. If a licensee or registered individual collector violates any provision of sections 332.31 to ~~332.45~~ 332.44, or any administrative rules issued pursuant to sections 332.31 to ~~332.45~~ 332.44, fails to maintain its financial condition sufficient to qualify for licensure or registration on an original application, or, fails to maintain its registration or comply with all of the requirements of chapter 303, the commissioner may, after notice and hearing in accordance with the provisions of the laws of this state governing proceedings before administrative agencies, revoke a license or registration, or suspend a license or registration for a period as the commissioner deems proper.

Sec. 28. Minnesota Statutes 2012, section 332.40, subdivision 2, is amended to read:

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

Sec. 29. Minnesota Statutes 2012, section 332.40, subdivision 3, is amended to read:

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

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

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

Sec. 30. Minnesota Statutes 2012, section 332.42, subdivision 1, is amended to read:

Subdivision 1. **Verified financial statement.** The commissioner of commerce may at any time require a collection agency licensee to submit a verified financial statement for examination by the commissioner to determine whether the collection agency licensee is financially responsible to carry on a collection agency business within the intents and purposes of sections 332.31 to ~~332.45~~ 332.44.

Sec. 31. Minnesota Statutes 2012, section 332.42, subdivision 2, is amended to read:

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

Sec. 32. Minnesota Statutes 2012, section 332.44, is amended to read:

### **332.44 RULEMAKING POWER.**

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

Sec. 33. Minnesota Statutes 2012, section 386.015, subdivision 5, is amended to read:

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

Sec. 34. Minnesota Statutes 2012, section 386.62, is amended to read:

### **386.62 LICENSE REQUIRED.**

No official, person, firm, association, or corporation shall engage in the business of making abstracts of title and issuing certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not, without first obtaining a license pursuant to the provisions of sections ~~386.61~~ 386.62 to 386.76.

Sec. 35. Minnesota Statutes 2012, section 386.65, subdivision 1, is amended to read:

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

Sec. 36. Minnesota Statutes 2012, section 386.705, is amended to read:

### **386.705 ADMINISTRATIVE ACTIONS AND PENALTIES.**

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

Sec. 37. Minnesota Statutes 2012, section 386.706, is amended to read:

### **386.706 RULES.**

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

Sec. 38. Minnesota Statutes 2012, section 386.73, is amended to read:

### **386.73 COUNTY RECORDERS, MAY EMPLOY LICENSED ABSTRACTERS.**

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

Sec. 39. Minnesota Statutes 2012, section 386.74, is amended to read:

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

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

Sec. 40. Minnesota Statutes 2012, section 386.76, is amended to read:

**386.76 VIOLATION A MISDEMEANOR.**

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

Sec. 41. **REPEALER.**

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

Presented to the governor May 7, 2014

Signed by the governor May 9, 2014, 10:32 a.m.