

CHAPTER 141

PRIVATE CAREER SCHOOLS

141.25 Licensure.

141.26 Permits for solicitors.

141.25 LICENSURE.*[For text of subds 1 to 4, see M.S.2002]*

Subd. 5. **Bond.** (a) No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000 nor greater than \$50,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least \$50,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of finance a sum equal to the amount of the required surety bond in cash, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

*[For text of subds 6 to 12, see M.S.2002]***History:** 2003 c 112 art 2 s 50**141.26 PERMITS FOR SOLICITORS.***[For text of subds 1 and 2, see M.S.2002]*

Subd. 3. **Refusal of permit.** No permit shall be issued to any solicitor unless such solicitor files with the office a continuous corporate surety bond in the sum of \$2,000 conditioned upon the faithful performance of all contracts and agreements with the students made by the solicitor. Such bonds shall run to the state of Minnesota and to any person who may have cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the solicitor with any student. The aggregate liability of the surety for all

breaches of the conditions of the bond shall not exceed the principal sum of \$2,000. The surety of any such bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. In lieu of bond, the solicitor may deposit with the commissioner of finance the sum of \$2,000.

[For text of subds 4 to 6, see M.S.2002]

History: 2003 c 112 art 2 s 50