CHAPTER 67--S.F.No. 1391

An act relating to commerce; regulating debt settlement services providers; amending Minnesota Statutes 2020, sections 332A.02, subdivision 8, by adding subdivisions; 332B.02, subdivision 13.

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

Section 1. Minnesota Statutes 2020, section 332A.02, subdivision 8, is amended to read:

Subd. 8. **Debt management services provider.** "Debt management services provider" means any person offering or providing debt management services to a debtor domiciled in this state, regardless of whether or not a fee is charged for the services and regardless of whether the person maintains a physical presence in the state. This term includes any person to whom debt management services are delegated, and does not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) exempt attorneys at law, escrow agents, ~~accountants,~~ and broker-dealers in securities;

(2) certified public accountants and CPA firms licensed under chapter 326A;

~~(2)~~ (3) state or national banks, credit unions, trust companies, savings associations, title insurers, insurance companies, and all other lending institutions duly authorized to transact business in Minnesota;

~~(3)~~ (4) persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt management, perform credit services for their employer;

~~(4)~~ (5) public officers acting in their official capacities and persons acting as a debt management services provider pursuant to court order;

~~(5)~~ (6) any person while performing services incidental to the dissolution, winding up, or liquidation of a partnership, corporation, or other business enterprise;

~~(6)~~ (7) the federal government, the state, their political subdivisions, public agencies, and employees;

~~(7)~~ (8) collection agencies, provided that the services are provided to a creditor;

~~(8)~~ (9) "qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income Representative Payee System and the federal Omnibus Budget Reconciliation Act of 1990, Public Law 101-508;

~~(9)~~ (10) accelerated mortgage payment providers. "Accelerated mortgage payment providers" are persons who, after satisfying the requirements of sections 332.30 to 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf of mortgagors, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness. The term does not include: (i) persons or entities described in clauses (1) to ~~(8)~~ (9); (ii) mortgage lenders or servicers, industrial loan and thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to make loans under section 47.20, subdivision 1. For purposes of this clause and sections 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever is the current mortgage holder;

~~(10)~~ (11) trustees, guardians, and conservators; ~~and~~

~~(11)~~ (12) an enrolled agent or enrolled agent firm; and

(13) debt settlement services providers.

Sec. 2. Minnesota Statutes 2020, section 332A.02, is amended by adding a subdivision to read:

Subd. 10b. **Enrolled agent.** "Enrolled agent" means a person defined under Code of Federal Regulations, title 26, section 601.502, and who is authorized to practice before the Internal Revenue Service pursuant to Code of Federal Regulations, title 31, section 10.3.

Sec. 3. Minnesota Statutes 2020, section 332A.02, is amended by adding a subdivision to read:

Subd. 10c. **Enrolled agent firm.** "Enrolled agent firm" means an association, corporation, partnership, or sole proprietorship:

(1) that is owned by or employs enrolled agents;

(2) whose practice, in whole or in part, involves, for a fee, assisting debtors to delay payment of delinquent taxes owed, establish a payment plan for delinquent taxes owed, or obtain a settlement for less than the full amount of delinquent taxes owed; and

(3) where:

(i) all contracts with debtors are reviewed and signed by an enrolled agent employed by the firm;

(ii) an enrolled agent is responsible for all work performed under the contract and the responsible agent obtains a power of attorney or a disclosure authorization from the debtor; and

(iii) an enrolled agent files the power of attorney or disclosure authorization according to all procedural requirements under the Internal Revenue Code.

Sec. 4. Minnesota Statutes 2020, section 332B.02, subdivision 13, is amended to read:

Subd. 13. **Debt settlement services provider.** "Debt settlement services provider" means any person offering or providing debt settlement services to a debtor domiciled in this state, regardless of whether or not a fee is charged for the services and regardless of whether the person maintains a physical presence in the state. The term includes any person to whom debt settlement services are delegated. The term shall not include an exempt attorney at law and persons listed in section 332A.02, subdivision 8, clauses (2) to ~~(10)~~ (12), or a debt management services provider.

Presented to the governor May 20, 2022

Signed by the governor May 22, 2022, 3:40 p.m.