

STATE OF MINNESOTA

# Journal of the House

NINETY-THIRD SESSION — 2024

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NINETY-EIGHTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 4, 2024

The House of Representatives convened at 3:30 p.m. and was called to order by Kaohly Vang Her, Speaker pro tempore.

The members of the House paused for a brief meditation or moment of reflection.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Acomb	Davids	Harder	Knudsen	Nelson, M.	Reyer
Agbaje	Davis	Hassan	Koegel	Nelson, N.	Robbins
Altendorf	Demuth	Heintzeman	Kotzya-Witthuhn	Neu Brindley	Schomacker
Anderson, P. E.	Dotseth	Hemmingsen-Jaeger	Kozlowski	Newton	Schultz
Anderson, P. H.	Edelson	Her	Koznick	Niska	Scott
Backer	Elkins	Hicks	Kraft	Noor	Sencer-Mura
Bahner	Engen	Hill	Kresha	Norris	Skraba
Bakeberg	Feist	Hollins	Lawrence	Novotny	Smith
Baker	Finke	Hornstein	Lee, F.	O'Driscoll	Stephenson
Becker-Finn	Fischer	Howard	Lee, K.	Olson, B.	Swedzinski
Bennett	Fogelman	Hudella	Liebling	Olson, L.	Tabke
Berg	Franson	Hudson	Lillie	Pelowski	Torkelson
Bierman	Frazier	Huot	Lislegard	Pérez-Vega	Urdahl
Bliss	Frederick	Hussein	Long	Perryman	Vang
Brand	Freiberg	Igo	McDonald	Petersburg	Virinig
Burkel	Garofalo	Jacob	Mekeland	Pfarr	Wiener
Carroll	Gillman	Johnson	Moller	Pinto	Wiens
Cha	Gomez	Jordan	Mueller	Pryor	Wolgamott
Clardy	Greenman	Joy	Murphy	Pursell	Xiong
Coulter	Grossell	Keeler	Myers	Quam	Youakim
Curran	Hansen, R.	Kiel	Nadeau	Rarick	Zelevnikar
Daniels	Hanson, J.	Klevorn	Nash	Rehm	Spk. Hortman

A quorum was present.

West and Witte were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

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## IN MEMORIAM

The members of the House paused for a moment of silence in memory of former Representative Howard Swenson of Nicollet, Minnesota who served from 1995 to 2004, who passed away on Sunday, March 24, 2024.

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

Hassan from the Committee on Economic Development Finance and Policy to which was referred:

H. F. No. 2666, A bill for an act relating to human services; establishing a Minnesota basic income grant program; requiring a report; appropriating money.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 2666 was re-referred to the Committee on Rules and Legislative Administration.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3947, A bill for an act relating to labor; adopting labor policy provisions; amending Minnesota Statutes 2022, sections 13.79, subdivision 1; 177.23, by adding subdivisions; 177.24, subdivision 1, by adding a subdivision; 177.30; 179.01, subdivisions 1, 9, 16; 179.06; 179.08; 179.11; 179.12; 179.254, subdivision 1; 179.256; 179.26; 179.27; 179.35, subdivision 1; 179.40; 179.43; 179A.02; 179A.03, subdivision 17; 179A.06, subdivisions 1, 2, 3; 179A.08, subdivision 2; 179A.10, subdivision 1; 179A.104, subdivision 1; 179A.12, subdivision 1; 179A.15; 179A.16, subdivisions 1, 7; 179A.18, subdivisions 2, 3; 179A.19, subdivision 6; 179A.20, subdivision 4; 179A.23; 181.941, subdivision 4; 181.943; 181.950, by adding a subdivision; 181.951, subdivision 1; 181A.08; 181A.12, subdivision 1, by adding subdivisions; 182.664, subdivisions 3, 5; 182.665; 182.666, subdivision 6; 182.667, by adding a subdivision; 326.02, subdivision 5; 326B.0981, subdivisions 3, 4, 8; 326B.33, subdivisions 7, 21; 326B.36, subdivision 2; 326B.46, subdivision 6; 626.892, subdivision 12; Minnesota Statutes 2023 Supplement, sections 177.27, subdivisions 2, 4, 7; 177.42, subdivision 2; 181.212, subdivision 7; 181.531, subdivision 3; 181.939, subdivision 2; 181.953, subdivisions 1, 3, by adding a subdivision; 182.6526, subdivision 1; 182.677, subdivisions 1, 2; 204B.19, subdivision 6; 326B.36, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 181; 182; repealing Minnesota Rules, parts 5200.0080, subpart 7; 5510.0310, subpart 13.

Reported the same back with the recommendation that the bill be placed on the General Register.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4025, A bill for an act relating to infrastructure; establishing the Minnesota Advisory Council on Infrastructure; specifying office powers and duties; providing for implementation; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4077, A bill for an act relating to commerce; making technical and housekeeping changes to various provisions governing or administered by the Department of Commerce; amending Minnesota Statutes 2022, sections 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18; repealing Minnesota Statutes 2022, sections 45.014; 82B.25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
CONSUMER PROTECTION

Section 1. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended to read:

Subd. 18. **Money transmission.** (a) "Money transmission" means:

- (1) selling or issuing payment instruments to a person located in this state;
- (2) selling or issuing stored value to a person located in this state; or
- (3) receiving money for transmission from a person located in this state.

(b) ~~Money includes payroll processing services.~~ Money does not include the provision solely of online or telecommunications services or network access.

Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended to read:

Subd. 25. **Payroll processing services.** "Payroll processing services" means ~~receiving money for transmission pursuant to a contract with a person to deliver~~ delivering wages or salaries, ~~make~~ making payment of payroll taxes to state and federal agencies, ~~make~~ making payments relating to employee benefit plans, ~~or make~~ making distributions of other authorized deductions from wages or salaries, ~~or transmitting other funds on behalf of an employer in connection with transactions related to employees.~~ The term payroll processing services ~~does not include~~ includes an employer performing payroll processing services on the employer's own behalf or on behalf of the employer's affiliate, ~~or a~~ and professional employment organization ~~subject to regulation under other applicable state law~~ organizations.

Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

**53B.29 EXEMPTIONS.**

This chapter does not apply to:

(1) an operator of a payment system, to the extent the operator of a payment system provides processing, clearing, or settlement services between or among persons exempted by this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers;

(2) a person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided that:

(i) there exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(ii) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(iii) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee;

(3) a person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided that the entity:

(i) is properly licensed or exempt from licensing requirements under this chapter;

(ii) provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(iii) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient;

(4) the United States; a department, agency, or instrumentality of the United States; or an agent of the United States;

(5) money transmission by the United States Postal Service or by an agent of the United States Postal Service;

(6) a state; county; city; any other governmental agency, governmental subdivision, or instrumentality of a state; or the state's agent;

(7) a federally insured depository financial institution; bank holding company; office of an international banking corporation; foreign bank that establishes a federal branch pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended or recodified from time to time; corporation organized pursuant to the Bank Service Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from time to time; or corporation organized under the Edge Act, United States Code, title 12, sections 611 to 633, as amended or recodified from time to time;

(8) electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

(9) a board of trade designated as a contract market under the federal Commodity Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from time to time; or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of its operation as or for a board;

(10) a registered futures commission merchant under the federal commodities laws, to the extent of the registered futures commission merchant's operation as a merchant;

(11) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer;

(12) an individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements under this chapter when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) a person expressly appointed as a third-party service provider to or agent of an entity exempt under clause (7), solely to the extent that:

(i) the service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent; ~~or~~

(14) a payroll processing services provider; or

~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the exemption is in the public interest, and (ii) the regulation of the person is not necessary for the purposes of this chapter.

Sec. 4. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

**80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL CORPORATE OFFERING REGISTRATION.**

**(a) Federal covered securities.**

(1) **Required filing of records.** With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

(A) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 80A.88 signed by the issuer;

(B) after the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(C) to the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission.

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed. A previously filed consent to service of process complying with section 80A.88 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 80A.88 signed by the issuer not later than 15 days after the first sale of the federal covered security in this state.

(4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is a failure to comply with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

(b) **Small corporation offering registration.**

(1) **Registration required.** A security meeting the conditions set forth in this section may be registered as set forth in this section.

(2) **Availability.** Registration under this section is available only to the issuer of securities and not to an affiliate of the issuer or to any other person for resale of the issuer's securities. The issuer must be organized under the laws of one of the states or possessions of the United States. The securities offered must be exempt from registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

(3) **Disqualification.** Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934;

(B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

(v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,

(I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and

(II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

(4) **Filing and effectiveness of registration statement.** A small corporate offering registration statement must be filed with the administrator. If no stop order is in effect and no proceeding is pending under section 80A.54, such registration statement shall become effective automatically at the close of business on the 20th day after filing of the registration statement or the last amendment of the registration statement or at such earlier time as the administrator may designate by rule or order. For the purposes of a nonissuer transaction, other than by an affiliate of the issuer, all outstanding securities of the same class identified in the small corporate offering registration statement as a security registered under this chapter are considered to be registered while the small corporate offering registration statement is effective. A small corporate offering registration statement is effective for one year after its effective date or for any longer period designated in an order under this chapter. A small corporate offering registration statement may be withdrawn only with the approval of the administrator.

(5) **Contents of registration statement.** A small corporate offering registration statement under this section shall be on Form U-7, including exhibits required by the instructions thereto, as adopted by the North American Securities Administrators Association, or such alternative form as may be designated by the administrator by rule or order and must include:

(A) a consent to service of process complying with section 80A.88;

(B) a statement of the type and amount of securities to be offered and the amount of securities to be offered in this state;

(C) a specimen or copy of the security being registered, unless the security is uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents in effect, and a copy of any indenture or other instrument covering the security to be registered;

(D) a signed or conformed copy of an opinion of counsel concerning the legality of the securities being registered which states whether the securities, when sold, will be validly issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

(E) the states (i) in which the securities are proposed to be offered; (ii) in which a registration statement or similar filing has been made in connection with the offering including information as to effectiveness of each such filing; and (iii) in which a stop order or similar proceeding has been entered or in which proceedings or actions seeking such an order are pending;

(F) a copy of the offering document proposed to be delivered to offerees; and

(G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 80A.46(17)(B).

(6) **Copy to purchaser.** A copy of the offering document as filed with the administrator must be delivered to each person purchasing the securities prior to sale of the securities to such person.

(c) **Offering limit.** Offers and sales of securities under a small corporate offering registration as set forth in this section are allowed up to the limit prescribed by Code of Federal Regulations, title 17, part 230.504 (b)(2), as amended.

**(d) Regulation A - Tier 2 filing requirements.**

**(1) Initial filing.** An issuer planning to offer and sell securities in Minnesota in an offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before the date of the initial sale of securities in Minnesota, submit to the administrator:

(A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the documents filed with the Securities Exchange Commission; and

(B) a consent to service of process on Form U-2, if consent to service of process is not provided in the Regulation A - Tier 2 offering notice filing form.

The initial notice filing made in Minnesota is effective for 12 months after the date the filing is made.

**(2) Renewal.** For each additional 12-month period in which the same offering is continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing must be made on or before the date notice filing expires.

**(3) Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting a Regulation A - Tier 2 offering notice filing form or other document describing the transaction.

Sec. 5. Minnesota Statutes 2022, section 80A.61, is amended to read:

**80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT, FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.**

**(a) Application for initial registration by broker-dealer, agent, investment adviser, or investment adviser representative.** A person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with section 80A.88, and paying the fee specified in section 80A.65 and any reasonable fees charged by the designee of the administrator for processing the filing. The application must contain:

(1) the information or record required for the filing of a uniform application; and

(2) upon request by the administrator, any other financial or other information or record that the administrator determines is appropriate.

**(b) Amendment.** If the information or record contained in an application filed under subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

**(c) Effectiveness of registration.** If an order is not in effect and a proceeding is not pending under section 80A.67, registration becomes effective at noon on the 45th day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this chapter may set an earlier effective date or may defer the effective date until noon on the 45th day after the filing of any amendment completing the application.

**(d) Registration renewal.** A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under section 80A.67, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this chapter, by paying the fee specified in section 80A.65, and by paying costs charged by the designee of the administrator for processing the filings.



(e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this chapter may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

(f) **Funding portal registration.** A funding portal that has its principal place of business in the state of Minnesota shall register with the state of Minnesota by filing with the administrator a copy of the information or record required for the filing of an application for registration as a funding portal in the manner established by the Securities and Exchange Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with any rule adopted or order issued, and any amendments thereto.

(g) **Application for investment adviser representative registration.**

(1) The application for initial registration as an investment adviser representative pursuant to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities Industry Registration or Transfer) in accordance with the form instructions and by filing the form U-4 with the IARD. The application for initial registration must also include the following:

(i) proof of compliance by the investment adviser representative with the examination requirements of:

(A) the Uniform Investment Adviser Law Examination (Series 65); or

(B) the General Securities Representative Examination (Series 7) and the Uniform Combined State Law Examination (Series 66);

(ii) any other information the administrator may reasonably require.

(2) The application for the annual renewal registration as an investment adviser representative shall be filed with the IARD.

(3)(i) The investment adviser representative is under a continuing obligation to update information required by Form U-4 as changes occur;

(ii) An investment adviser representative and the investment adviser must file promptly with the IARD any amendments to the representative's Form U-4; and

(iii) An amendment will be considered to be filed promptly if the amendment is filed within 30 days of the event that requires the filing of the amendment.

(4) An application for initial or renewal of registration is not considered filed for purposes of section 80A.58 until the required fee and all required submissions have been received by the administrator.

(5) The application for withdrawal of registration as an investment adviser representative pursuant to section 80A.58 shall be completed by following the instructions on Form U-5 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5 with the IARD.

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

Sec. 6. Minnesota Statutes 2022, section 80A.66, is amended to read:

**80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or

required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the administrator; and

(3) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) **Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. S. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least \$25,000, but not to exceed \$100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

Subd. 3. **Escrow or impoundment of fees and other funds by commissioner.** If the commissioner finds that the applicant has failed to demonstrate that adequate financial arrangements have been made to fulfill obligations to provide real estate, improvements, equipment, inventory, training or other items included in the offering, the commissioner may by rule or order require the escrow ~~or~~ impoundment, or deferral of franchise fees and other funds paid by the franchisee or subfranchisor until no later than the time of opening of the franchise business.

Sec. 8. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

Subd. 26. **Standards of professional practice.** "Standards of professional practice" means the version of the uniform standards of professional appraisal practice of the Appraisers Appraisal Standards Board of the Appraisal Foundation in effect as of January 1, 1991, or other version of these standards the commissioner may by order designate on the date the appraiser signs the appraisal report.

Sec. 9. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain and maintain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 10. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. **License renewals.** ~~(a)~~ The commissioner must determine that a licensed real estate appraiser has met the continuing education requirements of this chapter before the commissioner renews a license. This determination must be based on, for a resident appraiser, course completion records uploaded electronically in a manner prescribed by the commissioner and, for a nonresident appraiser, course completion records presented by electronic transmission or uploaded electronically in a manner prescribed by the commissioner.

~~The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least 30 classroom hours of instruction in courses or seminars that have received the approval of the commissioner. Classroom hour credit must not be accepted for courses of less than two hours. As part of the continuing education requirements of this section, the commissioner must require that all real estate appraisers successfully complete the seven-hour national USPAP update course every two years. If the applicant's immediately preceding term of licensing consisted of six or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria. An approved prelicense education course may be taken for continuing education credit.~~

~~(b) The 15-hour USPAP course cannot be used to satisfy the requirement to complete the seven-hour national USPAP update course every two years.~~

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 11. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

Subd. 2. **Imposing fee.** The board shall notify the commissioner of revenue if the unencumbered balance of the fund falls below \$4,000,000, and within ~~60~~ 90 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Sec. 12. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, ~~and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate."~~ For nonoxygenated gasoline, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

(b) A delivery ticket required under section 239.092 for biofuel blended with gasoline must state the volume percentage of biofuel blended into gasoline delivered through a meter into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14 and 16.

(c) On or before the 23rd day of each month, a person responsible for the product must report to the department, in the form prescribed by the commissioner, the gross number of gallons of intermediate blends sold at retail by the person during the preceding calendar month. The report must identify the number of gallons by blend type. For purposes of this subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel content, exclusive of denaturants and other permitted components, is greater than ten percent and no more than 50 percent by volume. This paragraph only applies to a person who is responsible for selling intermediate blends at retail at more than ten locations. A person responsible for the product at fewer than ten locations is not precluded from reporting the gross number of intermediate blends if a report is available.

(d) All reports provided pursuant to paragraph (c) are nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 13. Minnesota Statutes 2022, section 272.12, is amended to read:

**272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.**

When:

- (a) a deed or other instrument conveying land,
- (b) a plat of any townsite or addition thereto,
- (c) a survey required pursuant to section 508.47,
- (d) a condominium plat subject to chapter 515 or 515A or a declaration that contains such a plat, or
- (e) a common interest community plat subject to chapter 515B or a declaration that contains such a plat,

is presented to the county auditor for transfer, the auditor shall ascertain from the records if there be taxes delinquent upon the land described therein, or if it has been sold for taxes. An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale describes real estate, and certificates of redemption from mortgage or lien foreclosure sales, when the certificate of redemption encompasses real estate and is issued to a junior creditor, are considered instruments conveying land for the purposes of this section and section 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment of such taxes, or in case no taxes are delinquent,

shall transfer the land upon the books of the auditor's office, and note upon the instrument, over official signature, the words, "no delinquent taxes and transfer entered," or, if the land described has been sold or assigned to an actual purchaser for taxes, the words "paid by sale of land described within;" and, unless such statement is made upon such instrument, the county recorder or the registrar of titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents evidencing the termination of a contract for deed as described in section 559.213, deeds of distribution made by a personal representative in probate proceedings, transfer on death deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies of town or statutory city plats, in case the original plat filed in the office of the county recorder has been lost or destroyed, and the instruments releasing, removing and discharging reversionary and forfeiture provisions affecting title to land and instruments releasing, removing or discharging easement rights in land or building or other restrictions, may be recorded without such certificate; and, provided that instruments conveying land and, as appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded without such certificate as to the land covered by such easement; and provided further, that any instrument granting an easement made in favor of any public utility or pipe line for conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along, across or under a tract of land may be recorded without such certificate as to the land covered by such easement. Documents governing homeowners associations of condominiums, townhouses, common interest ownership communities, and other planned unit developments may be recorded without the auditor's certificate to the extent provided in section 515B.1-116(e).

A deed of distribution made by a personal representative in a probate proceeding, a decree, or a judgment that conveys land shall be presented to the county auditor, who shall transfer the land upon the books of the auditor's office and note upon the instrument, over official signature, the words, "transfer entered", and the instrument may then be recorded. A decree or judgment that affects title to land but does not convey land may be recorded without presentation to the auditor.

A violation of this section by the county recorder or the registrar of titles shall be a gross misdemeanor, and, in addition to the punishment therefor, the recorder or registrar shall be liable to the grantee of any instrument so recorded for the amount of any damages sustained.

When, as a condition to permitting the recording of deed or other instrument affecting the title to real estate previously forfeited to the state under the provisions of sections 281.16 to 281.25, county officials, after such real estate has been purchased or repurchased, have required the payment of taxes erroneously assumed to have accrued against such real estate after forfeiture and before the date of purchase or repurchase, the sum required to be so paid shall be refunded to the persons entitled thereto out of moneys in the funds in which the sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section 279.02.

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

Sec. 14. Minnesota Statutes 2022, section 325D.43, is amended by adding a subdivision to read:

Subd. 5a. **Person.** "Person" means any individual, corporation, firm, partnership, incorporated or unincorporated association, or any other legal or commercial entity.

Sec. 15. Minnesota Statutes 2022, section 325D.44, is amended by adding a subdivision to read:

Subd. 1a. **Advertisements, displays, or offers.** (a) A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person advertises, displays, or offers a price for goods or services that does not include all mandatory fees or surcharges. If the person that disseminates an advertisement is independent of the advertiser, then that person is not liable for the content of the advertisement.

(b) For purposes of this subdivision, "mandatory fee" includes but is not limited to a fee or surcharge that:

(1) must be paid in order to purchase the goods or services being advertised;

(2) is not reasonably avoidable by the consumer; or

(3) a reasonable person would expect to be included in the purchase of the goods or services being advertised.

For the purposes of this subdivision, mandatory fee does not include taxes imposed by a government entity on the sale, use, purchase, receipt, or delivery of the goods or services.

(c) A delivery platform must comply with the following requirements:

(1) at the point when a consumer views and selects either a vendor or items for purchase, a delivery platform must display in a clear and conspicuous manner that an additional flat fee or percentage is charged. The disclosure must include the additional fee or percentage amount; and

(2) after a consumer selects items for purchase, but prior to checkout, a delivery platform must display a subtotal page that itemizes the price of the menu items and the additional fee that is included in the total cost.

(d) A person may charge a reasonable postage or shipping fee that is incurred by a consumer who has purchased a good that requires shipping.

(e) Nothing in this subdivision prevents a person from offering goods or services at a discounted price from the advertised, displayed, or offered price.

(f) A person offering goods or services in an auction where consumers can place bids on the goods or services and the total cost is indeterminable must disclose in a clear and conspicuous manner any mandatory fees associated with the transaction and that the total cost of the goods or services may vary.

(g) A person offering services, where the total cost is determined by consumer selections and preferences relating to distance or time, must disclose in a clear and conspicuous manner the factors that determine the total price, any mandatory fees associated with the transaction, and that the total cost of the services may vary.

(h) This subdivision is enforceable to the extent permitted by federal law.

Sec. 16. Minnesota Statutes 2022, section 325D.44, is amended by adding a subdivision to read:

Subd. 4. **Automatic gratuity.** A food service establishment complies with this section if, in every offer or advertisement for the purchase or lease of a good or service that includes pricing information, the total price of the good or service being offered or advertised includes a clear and conspicuous disclosure of the percentage of any automatic and mandatory gratuities charged.

Sec. 17. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a ~~permanent~~ record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal or a motor vehicle. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased or acquired and a unique transaction identifier;

(3) a photocopy or electronic scan of the seller's proof of identification including the identification number;

(4) the amount paid and the number of the check or electronic transfer used to purchase or acquire the scrap metal or motor vehicle;

(5) the license plate number and description of the vehicle used by the person when delivering the scrap metal or motor vehicle, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

(6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;

(7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal or motor vehicle was received by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount paid for the scrap metal or motor vehicle; and

~~(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source. The alternative number must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement; and~~

~~(9)~~ (8) the identity or identifier of the employee completing the transaction.

(b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.

(c) Except for the purchase or acquisition of detached catalytic converters or motor vehicles, no record is required for property purchased or acquired from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased or acquired at open sale from any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.

(d) The dealer must provide a copy of the receipt required under paragraph (a), clause (7), to the seller in every transaction.

(e) The commissioner of public safety and law enforcement agencies in the jurisdiction where a dealer is located may conduct inspections and audits as necessary to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.

(f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 18. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 11, is amended to read:

Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful for a person to possess a used catalytic converter that is not attached to a motor vehicle except when:

(1) the converter is marked with the date the converter was removed from the vehicle and the identification number of the vehicle from which the converter was removed or ~~an alternative number to the vehicle identification number~~, as an alternative to the vehicle identification number, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source; or



(2) the converter has been EPA certified for reuse as a replacement part.

(b) If an alternative number to the vehicle identification number is used, it must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement. The marking of the vehicle identification or alternative number may be made in any permanent manner, including but not limited to an engraving or use of permanent ink. The marking must clearly and legibly indicate the date removed and the vehicle identification number or the alternative number and the method by which law enforcement can link the converter to the vehicle identification number.

Sec. 19. Minnesota Statutes 2022, section 325F.03, is amended to read:

**325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.**

No person, firm or corporation shall establish, maintain or operate any circus, side show, carnival, tent show, theater, skating rink, dance hall, or a similar exhibition, production, engagement or offering or other place of assemblage in or under which ~~ten~~ 15 or more persons may gather for any lawful purpose in any tent, awning or other fabric enclosure unless such tent, awning or other fabric enclosure, and all auxiliary tents, curtains, drops, awnings and all decorative materials, are made from a nonflammable material or are treated and maintained in a flame resistant condition. This section ~~shall~~ does not apply to tents designed or manufactured for camping, backpacking, mountaineering, or children's play; tents used to conduct committal services on the grounds of a cemetery; nor to tents, awnings or other fabric enclosures erected and used within a sound stage, or other similar structural enclosure which is equipped with an overhead automatic sprinkler system.

Sec. 20. Minnesota Statutes 2022, section 325F.04, is amended to read:

**325F.04 FLAME RESISTANT TENTS ~~AND SLEEPING BAGS.~~**

No person, firm, or corporation may sell or offer for sale or manufacture for sale in this state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or manufacture for sale in this state any sleeping bag unless it meets the standards of the commissioner of public safety for flame resistancy. Tents and sleeping bags~~ subject to section 325F.03 shall be conspicuously labeled as being durably flame resistant.

Sec. 21. Minnesota Statutes 2022, section 325F.05, is amended to read:

**325F.05 RULES.**

The commissioner of public safety shall act so as to have effective rules concerning standards for ~~nonflammable, flame resistant and~~ durably flame resistant materials and for labeling requirements ~~by January 1, 1976 under sections 325F.03 and 325F.04.~~ In order to comply with sections 325F.03 and 325F.04 all materials and labels must comply with the rules adopted by the commissioner. The commissioner has general rulemaking power to otherwise implement sections 325F.03 to 325F.07.

Sec. 22. **[325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1- DIFLUOROETHANE (DFE).**

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Aerosol duster" means a product used to clean electronics and other items by means of an aerosol sprayed from a pressurized container.

(c) "Behind the counter" means placement by a retailer of a product to ensure that customers do not have direct access to the product before a sale is made, requiring the seller to deliver the product directly to the buyer.

(d) "DFE" or "1,1-difluoroethane" means a chemical with a Chemicals Abstract Service Registry Number of 75-37-6.

**Subd. 2. Requirements for retail sale.** A retailer must only sell an aerosol duster that contains DFE:

(1) from behind the counter;

(2) to a purchaser who presents valid evidence that the purchaser is at least 21 years of age; and

(3) in a quantity that complies with the purchasing limit established in subdivision 3.

**Subd. 3. Purchasing limit.** A retailer is prohibited from selling more than three cans of an aerosol duster containing DFE to a customer in a single transaction.

**Subd. 4. Exemption.** Subdivisions 2 and 3 do not apply to a business purchasing aerosol dusters online.

**Subd. 5. Labeling.** (a) An aerosol duster containing DFE must not be sold in this state unless the aerosol duster conforms to the labeling requirements established in this subdivision.

(b) The label on each can of aerosol duster containing DFE must contain the following, placed within a red rectangle encompassing at least one-half of the area of the rear side of the can:

(1) at the top left corner of the rectangle, the words "Inhalant Abuse Public Safety Announcement" in red ink on a white background that covers one quarter of the rear side of the can;

(2) below the words in clause (1), the words "DANGER: DEATH! Breathing this product to get high can kill you" in white ink on a red background;

(3) at the top right corner of the rectangle, a skull and crossbones symbol in black ink on a yellow background contained within a triangle, and the word "DANGER" in black ink on a yellow background just below the triangle;

(4) below the symbol in clause (3), in black ink on a white background, the words: "Abuse or Misuse" underlined, under which are the words "Danger: Can stop your heart Caution: Can cut off air to your brain Warning: Can result in death";

(5) below the words in clause (4), a drawing of a person lying on the ground, in white ink, within a red circle, on a white background, contained within a red triangle;

(6) below the triangle in clause (5), in white ink on a red background, the word "WARNING," and, below that, "Risk of death when abused or misused";

(7) across the bottom of the rectangle, in black type on a white background, the words "This product contains a bittering agent to help discourage inhalant abuse. The misuse and abuse of this product by deliberately concentrating and inhaling the chemical contents presents a serious health hazard and can result in fatality. Please use this product responsibly as the product was intended."; and

(8) below the words in clause (7), two smaller versions of the skull and crossbones symbols described in clause (3) on a white background, placed equidistant from the edges of the red rectangle, and in between which, in red ink, is the website address "www.inhalant.org."

(c) The safety symbols and color standards of the label described in this section must conform with the ANSI Z535 safety signage standards guidelines established by the American National Standards Institute.

**Subd. 6. Violations.** (a) A person who violates subdivision 2 or 3 is guilty of a misdemeanor.

(b) It is an affirmative defense to a charge under subdivision 2, clause (2), if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to purchases of aerosol dusters made on or after that date.

Sec. 23. Minnesota Statutes 2022, section 325F.56, subdivision 2, is amended to read:

Subd. 2. **Repairs.** "Repairs" means work performed for a total price of more than \$100 ~~and less than \$7,500~~, including the price of parts and materials, to restore a malfunctioning, defective, or worn motor vehicle, appliance, or dwelling place used primarily for personal, family, or household purposes and not primarily for business or agricultural purposes. "Repairs" do not include service calls or estimates.

Sec. 24. Minnesota Statutes 2022, section 325F.62, subdivision 3, is amended to read:

Subd. 3. **Required notice to be displayed.** Each shop shall conspicuously display a sign that states the following: "Upon a customer's request, this shop is required to provide a written estimate for repairs costing more than \$100 ~~to \$7,500~~ if the shop agrees to perform the repairs. The shop's final price cannot exceed its written estimate by more than ten percent without the prior authorization of the customer. You must request that the estimate be in writing. An oral estimate is not subject to the above repair cost limitations. If the shop charges a fee for the storage or care of repaired motor vehicles or appliances, the shop shall conspicuously display a sign that states the amount assessed for storage or care, when the charge begins to accrue, and the interval of time between assessments."

Sec. 25. **[325F.676] TICKET SALES.**

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of commerce.

(c) "Entertainment" means all forms of entertainment, including but not limited to theatrical or operatic performances, concerts, motion pictures, entertainment at fairgrounds, amusement parks, athletic competitions and other sports, and all other forms of diversion, recreation, or show.

(d) "Internet domain name" means a globally unique, hierarchical reference to an Internet host or service, which is assigned through a centralized Internet naming authority and which is composed of a series of character strings separated by periods with the rightmost string specifying the top of the hierarchy.

(e) "Online ticket marketplace" means the administrator of a website or other electronic service, including an agent, employee, or assignee of the administrator, that sells tickets or maintains a platform to facilitate the sale of tickets.

(f) "Operator" means a person, including an agent, employee, or assignee of the person, who:

(1) owns, operates, or controls a place of entertainment;

(2) produces entertainment; or

(3) sells a ticket to a place of entertainment for original sale.

(g) "Person" means a party, individual, partnership, association, corporation, or other legal entity.

(h) "Place of entertainment" means an entertainment facility, including but not limited to an amphitheater, theater, stadium, arena, racetrack, museum, amusement park, venue, club, or other place where performances, concerts, exhibits, athletic games, contests, or other forms of entertainment are held. For the purposes of this section, place of entertainment does not include movie theaters.

(i) "Ticket reseller" means a person that offers or sells tickets for resale after the original sale to an entertainment event located in this state and includes an operator to the extent that the operator offers or sells tickets for resale. Sales by a ticket reseller include sales by any means, including but not limited to in person or by telephone, mail, delivery service, facsimile, Internet, email, or other electronic means. A ticket reseller does not include a person that purchases a ticket solely for the person's own use or the use of the person's invitees, employees, or agents.

(j) "URL" means a uniform resource locator for a website on the Internet.

Subd. 2. **Disclosures.** (a) An operator, ticket reseller, or online ticket marketplace must, at all times during the ticket listing and purchasing process, disclose in an easily readable and conspicuous manner and in dollars:

(1) the total cost of the ticket, inclusive of all fees and surcharges that must be paid in order to purchase the ticket;

(2) the portion of the ticket price that represents a service charge; and

(3) any other fee or surcharge charged to the purchaser.

(b) The disclosure of subtotals, fees, charges, and all other components of the total price must not be false or misleading, and must not be presented more prominently or in the same or larger size than the total price. The disclosure of subtotals, fees, charges, and all other components of the total price may be displayed in a manner that allows the purchaser to hide or minimize the itemized list. The price of a ticket must not increase with respect to a particular person after the ticket is first displayed to the person, excluding reasonable fees for the delivery of nonelectronic tickets based on the delivery method selected by the purchaser and any additional purchases made by the purchaser, which must be disclosed prior to accepting payment.

(c) A ticket reseller and online ticket marketplace must disclose in an easily readable and conspicuous manner on the ticket reseller's or online ticket marketplace's website or electronic service:

(1) that the website or electronic service is owned or operated by a ticket reseller or online ticket marketplace and that the price of a resale ticket offered for sale may be higher or lower than the original purchase price;

(2) that the purchaser is responsible for checking with the place of entertainment for information on changes to the event or cancellations prior to the event's start time; and

(3) the refund policy of the ticket reseller or online ticket marketplace.

A ticket reseller or online ticket marketplace must require a purchaser to confirm having read the disclosures required by this paragraph before completing a transaction.

(d) A ticket reseller or online ticket marketplace must provide to the purchaser proof of purchase, which must include all event and ticket information, within 24 hours of the purchase, including:

(1) that the purchaser is responsible for checking with the place of entertainment for information on changes to the event or cancellations prior to the event's start time; and

(2) the refund policy of the ticket reseller or online ticket marketplace.

(e) An online ticket marketplace must not use any combination of text, images, trademark, copyright, web designs, or Internet addresses that is identical or substantially similar to text, images, trademark, copyright, web designs, or Internet addresses associated with a place of entertainment without the written permission of the place of entertainment duly authorized to provide the permission. This paragraph does not prohibit an online ticket marketplace from using text containing the name of a place of entertainment or of an event in order to describe the location of the event or the event itself. This paragraph does not prohibit an online ticket marketplace from providing information or images identifying the specific seat or area the purchaser will occupy in the place of entertainment.

(f) The obligations of paragraphs (a) to (d) do not apply to any person, unless the person engaged in annual aggregate transactions that were equal to or greater than \$5,000.

Subd. 3. **Prohibitions.** (a) A ticket reseller or online ticket marketplace must not:

(1) sell or offer to sell more than one copy of the same ticket to a place of entertainment;

(2) directly or indirectly employ another person to wait in line to purchase tickets for the purpose of reselling the tickets if the practice is prohibited or if the place of entertainment has posted a policy prohibiting the practice;

(3) sell or offer to sell a ticket without first informing the person of the location of the place of entertainment and the ticket's assigned seat, including but not limited to the seat number, row, and section number of the seat;

(4) sell or offer to sell a ticket for which there is no assigned seat without first informing the person of the general admission area to which the ticket corresponds; or

(5) advertise, offer for sale, or contract for the sale of a ticket before the ticket has been made available to the public, including via presale, without first obtaining permission from the place of entertainment and having actual or constructive possession of the ticket, unless the ticket reseller owns the ticket pursuant to a season ticket package purchased by the ticket reseller.

(b) A person must not use or cause to be used an Internet domain name or subdomain thereof in an operator, ticket reseller, or online ticket marketplace website's URL that contains any of the following, unless acting on behalf of the place of entertainment, event, or person scheduled to perform or appear at the event:

(1) the name of a place of entertainment;

(2) the name of an event, including the name of a person scheduled to perform or appear at the event; or

(3) a name substantially similar to those described in clause (1) or (2).

(c) A person must not:

(1) circumvent any portion of the process for purchasing a ticket on the Internet or for admission to a place of entertainment, including but not limited to security or identity validation measures or an access control system; or

(2) disguise the identity of a purchaser for the purpose of purchasing a number of tickets for admission to a place of entertainment that exceeds the maximum number of tickets allowed for purchase by a person.

(d) A person must not sell a ticket obtained in violation of paragraph (c) if the person:

(1) participated in or had the ability to control the conduct committed in violation of paragraph (c); or

(2) knew that the ticket was acquired in violation of paragraph (c).

(e) An operator, online ticket marketplace, or ticket reseller must not sell a ticket unless:

(1) the ticket is in the possession or constructive possession of the operator, online ticket marketplace, or ticket reseller; or

(2) the operator, online ticket marketplace, or ticket reseller has a written contract with the place of entertainment to obtain the ticket.

(f) Pursuant to United States Code, title 15, section 45c, circumvention of a security measure, access control system, or other technological control measure used by an online ticket marketplace to enforce posted event ticket purchasing limits or to maintain the integrity of posted online ticket purchasing order rules is prohibited.

Subd. 4. **Commissioner data requests; data practices.** Upon request by the commissioner, an online ticket marketplace must disclose to the commissioner information about technology and methods used in an alleged violation of subdivision 3, paragraph (f). Data collected or maintained by the commissioner under this subdivision are civil investigative data under section 13.39 and the commissioner may share with the attorney general any not public data, as defined in section 13.02, subdivision 8a, received under this subdivision.

Subd. 5. **Enforcement.** The commissioner may enforce this section under section 45.027.

**EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to tickets sold on or after that date.

Sec. 26. **[3250.01] CITATION.**

This chapter may be cited as the "Prohibiting Social Media Manipulation Act."

Sec. 27. **[3250.02] DEFINITIONS.**

(a) For purposes of this chapter, the following terms have the meanings given.

(b) "Accessible user interface" means a way for a user to input data, make a choice, or take an action on a social media platform in two clicks or fewer.

(c) "Account holder" means a natural person or legal person who holds an account or profile with a social media platform.

(d) "Account interactions" means any action that an account holder can make within a social media platform that has an impact on another user. Account interactions include but are not limited to:

(1) sending messages or invitations to users;

(2) reporting users;

(3) commenting on, resharing, liking, voting, or otherwise reacting to users' user-generated content; and

(4) posting user-generated content or disseminating user-generated content to users.

Actions that have no impact on other users, including viewing user-generated content or public content, are not account interactions.

(e) "Algorithmic ranking system" means a computational process, including one derived from algorithmic decision making, machine learning, statistical analysis, or other data processing or artificial intelligence techniques, used to determine the selection, order, relative prioritization, or relative prominence of content from a set of information that is provided to a user on a social media platform, including search results ranking, content recommendations, content display, or any other automated content selection method.

(f) "Click" means an act of selecting an option on an electronic interface by pressing a button, touching a screen, making a gesture, issuing a voice command, or other means.

(g) "Content" means any media, including but not limited to written posts, images, visual or audio recordings, notifications, and games, that a user views, reads, watches, listens to, or otherwise interacts or engages with on a social media platform. Content includes other account holders' accounts or profiles when recommended to a user by the social media platform.

(h) "Default" means a preselected option adopted by a social media platform for the social media platform's service, product, or feature.

(i) "Device operating system provider" means a business that manages or develops operating system software for mobile or desktop devices, including but not limited to personal computers, smartphones, and tablets, which manage device resources and are loaded by a boot program. Device operating system provider does not include a business that manages or develops operating system software for a video game console, as defined by section 325E.72.

(j) "Engage" or "engagement" means a user's utilization of the social media platform.

(k) "Existing extended network" means a user's existing network plus the set of account holders on a social media platform who are all directly connected to the account holders within that user's existing network.

(l) "Existing network" means the set of account holders on a social media platform with whom a user has consented to have a direct connection.

(m) "Expressed preferences" means a freely given, considered, specific, and unambiguous indication of a user's preferences regarding the user's engagement with a social media platform. Expressed preferences cannot be based on the user's time spent engaging with content on the social media platform, nor on the usage of features that do not indicate explicit preference, including comments made, posts reshared, or similar actions that may be taken on content the user perceives to be of low quality. Expressed preferences may not be obtained through a user interface designed or manipulated with the substantial effect of subverting or impairing a user's decision making.

(n) "Optimize" means promoted, prioritized, or maximized by a social media platform's algorithmic ranking system.

(o) "Social media platform" means an electronic medium, including a browser-based or application-based interactive computer service, Internet website, telephone network, or data network, that allows an account holder to create, share, and view user-generated content for the predominant purpose of social interaction, sharing content, or personal networking. Social media platform does not include:

(1) an Internet search provider;

(2) an Internet service provider;

(3) an email or short message service;

(4) a streaming service, online video game, or other Internet website where the content is not user generated but where interactive functions enable chat, comments, reviews, or other interactive functionality that is incidental to, directly related to, or dependent upon provision of the content;

(5) a communication service, including text, audio, or video communication technology, provided by a business to the business's employees and clients for use in the course of business activities and not for public distribution, except that social media platform does include a communication service provided by a social media platform;

(6) an advertising network with the sole function of delivering commercial content;

(7) a telecommunications carrier, as defined in United States Code, title 47, section 153;

(8) a broadband service, as defined by section 116J.39, subdivision 1;

(9) single-purpose community groups for education;

(10) teleconferencing or video-conferencing services that allow reception and transmission of audio and video signals for real-time communication, except that social media platform does include teleconferencing or video-conferencing services provided by a social media platform;

(11) cloud computing services, which may include cloud storage and shared document collaboration; or

(12) providing or obtaining technical support for a platform, product, or service.

(p) "Time sensitive" means content that is welcomed under a user's expressed preferences and that would have significantly reduced value to the user with the passing of time.

(q) "User" means a natural person who is located in Minnesota and who holds an account or profile with a social media platform.

(r) "User-generated content" means any content created by an account holder that is uploaded, posted, shared, or disseminated on the social media platform.

(s) "Varied set of account holders" means a set of account holders who have different behaviors and histories.

Sec. 28. **[3250.03] SCOPE; EXCLUSIONS.**

(a) A social media platform is subject to this chapter if the social media platform:

(1) does business in Minnesota or provides products or services that are targeted to residents of Minnesota; and

(2) has more than 10,000 monthly active account holders located in Minnesota.

(b) For purposes of this chapter, a social media platform may determine whether an account holder is located in Minnesota based on:

(1) the account holder's own supplied address or location;

(2) global positioning system-level latitude, longitude, or altitude coordinates;

(3) cellular phone system coordinates;

(4) Internet protocol device address; or

(5) other mechanisms that can be used to identify an account holder's location.

(c) This chapter applies exclusively to social media platform operations that directly impact account holders reasonably presumed to be located within the state of Minnesota based on the factors in paragraph (b).

Sec. 29. **[3250.04] REQUIREMENTS FOR SOCIAL MEDIA PLATFORMS.**

Subdivision 1. **Content optimization.** (a) A social media platform must provide an accessible user interface that allows a user to clearly indicate whether a particular piece of content:

(1) is of high or low quality; and

(2) complies with the user's expressed preferences.

(b) A social media platform's algorithmic ranking system must optimize content for a user that:

(1) a varied set of account holders indicates is of high quality; and

(2) complies with a user's expressed preferences.



(c) A social media platform's algorithmic ranking system must not optimize content that is not related to a user's expressed preferences in order to maximize the user's engagement with the platform.

**Subd. 2. Account interaction limits.** (a) A social media platform must develop criteria to designate an account holder who has recently created an account with or joined the social platform as a new account holder. An account created within 30 days must be considered a new account holder. For a new account holder, a social media platform must set daily numerical limits on account interactions equivalent to the 50th percentile of all platform account holders.

(b) For all account holders, a social media platform must set daily numerical limits on account interactions equivalent to the two standard deviations above the median for all platform account holders. A limit required under this paragraph may allow an account holder to have account interactions in excess of the limit, but at a minimum must reduce the impact of the engagement on other users. A limit may be exceeded for account interactions with another user if the other user clearly initiates and welcomes the engagement.

**Subd. 3. Default privacy settings.** (a) A social media platform must provide default settings for a user that do not:

(1) allow the user's account or the user's user-generated content to be discovered by anyone outside the user's existing extended network;

(2) allow messaging, requests, reactions, comments, or other contact from an account holder that is not already within the user's existing extended network, unless the user initiates and welcomes the contact;

(3) reveal the user's location outside the user's existing network, unless the user specifically shares the user's location outside the user's existing network;

(4) disseminate any information about the user, including the user's profile and any of the user's user-generated content, to anyone outside of the user's existing network without a specific request from the user to disseminate the information; or

(5) allow or facilitate a user's user-generated content, or any user's facial or biometric data, to be incorporated into generative artificial intelligence models without the user's explicit consent.

(b) The default settings required in paragraph (a) may be changed only to comply with the user's expressed preferences. A social media platform must not utilize a system, user interface, or prompt that encourages a user to change the user's privacy settings toward allowing the user's information or user-generated content to be shared or disseminated more broadly.

**Subd. 4. Option for heightened protection.** (a) A social media platform must provide an accessible user interface to allow a user to opt in to any or all of the heightened protection requirements under paragraph (d). A social media platform may make the heightened protections the default settings for all users or all account holders.

(b) A device operating system provider must provide an option for a user to automatically opt in to any or all of the heightened protection requirements under paragraph (d) across all social media platforms managed by the operating system on the user's device. If a user selects the option under this paragraph, the device operating system provider must inform all social media platforms managed by the provider's operating system of the user's preference and a notified social media platform must adjust the user's account settings accordingly. A device operating system provider may provide a user the ability to opt out of any or all heightened protections.

(c) A device operating system provider must, by default, consider any device with parental controls enabled to have opted in to all the heightened protection requirements under paragraph (d).

(d) For a user receiving heightened protections, a social media platform must not:

(1) use platform features that increase, sustain, or extend a user's engagement with the platform beyond the user's expressed preferences regarding time or duration. Features subject to this clause include but are not limited to:

(i) optimization for time spent or content consumed;

(ii) content feeds without finite endings;

(iii) autoplaying videos or other content; and

(iv) notifications that are not time sensitive; or

(2) provide any visible count showing how much engagement content that the user viewed, consumed, or generated has received.

**Subd. 5. Transparency requirements.** (a) A social media platform must publicly post the following information on the social media platform's website:

(1) an explanation of how the social media platform designates new account holders and an explanation detailing the operation and effect of usage limits applicable to new account holders under subdivision 2, paragraph (a);

(2) an explanation detailing the operation and effect of the usage limits required under subdivision 2, paragraph (b);

(3) an explanation detailing how the platform:

(i) assesses users' perceptions of the quality of content;

(ii) assesses users' expressed preferences regarding content; and

(iii) utilizes the assessments under items (i) and (ii) in the social media platform's algorithmic ranking system, including how the assessments are weighted in relation to other signals in the algorithmic ranking system;

(4) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th, 99th, and 99.9th percentile of all platform account holders for each distinct type of account interaction or engagement, including but not limited to:

(i) sending invitations or messages to other platform account holders;

(ii) commenting on, resharing, liking, voting for, or otherwise reacting to content;

(iii) posting new user-generated content;

(iv) disseminating user-generated content to other platform account holders; and

(v) time spent on the platform;

(5) an explanation of how the platform determines whether a notification is time sensitive;

(6) an explanation of how the platform determines what constitutes a "varied set of account holders," including what behaviors are used as signals and how any measurement of difference is created and used; and

(7) a description of all product experiments that have been conducted on 1,000 or more users, including the results of the product experiments on users' engagement with content that:

(i) users indicate to be high or low quality;

(ii) users indicate complies or does not comply with the users' expressed preferences; and

(iii) violates platform policies.

(b) Additional steps taken by a social media platform to prevent abusive use beyond what must be publicly disclosed under paragraph (a) are encouraged and may, but are not required to, be publicly disclosed.

(c) When automatically delivering, suggesting, or selecting content to a user, a social media platform must provide an accessible user interface to allow the user to access a basic, nontechnical explanation detailing why a particular piece of content was promoted by the platform's algorithmic ranking system.

Sec. 30. **[3250.05] ENFORCEMENT.**

The attorney general may bring a civil enforcement action and recover the relief provided in section 8.31 against a social media platform that violates this chapter. Nothing in this chapter establishes a private right of action, including under section 8.31, subdivision 3a, for a violation of this chapter or any other law.

Sec. 31. **[3250.06] SEVERABILITY.**

If any provision of this chapter or the chapter's application to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

Sec. 32. Minnesota Statutes 2022, section 507.235, subdivision 1a, is amended to read:

Subd. 1a. **Requirements of vendor.** (a) A vendor entering into a contract for deed involving residential real property must, contemporaneously with the execution of the contract for deed:

~~(1) deliver to the vendee a copy of the contract for deed containing original signatures in recordable form; and~~

~~(2) (b) Within four months of executing the contract for deed, the vendor must:~~

~~(1) pay, or reimburse the vendee for payment of, any delinquent taxes necessary for recordation of the contract for deed, unless the contract for deed provides for the vendee to pay the delinquent taxes; and~~

~~(2) record the contract for deed in the office of the county recorder or registrar of titles in the county in which the land is located.~~

~~(c) The following statement included in a contract for deed for other than residential real property constitutes prima facie evidence that this subdivision does not apply: "The property is not residential real property."~~

~~(d) If the contract for deed is not in recordable form, within four months of the execution of the contract for deed the vendor must make a good faith effort to correct the defects that rendered the contract unrecordable. A good faith effort includes but is not limited to determining the reason or reasons the contract was not in recordable form, and revising and, if necessary, having all parties reexecute the contract to render it in recordable form. The vendee must, in good faith, cooperate with the vendor to the extent that cooperation is necessary to correct the defects.~~

~~(e) (e) For purposes of this subdivision:~~

~~(1) "contract for deed" means an executory contract for the conveyance of residential real property under which the seller provides financing for the purchase of the residential real property and under which the purchaser does or has a right to go into possession. Contract for deed does not include:~~

~~(i) a purchase agreement;~~

- (ii) an earnest money contract;
- (iii) an exercised option or a lease, including a lease with an option to purchase; or
- (iv) a mortgage, as defined in section 287.01; and

(2) "residential real property" means real property ~~occupied, or intended to be occupied, by one to four families, if the purchaser intends to occupy the real property.~~ consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:

- (i) the purchaser;
- (ii) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or
- (iii) if the purchaser is a trust, the settlor of the trust.

Residential real property does not include ~~property subject to a family farm security loan or~~ a transaction subject to sections 583.20 to 583.32.

(f) The performance of the obligations by the vendor required under this subdivision satisfies any of the obligations of the original vendee, as required under subdivision 1.

(g) The requirements of this subdivision may not be waived or altered by any provision in a contract for deed. A provision in a contract for deed to the contrary is void and unenforceable.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 33. Minnesota Statutes 2022, section 507.235, subdivision 5, is amended to read:

Subd. 5. **Civil enforcement.** (a) A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may enforce the provisions of this section. The city or county may bring an action to compel the recording of a contract for deed or any assignments of a contract for deed, an action to impose the civil penalty, or an action to compel disclosure of information.

(b) Prior to bringing an action under this subdivision to compel recording or to impose the penalty, ~~or an action under subdivision 4,~~ the city or county must provide written notice to the person, subject to subdivision 1, of the person's duty to record the contract for deed or the assignment. If the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice, an action may be brought.

(c) It is an affirmative defense in an enforcement action under this section that the contract for deed or assignment document is not recordable, or that section 272.121 prohibits the recording of the contract for deed or assignment, and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

(d) In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees.

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

Sec. 34. Minnesota Statutes 2022, section 513.73, subdivision 3, is amended to read:

Subd. 3. **Private transfer fee.** "Private transfer fee" means a fee or charge required by a private transfer fee obligation and payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of

the property, the purchase price, or other consideration given for the transfer. The following are not private transfer fees for purposes of this section:

(1) consideration payable by the grantee to the grantor for the interest in real property being transferred, including any subsequent additional consideration for the property payable by the grantee based upon any subsequent appreciation, development, or sale of the property, provided that the additional consideration is payable on a onetime basis only, and the obligation to make the payment does not bind successors in title to the property. For the purposes of this clause, an interest in real property may include a separate mineral estate and its appurtenant surface access rights;

(2) commission payable to a licensed real estate broker for the transfer of real property pursuant to an agreement between the broker and the grantor or the grantee, including any subsequent additional commission for that transfer payable by the grantor or the grantee based upon any subsequent appreciation, development, or sale of the property;

(3) interest, charges, fees, or other amounts payable by a borrower to a lender pursuant to a loan secured by a mortgage against real property, including but not limited to a fee payable to the lender for consenting to an assumption of the loan or a transfer of the real property subject to the mortgage, fees, or charges payable to the lender for estoppel letters or certificates, and shared appreciation interest or profit participation or other consideration and payable to the lender in connection with the loan;

(4) rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor under a lease, including but not limited to a fee payable to the lessor for consenting to an assignment, subletting, encumbrance, or transfer of the lease;

(5) consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon the transfer of the property to another person;

~~(6) consideration payable by a contract for deed vendee to the vendor pursuant to the terms of a recorded contract for deed, including any subsequent additional consideration for the property payable by the vendee based upon any subsequent appreciation, development, or sale of the property;~~

~~(7) (6) a tax, fee, charge, assessment, fine, or other amount payable to or imposed by a governmental authority;~~

~~(8) (7) a fee, charge, assessment, fine, or other amount payable to a homeowner's condominium, cooperative, mobile home, or property owner's association pursuant to a declaration or covenant or law applicable to the association, including but not limited to fees or charges payable for estoppel letters or certificates issued by the association or its authorized agent;~~

~~(9) (8) a fee, a charge, an assessment, dues, a contribution, or other amount pertaining to the purchase or transfer of a club membership relating to real property owned by the member, including but not limited to any amount determined by reference to the value, purchase price, or other consideration given for the transfer of the real property; and~~

~~(10) (9) a mortgage from the purchaser of real property granted to the seller or to a licensed real estate broker.~~

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

Sec. 35. Minnesota Statutes 2022, section 559.21, subdivision 2a, is amended to read:

Subd. 2a. **For post 7/31/1985 contract.** If a default occurs in the conditions of a contract for the conveyance of real estate or an interest in real estate executed on or after August 1, 1985, that gives the seller a right to terminate it, the seller may terminate the contract by serving upon the purchaser or the purchaser's personal representatives or

assigns, within or outside of the state, a notice specifying the conditions in which default has been made. The notice must state that the contract will terminate 60 days, or a shorter period allowed or a longer period required in subdivision 4, after the service of the notice, unless prior to the termination date the purchaser:

(1) complies with the conditions in default;

(2) makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service of the notice, including the reasonable costs of service by sheriff, public officer, or private process server; except payment of costs of service is not required unless the seller notifies the purchaser of the actual costs of service by certified mail to the purchaser's last known address at least ten days prior to the date of termination;

(4) except for earnest money contracts, purchase agreements, and exercised options, pays two percent of any amount in default at the time of service, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) if the contract for deed is executed on or after August 1, 2024, pays an amount to apply on attorney fees actually expended or incurred of \$1,000; if the contract is executed on or after August 1, 1999, and before August 1, 2024, pays an amount to apply on attorneys' attorney fees actually expended or incurred, of \$250 if the amount in default is less than \$1,000, and of \$500 if the amount in default is \$1,000 or more; or if the contract is executed before August 1, 1999, pays an amount to apply on attorneys' attorney fees actually expended or incurred, of \$125 if the amount in default is less than \$750, and of \$250 if the amount in default is \$750 or more; except that no amount for attorneys' fees is required to be paid unless some part of the conditions of default has existed for at least 30 days prior to the date of service of the notice.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 36. Minnesota Statutes 2022, section 559.21, subdivision 4, is amended to read:

Subd. 4. **Law prevails over contract; procedure; conditions.** (a) The notice required by this section must be given notwithstanding any provisions in the contract to the contrary, except that (1) earnest money contracts, purchase agreements, and exercised options that are subject to this section may, unless by their terms they provide for a longer termination period, be terminated on 30 days' notice, or may be canceled under section 559.217 and (2) contracts for deed executed by an investor seller shall be terminated on 90 days' notice. The notice must be served within the state in the same manner as a summons in the district court, and outside of the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice outside of the state may be proved by the affidavit of the person making the same, made before an authorized officer having a seal, and within the state by such an affidavit or by the return of the sheriff of any county therein.

(b) If a person to be served is a resident individual who has departed from the state, or cannot be found in the state; or is a nonresident individual or a foreign corporation, partnership, or association, service may be made by publication as provided in this paragraph. Three weeks' published notice has the same effect as personal service of the notice. The published notice must comply with subdivision 3 and state (1) that the person to be served is allowed 90 days after the first date of publication of the notice to comply with the conditions of the contract, and (2) that the contract will terminate 90 days after the first date of publication of the notice, unless before the termination date the purchaser complies with the notice. If the real estate described in the contract is actually occupied, then, in addition to publication, a person in possession must be personally served, in like manner as the service of a summons in a civil action in state district court, within 30 days after the first date of publication of the notice. If an address of a person to be served is known, then within 30 days after the first date of publication of the notice a copy of the notice must be mailed to the person's last known address by first class mail, postage prepaid.

(c) The contract is reinstated if, within the time mentioned, the person served:

(1) complies with the conditions in default;

(2) if subdivision 1d or 2a applies, makes all payments due and owing to the seller under the contract through the date that payment is made;

(3) pays the costs of service as provided in subdivision 1b, 1c, 1d, or 2a;

(4) if subdivision 2a applies, pays two percent of the amount in default, not including the final balloon payment, any taxes, assessments, mortgages, or prior contracts that are assumed by the purchaser; and

(5) pays attorneys' fees as provided in subdivision 1b, 1c, 1d, or 2a.

(d) The contract is terminated if the provisions of paragraph (c) are not met.

(e) In the event that the notice was not signed by an attorney for the seller and the seller is not present in the state, or cannot be found in the state, then compliance with the conditions specified in the notice may be made by paying to the court administrator of the district court in the county wherein the real estate or any part thereof is situated any money due and filing proof of compliance with other defaults specified, and the court administrator of the district court shall be deemed the agent of the seller for such purposes. A copy of the notice with proof of service thereof, and the affidavit of the seller, the seller's agent or attorney, showing that the purchaser has not complied with the terms of the notice, may be recorded with the county recorder or registrar of titles, and is prima facie evidence of the facts stated in it; but this section in no case applies to contracts for the sale or conveyance of lands situated in another state or in a foreign country. If the notice is served by publication, the affidavit must state that the affiant believes that the party to be served is not a resident of the state, or cannot be found in the state, and either that the affiant has mailed a copy of the notice by first class mail, postage prepaid, to the party's last known address, or that such address is not known to the affiant.

(f) No notice under this section may be given for a contract for deed executed by an investor seller unless, at least 30 days prior to the service of the notice, some part of the conditions of default has existed and the investor seller has notified the purchaser of the conditions of default by certified mail to the purchaser's last known address.

(g) For purposes of this subdivision, "investor seller" has the meaning given in section 559A.01, subdivision 5.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 37. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

**Subd. 4a. Termination prohibited for certain transfers regarding residential real property.** (a) Notwithstanding any provisions in a contract for deed to the contrary, the notice under this section may not be given and no other remedies may be exercised for any contract for deed based on any of the following transfers:

(1) a transfer on death deed conveying or assigning the deceased purchaser's interest in the property to a grantee beneficiary;

(2) a transfer by devise, descent, or operation of law on the death of a joint tenant occurs;

(3) a transfer by which the spouse or a child of the purchaser becomes an owner of the property;

(4) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the purchaser becomes an owner of the property; or

(5) a transfer into an inter vivos trust by which the purchaser is and remains a beneficiary and that does not relate to a transfer of rights of occupancy in the property.

(b) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 38. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

**Subd. 4b. Termination prohibited if vendor fails to record contracts for deed involving residential real property.** (a) Notwithstanding subdivision 2a or any provision to the contrary in a contract for deed, a vendor may not terminate a contract for deed under this section if the contract has not been recorded as required under section 507.235, subdivision 1a, paragraph (b), and the vendor has failed to make a good faith effort to record the contract as provided under section 507.235, subdivision 1a, paragraph (d).

(b) Nothing contained in this subdivision prohibits judicial termination of a contract for deed.

(c) For the purposes of this subdivision, "contract for deed" has the meaning given in section 507.235, subdivision 1a, paragraph (e).

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 39. Minnesota Statutes 2022, section 559.21, is amended by adding a subdivision to read:

**Subd. 9. Affidavit of seller constituting prima facie evidence.** In any instance where the copy of the notice of default, proof of service of the notice, and an affidavit showing that the purchaser has not complied with the terms of the notice have been or may be recorded, an affidavit of the seller, the seller's agent, or the attorney verified by a person having knowledge of the facts and attesting that the seller is not an investor seller or that the seller has complied with the requirements of subdivision 4, paragraph (f), may be recorded with the county recorder or registrar of titles and is prima facie evidence of the facts stated in the affidavit.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 40. Minnesota Statutes 2022, section 559.211, subdivision 1, is amended to read:

**Subdivision 1. Order; proceedings; security.** (a) In an action arising under or in relation to a contract for the conveyance of real estate or any interest therein, the district court, notwithstanding the service or publication pursuant to the provisions of section 559.21 of a notice of termination of the contract, has the authority at any time prior to the effective date of termination of the contract and subject to the requirements of rule 65 of the Rules of Civil Procedure for the District Courts to enter an order temporarily restraining or enjoining further proceedings to effectuate the termination of the contract, including recording of the notice of termination with proof of service, recording of an affidavit showing noncompliance with the terms of the notice, taking any action to recover possession of the real estate, or otherwise interfering with the purchaser's lawful use of the real estate. In the action, the purchaser may plead affirmatively any matter that would constitute a defense to an action to terminate the contract.

(b) Upon a motion for a temporary restraining order the court has the discretion, notwithstanding any rule of court to the contrary, to grant the order without requiring the giving of any security or undertaking, and in exercising that discretion, the court shall consider, as one factor, the moving party's ability to afford monetary security. Upon a



motion for a temporary injunction, the court shall condition the granting of the order either upon the tender to the court or vendor of installments as they become due under the contract or upon the giving of other security in a sum as the court deems proper. Upon written application, the court may disburse from payments tendered to the court an amount the court determines necessary to insure the timely payment of property taxes, property insurance, installments of special assessments, mortgage installments, prior contract for deed installments or other similar expenses directly affecting the real estate, or for any other purpose the court deems just.

(c) If a temporary restraining order or injunction is granted pursuant to this subdivision, the contract shall not terminate until the expiration of 15 days after the entry of the order or decision dissolving or modifying the temporary restraining order or injunction. If the vendor has made an appearance and the restraining order or injunction is granted, the court may award court filing fees, reasonable attorney fees, and costs of service to the purchaser.

(d) If the court subsequently grants permanent relief to the purchaser or determines by final order or judgment that the notice of termination was invalid or the purchaser asserted a valid defense, the purchaser is entitled to an order granting court filing fees, reasonable attorney fees, and costs of service.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 41. Minnesota Statutes 2022, section 559.213, is amended to read:

**559.213 PRIMA FACIE EVIDENCE OF TERMINATION.**

The recording, heretofore or hereafter, of the copy of notice of default, proof of service thereof, and the affidavit showing that the purchaser has not complied with the terms of the notice, provided for by ~~Minnesota Statutes 1941,~~ section 559.21, shall be prima facie evidence that the contract referred to in such notice has been terminated. It is not necessary to pay current or delinquent real estate taxes owed on the real property that is the subject of the contract to record the documents required by this section, provided that the documents must be first presented to the county auditor for entry upon the transfer record and must have "Transfer Entered" noted in the documents over the county auditor's official signature.

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

Sec. 42. **[559A.01] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 559A.01 to 559A.05.

Subd. 2. **Balloon payment.** "Balloon payment" means a scheduled payment of principal, interest, or both under a contract for deed that is significantly larger than the regular installment payments and that may be due prior to the end of the contract term or may be the final payment that satisfies the contract.

Subd. 3. **Churning.** "Churning" means the act of an investor seller executing a contract for deed on or after August 1, 2024, if previously the investor had frequently or repeatedly executed contracts for deed and subsequently terminated the contracts under section 559.21.

Subd. 4. **Contract for deed.** "Contract for deed" has the meaning given in section 507.235, subdivision 1a.

Subd. 5. **Investor seller.** (a) "Investor seller" means a person entering into a contract for deed to sell residential real property or, in the event of a transfer or assignment of the seller's interest, the holder of the interest.

(b) An investor seller does not include a person entering into a contract for deed who is:

(1) a natural person who has owned and occupied the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed;

(2) any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(3) a personal representative of the natural person;

(4) a devisee of the natural person;

(5) a grantee under a transfer on death deed made by the natural person;

(6) a trust whose settlor is the natural person;

(7) a trust whose beneficiary is (i) a natural person where the trust or the natural person, or a combination of the two, has owned and the natural person has occupied the residential real property as the natural person's primary residence for a continuous 12-month period at any time prior to the execution of the contract for deed, or (ii) any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the natural person;

(8) a natural person selling on contract for deed to any spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin;

(9) a bank, credit union, or residential mortgage originator that is under the supervision of or regulated by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or the Minnesota Department of Commerce; and

(10) a natural person who has owned and leased the residential real property to the purchaser for at least the prior two years.

(c) If, substantially contemporaneous with the execution of the contract for deed, the seller's interest is assigned or transferred to a person who does not meet any of the qualifications of paragraph (b), the assignee or transferee is deemed an investor seller who has executed the contract for deed.

Subd. 6. **Person.** "Person" means a natural person, partnership, corporation, limited liability company, association, trust, or other legal entity, however organized.

Subd. 7. **Purchase agreement.** "Purchase agreement" means a purchase agreement for a contract for deed, an earnest money contract, or an executed option contemplating that, at closing, the investor seller and the purchaser will enter into a contract for deed.

Subd. 8. **Purchaser.** "Purchaser" means a person who executes a contract for deed to purchase residential real property. Purchaser includes all purchasers who execute the same contract for deed to purchase residential real property.

Subd. 9. **Residential real property.** "Residential real property" means real property consisting of one to four family dwelling units, one of which is intended to be occupied as the principal place of residence by:

(1) the purchaser;

(2) if the purchaser is an entity, the natural person who is the majority or controlling owner of the entity; or

(3) if the purchaser is a trust, the settlor or beneficiary of the trust.

Residential real property does not include a transaction subject to sections 583.20 to 583.32.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 43. **[559A.02] APPLICABILITY.**

This chapter applies only to residential real property where a purchaser is entering into a contract for deed with an investor seller. Either of the following statements included in a contract for deed in which the property is not residential real property or the seller is not an investor seller constitutes prima facie evidence that this chapter does not apply to the contract for deed: "The property is not residential real property" or "The seller is not an investor seller." A person examining title to the property may rely on either statement.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 44. **[559A.03] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; DISCLOSURES.**

**Subdivision 1. Disclosures required.** (a) In addition to the disclosures required under sections 513.52 to 513.61, an investor seller must deliver to a prospective purchaser the disclosures specified under this section and instructions for cancellation as provided under section 559A.04, subdivision 2, paragraph (b).

(b) The disclosures must be affixed to the front of any purchase agreement executed between an investor seller and a prospective purchaser. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after the execution of the purchase agreement by all parties and provision by the investor seller of the disclosures required under this section and instructions for cancellation as required under section 559A.04, subdivision 2, paragraph (b).

(c) If there is no purchase agreement, an investor seller must provide the disclosures required under this section to the prospective purchaser no less than ten calendar days before the prospective purchaser executes the contract for deed. The disclosures must be provided in a document separate from the contract for deed. The investor seller may not enter into a contract for deed with a prospective purchaser earlier than ten calendar days after providing the disclosures to the prospective purchaser.

(d) The first page of the disclosures must contain the disclosures required in subdivisions 2, 3, and 4, in that order. The title must be centered, be in bold, capitalized, and underlined 20-point type, and read "IMPORTANT INFORMATION YOU NEED TO KNOW." The disclosures required under subdivisions 5 and 6 must follow in subsequent pages in that order.

(e) The investor seller must acknowledge delivery and the purchaser must acknowledge receipt of the disclosures by signing and dating the disclosures. The acknowledged disclosures constitute prima facie evidence that the disclosures have been provided as required by this section.

**Subd. 2. Disclosure of balloon payment.** (a) The investor seller must disclose the amount and due date of, if any, all balloon payments. For purposes of disclosure of a balloon payment, the investor seller may assume that all prior scheduled payments were timely made and no prepayments were made. If there is more than one balloon payment due, each balloon payment must be listed separately.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

**"BALLOON PAYMENT**

This contract contains a lump-sum balloon payment or several balloon payments. When the final balloon payment comes due, you may need to get a mortgage or other financing to pay it off, or you will have to sell the property. Even if you are able to sell the property, you may not get back all the money you paid for it.

If you cannot come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract.

**Amount of Balloon Payment**

\$ (amount)

**When Balloon Payment is Due**

(month, year)"

Subd. 3. **Disclosure of price paid by investor seller to acquire property.** (a) The investor seller must disclose to the purchaser the purchase price and the date of earliest acquisition of the property by the investor seller, unless the acquisition occurs more than two years prior to the execution of the contract for deed.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

**"INVESTOR SELLER'S PRICE TO BUY HOUSE BEING SOLD TO BUYER**

**Date Investor Seller Acquired Property:**

(date seller acquired ownership)

**Price Paid by Investor Seller to Acquire the Property:**

\$ (total purchase price paid by seller to acquire ownership)

**Contract for Deed Purchase Price:**

\$ (total sale price to the purchaser under the contract)"

(c) For the purposes of this subdivision, unless the acquisition occurred more than two years prior to the execution of the contract for deed, the person who first acquires the property is deemed to be the same person as the investor seller where the person who first acquires the property:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

Subd. 4. **Disclosure of other essential terms.** (a) An investor seller must disclose to the prospective purchaser the purchase price, the annual interest rate, the amount of any down payment, and whether the purchaser is responsible for any or all of the following: paying property taxes, acquiring homeowner's insurance, making repairs, and maintaining the property.

(b) The disclosure must be in the following form, with the title in 14-point type and the text in 12-point type:

**"COSTS AND ESSENTIAL TERMS"**

- |  |   |
|--|---|
| <u>1. Purchase Price:</u>  | <u>\$ (price)</u>                         |
| <u>2. Annual Interest Rate:</u>                                  | <u>(interest rate) %</u>                  |
| <u>3. Down Payment:</u>  | <u>\$ (down payment)</u>                  |
| <u>4. Monthly/Period Installments:</u>                           | <u>\$ (amount of installment payment)</u> |
| <u>5. Taxes, Homeowner's Insurance, Repairs and Maintenance:</u> |   |

You (seller must circle one):

- |                |                |  |
|----------------|----------------|--|
| <u>(a) DO</u>  | <u>DO NOT</u>  | <u>have to pay property taxes</u>                |
| <u>(b) DO</u>  | <u>DO NOT</u>  | <u>have to pay homeowner's insurance</u>         |
| <u>(c) ARE</u> | <u>ARE NOT</u> | <u>responsible for repairs and maintenance."</u> |

Subd. 5. **General disclosure.** (a) An investor seller must provide the prospective purchaser with a general disclosure about contracts for deeds as provided in this subdivision.

(b) The disclosure must be in the following form, with the title in 18-point type, the titles of the sections in 14-point type and underlined, and the text of each section in 12-point type, with a double space between each section:

**"KNOW WHAT YOU ARE GETTING INTO BEFORE YOU SIGN"****1. How Contracts for Deed Work**

A contract for deed is a complicated legal arrangement. Be sure you know exactly what you are getting into before you sign a contract for deed. A contract for deed is **NOT** a mortgage. Minnesota's foreclosure protections do **NOT** apply.

**You should get advice from a lawyer or the Minnesota Homeownership Center before you sign the contract.** You can contact the Homeownership Center at 1-(866)-462-6466 or go to [www.hocmn.org](http://www.hocmn.org).

**2. What If I Can't Make My Payments?**

If you do not make your monthly installment payment or the balloon payment, the seller can cancel the contract beginning only 120 days from the date you missed the payment. If the contract is canceled, **you lose your home and all the money you have paid, including any down payment, all the monthly payments, and any improvements to the property you have made.**

If the contract contains a final lump-sum balloon payment, you will need to get a mortgage or other financing to pay it off, **or you will have to sell the property.** If you can't come up with this large amount - even if you have made all your monthly payments - the seller can cancel the contract. **Even if you are able to sell the property, you may not get back all the money you have paid for it.**

**3. BEFORE YOU SIGN, YOU SHOULD:**

**A. Get an Independent, Professional Appraisal** of the property to learn what it is worth and make sure you are not overpaying for the house.

**B. Get an Independent, Professional Inspection** of the property because you will probably be responsible for maintaining and making repairs on the house.

**C. Buy Title Insurance** from a title insurance company or ask a lawyer for a "title opinion" to address or minimize potential title problems.

#### **4. YOUR RIGHTS BEFORE YOU SIGN**

**A. Waiting Period After Getting Disclosures.** There is a ten calendar day waiting period after you get these disclosures. The contract for deed cannot be signed by you or the seller during that ten calendar day period.

**B. Canceling a Purchase Agreement.** You have ten calendar days after you get these disclosures to cancel your purchase agreement and get back any money you paid."

Subd. 6. **Amortization schedule.** In a document separate from all other documents, an investor seller must provide to the prospective purchaser an amortization schedule consistent with the contract for deed, including the portion of each installment payment applied to interest and to principal and the amount and due date of any balloon payments.

Subd. 7. **Disclosures in other languages.** If the contract was advertised or primarily negotiated with the purchaser in a language other than English, the investor seller must provide the disclosures required in this section in the language in which the contract was advertised or primarily negotiated.

Subd. 8. **No waiver.** The provisions of this section may not be waived.

Subd. 9. **Effects of violation.** Except as provided in section 559A.05, subdivision 2, a violation of this section has no effect on the validity of the contract for deed.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

#### **Sec. 45. [559A.04] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; RIGHTS AND REQUIREMENTS.**

Subdivision 1. **Requirement of investor seller if property subject to mortgage.** An investor may not execute a contract for deed that is subject to a mortgage with a due-on-sale clause and not expressly assumed by the contract for deed purchaser unless the investor seller has:

(1) procured a binding agreement with the mortgage holder whereby the holder either consents to the sale of the property to the purchaser by contract for deed or agrees to not exercise the holder's rights under a due-on-sale clause in the mortgage based on the contract for deed; and

(2) in the contract:

(i) disclosed the existence of the investor seller's mortgage;

(ii) covenants that the investor seller will perform all obligations under the mortgage; and

(iii) expressly represents to the purchaser that the seller has procured the binding agreement required under clause (1).

Subd. 2. **Right to cancel purchase agreement.** (a) A prospective purchaser may cancel a purchase agreement prior to the execution by all parties of the contract for deed or within ten calendar days of receiving the disclosures required under section 559A.03, whichever is earlier. A purchaser's execution of the contract for deed earlier than ten calendar days of receiving the disclosures does not excuse, constitute a waiver of, or constitute a defense by an investor seller regarding the seller's violation of section 559A.03, subdivision 1, paragraph (b) or (c).

(b) In addition to the disclosures required under section 559A.03, an investor seller must provide the prospective purchaser with notice of the person to whom, and the mailing address to where, cancellation of the purchase agreement must be delivered or sent. Cancellation of the purchase agreement is effective upon personal delivery or upon mailing.

(c) In the event of cancellation or if no purchase agreement has been signed and the prospective purchaser elects not to execute the contract for deed, the investor seller may not impose a penalty or fee and must promptly refund all payments made by the prospective purchaser.

Subd. 3. **Duty of investor seller to account.** The investor seller must inform the purchaser in a separate writing of the right to request an annual accounting. Upon reasonable written request by the purchaser and no more than once every calendar year, an investor seller must provide an accounting of:

(1) all payments made pursuant to the contract for deed during the prior calendar year with payments allocated between interest and principal;

(2) any delinquent payments;

(3) the total principal amount remaining to satisfy the contract for deed; and

(4) the anticipated amounts and due dates of all balloon payments.

Subd. 4. **Churning prohibited.** (a) An investor seller is prohibited from churning. There is a rebuttable presumption that the investor seller has violated this subdivision if, on or after August 1, 2024, the investor seller executes a contract for deed and, within the previous 48 months, the investor seller either:

(1) had completed two or more termination proceedings under section 559.21 on the same residential real property being sold by the contract for deed; or

(2) had completed four or more termination proceedings under section 559.21 on contracts for deed for any residential real property, where terminated contracts comprise 20 percent or more of all contracts executed by the investor seller during that period.

(b) Nothing contained in this subdivision or in section 559A.01, subdivision 3, shall invalidate, impair, affect, or give rise to any cause of action with respect to any contract for deed or termination proceeding under section 559.21 used as a predicate to establish the presumption under paragraph (a).

(c) For the purposes of this subdivision, a person who sold residential real property on a contract for deed is deemed to be the same person as the investor seller where the person who sold on a contract for deed:

(1) is owned or controlled, in whole or in part, by the investor seller;

(2) owns or controls, in whole or in part, the investor seller;

(3) is under common ownership or control, in whole or in part, with the investor seller;

(4) is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller; or

(5) is an entity owned or controlled, in whole or in part, by a person who is a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, niece, nephew, or cousin of the investor seller, or of the natural person who owns or controls, in whole or in part, the investor seller.

Subd. 5. **Duty of investor seller to refund down payments.** (a) If an investor seller terminates under section 559.21 a contract for deed within 48 months of executing the contract, any portion of the down payment that exceeded ten percent of the purchase price shall be refunded to the purchaser within 180 days of the termination of the contract.

(b) Upon delivery to the purchaser by the investor seller of reasonable documentation that the following expenses were incurred or taxes and contract payments were unpaid, an investor seller may offset against the refund, if applicable, for:

(1) unpaid property taxes for the period prior to termination of the contract;

(2) unpaid insurance premiums for the period prior to termination of the contract incurred by the investor seller;

(3) the reasonable cost of necessary repairs for damage to the residential real property caused by the purchaser, beyond ordinary wear and tear, incurred by the investor seller;

(4) attorney fees, not to exceed \$1,000, and costs of service incurred in connection with the termination of the contract;

(5) unpaid utility arrears for the period prior to termination of the contract incurred by the investor seller; and

(6) one-half of the unpaid monthly contract installment payments, excluding balloon payments, that accrued prior to termination of the contract.

(c) If the purchaser disputes the amount that an investor seller claims as the refund or an offset, the purchaser may commence an action in district court or conciliation court to determine the amount of the refund or the offsets and recover any money owed by the investor seller to the purchaser. The purchaser is entitled to recover from the investor seller any portion of the down payment that the court finds is owed by the investor seller to the purchaser and not previously paid to the purchaser. An attorney expressly authorized by the investor seller to receive payments in the notice of termination is designated as the attorney who may receive service as agent for the investor seller in an action under this paragraph in the same manner as provided in section 559.21, subdivision 8.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to contracts for deed executed by all parties on or after that date.

Sec. 46. **[559A.05] CONTRACTS FOR DEED INVOLVING INVESTOR SELLERS AND RESIDENTIAL REAL PROPERTY; REMEDIES FOR VIOLATION.**

Subdivision 1. **Definition.** For the purposes of this section, "material violation of section 559A.03" means:

(1) if applicable, failure to disclose any balloon payment as required under section 559A.03, subdivision 2;

(2) failure to disclose the price paid by the investor seller under the contract for deed to acquire property as required under section 559A.03, subdivision 3;

(3) failure to disclose the other essential terms of the contract as required under section 559A.03, subdivision 4;

(4) failure to provide the general disclosure in substantially the form required under section 559A.03, subdivision 5;

(5) failure to disclose the amortization schedule as required under section 559A.03, subdivision 6;

(6) a violation of section 559A.03, subdivision 1, paragraph (b) or (c);



(7) a violation of section 559A.03, subdivision 7; or

(8) a material omission or misstatement of any of the information required to be disclosed under section 559A.03.

**Subd. 2. Remedy for violation of disclosure requirements or churning.** (a) Notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may, within two years of the execution of the contract for deed, bring an action for relief for a material violation of section 559A.03 or a violation of section 559A.04, subdivision 4. A prevailing purchaser may rescind a contract and, in conjunction with the rescission, may recover against the investor seller a sum equal to:

(1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;

(2) the reasonable value of any improvements to the residential real property made by the purchaser;

(3) actual, consequential, and incidental damages; and

(4) reasonable attorney fees and costs.

(b) A claim for rescission and a money judgment awarded under this subdivision does not affect any rights or responsibilities of a successor in interest to the investor seller prior to the filing of a lis pendens in the action in which relief is sought, unless it is established by clear and convincing evidence that the successor in interest had prior knowledge that the contract for deed was executed in violation of the requirements of section 559A.03 or 559A.04, subdivision 4.

(c) A purchaser barred under paragraph (b) from making a claim against a successor in interest to the investor seller may, within two years of the execution of the contract for deed, bring a claim for violation of the requirements of section 559A.03 or 559A.04, subdivision 4, against the original investor seller who entered into the contract for deed and may recover the greater of actual damages or statutory damages of \$5,000, plus reasonable attorney fees and costs. The original investor seller has no claim for indemnification or contribution against the successor in interest.

**Subd. 3. Remedy for failure of investor seller to procure agreement with mortgage holder.** (a) If a mortgage holder commences foreclosure of the mortgage holder's mortgage based on the sale to a purchaser under the contract for deed and notwithstanding any provision in the purchase agreement or contract for deed to the contrary, a purchaser may bring an action for the failure of the investor seller to procure the agreement with the mortgage holder as required under section 559A.04, subdivision 2. A prevailing purchaser may rescind a contract and may recover against the investor seller a sum equal to:

(1) all amounts paid by the purchaser under the contract for deed, including payments to third parties, less the fair rental value of the residential real property for the period of time the purchaser was in possession of the property;

(2) the reasonable value of any improvements to the residential real property made by the purchaser;

(3) actual, consequential, and incidental damages; and

(4) reasonable attorney fees and costs.

(b) An action under this subdivision may be brought at any time and is not subject to the statute of limitations in subdivision 2, provided that at least 30 days prior to bringing the action, a purchaser must deliver a notice of violation to the investor seller under the contract for deed personally or by United States mail.

(c) An investor seller may cure the violation at any time prior to entry of a final judgment by delivering to the purchaser either evidence of the agreement with the mortgage holder as required under section 559A.04, subdivision 2, or evidence that the mortgage holder has abandoned foreclosure of the mortgage. If the violation is cured, the purchaser's action must be dismissed. An investor seller is liable to the purchaser for reasonable attorney fees and court costs if the seller delivers evidence of the mortgage holder's agreement or abandonment of the foreclosure after the purchaser has commenced the action.

(d) Nothing in this subdivision bars or limits any other claim by a purchaser arising from the investor seller's breach of a senior mortgage.

Subd. 4. **Defense to termination.** A purchaser's right to the remedy under subdivision 2 or 3 constitutes grounds for injunctive relief under section 559.211.

Subd. 5. **Effect of action on title.** An action under subdivision 2 or 3 is personal to the purchaser only, does not constitute an interest separate from the purchaser's interest in the contract for deed, and may not be assigned except to a successor in interest.

Subd. 6. **Rights cumulative.** The rights and remedies provided in this section are cumulative to, and not a limitation of, any other rights and remedies provided under law and at equity. Nothing in this chapter precludes a court from construing a contract for deed as an equitable mortgage.

Subd. 7. **Public enforcement.** The attorney general has authority under section 8.31 to investigate and prosecute violations of sections 559A.03 and 559A.04, subdivision 4.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all contracts for deed executed by all parties on or after that date.

Sec. 47. **RULEMAKING.**

The commissioner of commerce must adopt rules to conform with the changes made to Minnesota Statutes, sections 80A.66 and 80C.05, subdivision 3, in this article with respect to investment adviser registration continuing education and franchise fees deferral, respectively. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 48. **REPEALER.**

(a) Minnesota Statutes 2022, sections 45.014; 239.791, subdivision 3; 559.201; and 559.202, are repealed.

(b) Minnesota Statutes 2022, section 82B.25, is repealed.

(c) Minnesota Statutes 2023 Supplement, section 53B.58, is repealed.

**EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2026.

ARTICLE 2  
MONETARY AND FINANCIAL INSTITUTION POLICY

Section 1. **[46A.01] DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

**Subd. 2. Authorized user.** "Authorized user" means any employee, contractor, agent, or other person who: (1) participates in a financial institution's business operations; and (2) is authorized to access and use any of the financial institution's information systems and data.

**Subd. 3. Commissioner.** "Commissioner" means the commissioner of commerce.

**Subd. 4. Consumer.** (a) "Consumer" means an individual who obtains or has obtained from a financial institution a financial product or service that is used primarily for personal, family, or household purposes, or is used by the individual's legal representative. Consumer includes but is not limited to an individual who:

(1) applies to a financial institution for credit for personal, family, or household purposes, regardless of whether the credit is extended;

(2) provides nonpublic personal information to a financial institution in order to obtain a determination whether the individual qualifies for a loan used primarily for personal, family, or household purposes, regardless of whether the loan is extended;

(3) provides nonpublic personal information to a financial institution in connection with obtaining or seeking to obtain financial, investment, or economic advisory services, regardless of whether the financial institution establishes a continuing advisory relationship with the individual; or

(4) has a loan for personal, family, or household purposes in which the financial institution has ownership or servicing rights, even if the financial institution or one or more other institutions that hold ownership or servicing rights in conjunction with the financial institution hires an agent to collect on the loan.

(b) Consumer does not include an individual who:

(1) is a consumer of another financial institution that uses a different financial institution to act solely as an agent for, or provide processing or other services to, the consumer's financial institution;

(2) designates a financial institution solely for the purposes to act as a trustee for a trust;

(3) is the beneficiary of a trust for which the financial institution serves as trustee; or

(4) is a participant or a beneficiary of an employee benefit plan that the financial institution sponsors or for which the financial institution acts as a trustee or fiduciary.

**Subd. 5. Continuing relationship.** (a) "Continuing relationship" means a consumer:

(1) has a credit or investment account with a financial institution;

(2) obtains a loan from a financial institution;

(3) purchases an insurance product from a financial institution;

(4) holds an investment product through a financial institution, including but not limited to when the financial institution acts as a custodian for securities or for assets in an individual retirement arrangement;

(5) enters into an agreement or understanding with a financial institution whereby the financial institution undertakes to arrange or broker a home mortgage loan, or credit to purchase a vehicle, for the consumer;

(6) enters into a lease of personal property on a nonoperating basis with a financial institution;

(7) obtains financial, investment, or economic advisory services from a financial institution for a fee;

(8) becomes a financial institution's client to obtain tax preparation or credit counseling services from the financial institution;

(9) obtains career counseling while: (i) seeking employment with a financial institution or the finance, accounting, or audit department of any company; or (ii) employed by a financial institution or department of any company;

(10) is obligated on an account that a financial institution purchases from another financial institution, regardless of whether the account is in default when purchased, unless the financial institution does not locate the consumer or attempt to collect any amount from the consumer on the account;

(11) obtains real estate settlement services from a financial institution; or

(12) has a loan for which a financial institution owns the servicing rights.

(b) Continuing relationship does not include situations where:

(1) the consumer obtains a financial product or service from a financial institution only in isolated transactions, including but not limited to: (i) using a financial institution's automated teller machine to withdraw cash from an account at another financial institution; (ii) purchasing a money order from a financial institution; (iii) cashing a check with a financial institution; or (iv) making a wire transfer through a financial institution;

(2) a financial institution sells the consumer's loan and does not retain the rights to service the loan;

(3) a financial institution sells the consumer airline tickets, travel insurance, or traveler's checks in isolated transactions;

(4) the consumer obtains onetime personal or real property appraisal services from a financial institution; or

(5) the consumer purchases checks for a personal checking account from a financial institution.

Subd. 6. **Customer.** "Customer" means a consumer who has a customer relationship with a financial institution.

Subd. 7. **Customer information.** "Customer information" means any record containing nonpublic personal information about a financial institution's customer, whether the record is in paper, electronic, or another form, that is handled or maintained by or on behalf of the financial institution or the financial institution's affiliates.

Subd. 8. **Customer relationship.** "Customer relationship" means a continuing relationship between a consumer and a financial institution under which the financial institution provides to the consumer one or more financial products or services that are used primarily for personal, family, or household purposes.

Subd. 9. **Encryption.** "Encryption" means the transformation of data into a format that results in a low probability of assigning meaning without the use of a protective process or key, consistent with current cryptographic standards and accompanied by appropriate safeguards for cryptographic key material.

Subd. 10. **Federally insured depository financial institution.** "Federally insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits.

**Subd. 11. Financial product or service.** "Financial product or service" means any product or service that a financial holding company could offer by engaging in a financial activity under section 4(k) of the Bank Holding Company Act of 1956, United States Code, title 12, section 1843(k). Financial product or service includes a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service.

**Subd. 12. Financial institution.** "Financial institution" means a consumer small loan lender under section 47.60, a person owning or maintaining electronic financial terminals under section 47.62, a trust company under chapter 48A, a loan and thrift company under chapter 53, a currency exchange under chapter 53A, a money transmitter under chapter 53B, a sales finance company under chapter 53C, a regulated loan lender under chapter 56, a residential mortgage originator or servicer under chapter 58, a student loan servicer under chapter 58B, a credit service organization under section 332.54, a debt management service provider or person providing debt management services under chapter 332A, or a debt settlement service provider or person providing debt settlement services under chapter 332B.

**Subd. 13. Information security program.** "Information security program" means the administrative, technical, or physical safeguards a financial institution uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

**Subd. 14. Information system.** "Information system" means a discrete set of electronic information resources organized to collect, process, maintain, use, share, disseminate, or dispose of electronic information, as well as any specialized system, including but not limited to industrial process controls systems, telephone switching and private branch exchange systems, and environmental controls systems, that contains customer information or that is connected to a system that contains customer information.

**Subd. 15. Multifactor authentication.** "Multifactor authentication" means authentication through verification of at least two of the following factors:

- (1) knowledge factors, including but not limited to a password;
- (2) possession factors, including but not limited to a token; or
- (3) inherence factors, including but not limited to biometric characteristics.

**Subd. 16. Nonpublic personal information.** (a) "Nonpublic personal information" means:

(1) personally identifiable financial information; or

(2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived using personally identifiable financial information that is not publicly available.

(b) Nonpublic personal information includes but is not limited to any list of individuals' names and street addresses that is derived in whole or in part using personally identifiable financial information that is not publicly available, including account numbers.

(c) Nonpublic personal information does not include:

- (1) publicly available information, except as included on a list described in paragraph (a), clause (2);
- (2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived without using any personally identifiable financial information that is not publicly available; or

(3) any list of individuals' names and addresses that contains only publicly available information, is not derived in whole or in part using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any individual on the list is the financial institution's consumer.

Subd. 17. **Notification event.** "Notification event" means the acquisition of unencrypted customer information without the authorization of the individual to which the information pertains. Customer information is considered unencrypted for purposes of this subdivision if the encryption key was accessed by an unauthorized person. Unauthorized acquisition is presumed to include unauthorized access to unencrypted customer information unless the financial institution has reliable evidence showing that there has not been, or could not reasonably have been, unauthorized acquisition of customer information.

Subd. 18. **Penetration testing.** "Penetration testing" means a test methodology in which assessors attempt to circumvent or defeat the security features of an information system by attempting to penetrate databases or controls from outside or inside a financial institution's information systems.

Subd. 19. **Personally identifiable financial information.** (a) "Personally identifiable financial information" means any information:

(1) a consumer provides to a financial institution to obtain a financial product or service;

(2) about a consumer resulting from any transaction involving a financial product or service between a financial institution and a consumer; or

(3) a financial institution otherwise obtains about a consumer in connection with providing a financial product or service to the customer.

(b) Personally identifiable financial information includes:

(1) information a consumer provides to a financial institution on an application to obtain a loan, credit card, or other financial product or service;

(2) account balance information, payment history, overdraft history, and credit or debit card purchase information;

(3) the fact that an individual is or has been a financial institution's customer or has obtained a financial product or service from the financial institution;

(4) any information about a financial institution's consumer, if the information is disclosed in a manner that indicates that the individual is or has been the financial institution's consumer;

(5) any information that a consumer provides to a financial institution or that a financial institution or a financial institution's agent otherwise obtains in connection with collecting on or servicing a credit account;

(6) any information a financial institution collects through an Internet information collecting device from a web server; and

(7) information from a consumer report.

(c) Personally identifiable financial information does not include:

(1) a list of customer names and addresses for an entity that is not a financial institution; and

(2) information that does not identify a consumer, including but not limited to aggregate information or blind data that does not contain personal identifiers, including account numbers, names, or addresses.

**Subd. 20. Publicly available information.** (a) "Publicly available information" means any information that a financial institution has a reasonable basis to believe is lawfully made available to the general public from:

(1) federal, state, or local government records;

(2) widely distributed media; or

(3) disclosures to the general public that are required under federal, state, or local law.

**(b) Publicly available information includes but is not limited to:**

(1) with respect to government records, information in government real estate records and security interest filings; and

(2) with respect to widely distributed media, information from a telephone book, a television or radio program, a newspaper, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, provided that access is available to the general public.

(c) For purposes of this subdivision, a financial institution has a reasonable basis to believe that information is lawfully made available to the general public if the financial institution has taken steps to determine: (1) that the information is of the type that is available to the general public; and (2) whether an individual can direct that the information not be made available to the general public and, if so, that the financial institution's consumer has not directed that the information not be made available to the general public. A financial institution has a reasonable basis to believe that mortgage information is lawfully made available to the general public if the financial institution determines the information is of the type included on the public record in the jurisdiction where the mortgage would be recorded. A financial institution has a reasonable basis to believe that an individual's telephone number is lawfully made available to the general public if the financial institution has located the telephone number in the telephone book or the consumer has informed the financial institution that the telephone number is not unlisted.

**Subd. 21. Qualified individual.** "Qualified individual" means the individual designated by a financial institution to oversee, implement, and enforce the financial institution's information security program.

**Subd. 22. Security event.** "Security event" means an event resulting in unauthorized access to, or disruption or misuse of: (1) an information system or information stored on an information system; or (2) customer information held in physical form.

**Subd. 23. Service provider.** "Service provider" means any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through the service provider's provision of services directly to a financial institution that is subject to this chapter.

## Sec. 2. **[46A.02] SAFEGUARDING CUSTOMER INFORMATION; STANDARDS.**

**Subdivision 1. Information security program.** (a) A financial institution must develop, implement, and maintain a comprehensive information security program.

(b) The information security program must: (1) be written in one or more readily accessible parts; and (2) contain administrative, technical, and physical safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of any customer information at issue.

(c) The information security program must include the elements set forth in section 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as established under subdivision 2.

Subd. 2. **Objectives.** The objectives of this chapter are to:

- (1) ensure the security and confidentiality of customer information;
- (2) protect against any anticipated threats or hazards to the security or integrity of customer information; and
- (3) protect against unauthorized access to or use of customer information that might result in substantial harm or inconvenience to a customer.

Sec. 3. **[46A.03] ELEMENTS.**

Subdivision 1. **Generally.** In order to develop, implement, and maintain an information security program, a financial institution must comply with this section.

Subd. 2. **Qualified individual.** (a) A financial institution must designate a qualified individual responsible for overseeing, implementing, and enforcing the financial institution's information security program. The qualified individual may be employed by the financial institution, an affiliate, or a service provider.

(b) If a financial institution designates an individual employed by an affiliate or service provider as the financial institution's qualified individual, the financial institution must:

- (1) retain responsibility for complying with this chapter;
- (2) designate a senior member of the financial institution's personnel to be responsible for directing and overseeing the qualified individual's activities; and
- (3) require the service provider or affiliate to maintain an information security program that protects the financial institution in a manner that complies with the requirements of this chapter.

Subd. 3. **Security risk assessment.** (a) A financial institution must base the financial institution's information security program on a risk assessment that:

(1) identifies reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and

(2) assesses the sufficiency of any safeguards in place to control the risks identified under clause (1).

(b) The risk assessment must be made in writing and must include:

- (1) criteria to evaluate and categorize identified security risks or threats the financial institution faces;
- (2) criteria to assess the confidentiality, integrity, and availability of the financial institution's information systems and customer information, including the adequacy of existing controls in the context of the identified risks or threats the financial institution faces; and

(3) requirements describing how:

(i) identified risks are mitigated or accepted based on the risk assessment; and

(ii) the information security program addresses the risks.



(c) A financial institution must periodically perform additional risk assessments that:

(1) reexamine the reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and

(2) reassess the sufficiency of any safeguards in place to control the risks identified under clause (1).

Subd. 4. **Risk control.** A financial institution must design and implement safeguards to control the risks the financial institution identifies through the risk assessment under subdivision 3, including by:

(1) implementing and periodically reviewing access controls, including technical and, as appropriate, physical controls to:

(i) authenticate and permit access only to authorized users to protect against the unauthorized acquisition of customer information; and

(ii) limit an authorized user's access to only customer information that the authorized user needs to perform the authorized user's duties and functions or, in the case of a customer, to limit access to the customer's own information;

(2) identifying and managing the data, personnel, devices, systems, and facilities that enable the financial institution to achieve business purposes in accordance with the business purpose's relative importance to business objectives and the financial institution's risk strategy;

(3) protecting by encryption all customer information held or transmitted by the financial institution both in transit over external networks and at rest. To the extent a financial institution determines that encryption of customer information either in transit over external networks or at rest is infeasible, the financial institution may secure the customer information using effective alternative compensating controls that have been reviewed and approved by the financial institution's qualified individual;

(4) adopting: (i) secure development practices for in-house developed applications utilized by the financial institution to transmit, access, or store customer information; and (ii) procedures to evaluate, assess, or test the security of externally developed applications the financial institution uses to transmit, access, or store customer information;

(5) implementing multifactor authentication for any individual that accesses any information system, unless the financial institution's qualified individual has approved in writing the use of a reasonably equivalent or more secure access control;

(6) developing, implementing, and maintaining procedures to securely dispose of customer information in any format no later than two years after the last date the information is used in connection with providing a product or service to the customer to whom the information relates, unless: (i) the information is necessary for business operations or for other legitimate business purposes; (ii) the information is otherwise required to be retained by law or regulation; or (iii) if targeted disposal of the information is not reasonably feasible due to the manner in which the information is maintained;

(7) periodically reviewing the financial institution's data retention policy to minimize the unnecessary retention of data;

(8) adopting procedures for change management; and

(9) implementing policies, procedures, and controls designed to: (i) monitor and log the activity of authorized users; and (ii) detect unauthorized access to, use of, or tampering with customer information by authorized users.

**Subd. 5. Testing and monitoring.** (a) A financial institution must regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures, including the controls, systems, and procedures that detect actual and attempted attacks on, or intrusions into, information systems.

(b) For information systems, monitoring and testing must include continuous monitoring or periodic penetration testing and vulnerability assessments. Absent effective continuous monitoring or other systems to detect on an ongoing basis any changes in information systems that may create vulnerabilities, a financial institution must conduct:

(1) annual penetration testing of the financial institution's information systems, based on relevant identified risks in accordance with the risk assessment; and

(2) vulnerability assessments, including systemic scans or information systems reviews that are reasonably designed to identify publicly known security vulnerabilities in the financial institution's information systems based on the risk assessment, at least every six months, whenever a material change to the financial institution's operations or business arrangements occurs, and whenever the financial institution knows or has reason to know circumstances exist that may have a material impact on the financial institution's information security program.

**Subd. 6. Internal policies and procedures.** A financial institution must implement policies and procedures to ensure that the financial institution's personnel are able to enact the financial institution's information security program by:

(1) providing the financial institution's personnel with security awareness training that is updated as necessary to reflect risks identified by the risk assessment;

(2) utilizing qualified information security personnel employed by the financial institution, an affiliate, or a service provider sufficient to manage the financial institution's information security risks and to perform or oversee the information security program;

(3) providing information security personnel with security updates and training sufficient to address relevant security risks; and

(4) verifying that key information security personnel take steps to maintain current knowledge of changing information security threats and countermeasures.

**Subd. 7. Provider oversight.** A financial institution must oversee service providers by:

(1) taking reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue;

(2) requiring by contract the financial institution's service providers to implement and maintain appropriate safeguards; and

(3) periodically assessing the financial institution's service providers based on the risk the service providers present and the continued adequacy of the service providers' safeguards.

**Subd. 8. Information security program; evaluation; adjustment.** A financial institution must evaluate and adjust the financial institution's information security program to reflect: (1) the results of the testing and monitoring required under subdivision 5; (2) any material changes to the financial institution's operations or business arrangements; (3) the results of risk assessments performed under subdivision 3, paragraph (c); or (4) any other circumstances that the financial institution knows or has reason to know may have a material impact on the financial institution's information security program.

Subd. 9. **Incident response plan.** A financial institution must establish a written incident response plan designed to promptly respond to and recover from any security event materially affecting the confidentiality, integrity, or availability of customer information the financial institution controls. An incident response plan must address:

- (1) the goals of the incident response plan;
- (2) the internal processes to respond to a security event;
- (3) clear roles, responsibilities, and levels of decision making authority;
- (4) external and internal communications and information sharing;
- (5) requirements to remediate any identified weaknesses in information systems and associated controls;
- (6) documentation and reporting regarding security events and related incident response activities; and
- (7) evaluation and revision of the incident response plan as necessary after a security event.

Subd. 10. **Annual report.** (a) A financial institution must require the financial institution's qualified individual to report at least annually in writing to the financial institution's board of directors or equivalent governing body. If a board of directors or equivalent governing body does not exist, the report under this subdivision must be timely presented to a senior officer responsible for the financial institution's information security program.

(b) The report made under this subdivision must include the following information:

- (1) the overall status of the financial institution's information security program, including compliance with this chapter and associated administrative rules; and
- (2) material matters related to the financial institution's information security program, including but not limited to addressing issues pertaining to: (i) the risk assessment; (ii) risk management and control decisions; (iii) service provider arrangements; (iv) testing results; (v) security events or violations and management's responses to the security event or violation; and (vi) recommendations for changes in the information security program.

Subd. 11. **Business continuity; disaster recovery.** A financial institution must establish a written plan addressing business continuity and disaster recovery.

Sec. 4. **[46A.04] EXCEPTIONS AND EXEMPTIONS.**

(a) The requirements under section 46A.03, subdivisions 3; 5, paragraph (a); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than 5,000 consumers.

(b) This chapter does not apply to credit unions or federally insured depository institutions.

Sec. 5. **[46A.05] ALTERATION OF FEDERAL REGULATION.**

(a) If an amendment to Code of Federal Regulations, title 16, part 314, results in a complete lack of federal regulations in the area, the version of the state requirements in effect at the time of the amendment remain in effect for two years from the date the amendment becomes effective.

(b) During the time period under paragraph (a), the department must adopt replacement administrative rules as necessary and appropriate.

Sec. 6. **[46A.06] NOTIFICATION EVENT.**

Subdivision 1. Notification requirement. (a) Upon discovering a notification event as described in subdivision 2, if the notification event involves the information of at least 500 consumers, a financial institution must notify the commissioner without undue delay, but no later than 45 days after the date the event is discovered. The notice must be made (1) in a format specified by the commissioner, and (2) electronically on a form located on the department's website.

(b) The notice must include:

(1) the name and contact information of the reporting financial institution;

(2) a description of the types of information involved in the notification event;

(3) if possible to determine, the date or date range of the notification event;

(4) the number of consumers affected or potentially affected by the notification event;

(5) a general description of the notification event; and

(6) a statement (i) disclosing whether a law enforcement official has provided the financial institution with a written determination indicating that providing notice to the public regarding the breach would impede a criminal investigation or cause damage to national security, and (ii) if a written determination described under item (i) was provided to the financial institution, providing contact information that enables the commissioner to contact the law enforcement official. A law enforcement official may request an initial delay of up to 45 days following the date that notice was provided to the commissioner. The delay may be extended for an additional period of up to 60 days if the law enforcement official seeks an extension in writing. An additional delay may be permitted only if the commissioner determines that public disclosure of a security event continues to impede a criminal investigation or cause damage to national security.

Subd. 2. Notification event treated as discovered. A notification event must be treated as discovered on the first day when the event is known to a financial institution. A financial institution is deemed to have knowledge of a notification event if the event is known to any person, other than the person committing the breach, who is the financial institution's employee, officer, or other agent.

Sec. 7. **[46A.07] COMMISSIONER'S POWERS.**

(a) The commissioner has the power to examine and investigate the affairs of any covered financial institution to determine whether the financial institution has been or is engaged in any conduct that violates this chapter. This power is in addition to the powers granted to the commissioner under section 46.01.

(b) If the commissioner has reason to believe that a financial institution has been or is engaged in conduct in Minnesota that violates this chapter, the commissioner may take action necessary or appropriate to enforce this chapter.

Sec. 8. **[46A.08] CONFIDENTIALITY.**

Subdivision 1. Information sharing. In order to assist in the performance of the commissioner's duties under sections 46A.01 to 46A.08, the commissioner may:

(1) share documents, materials, or other information, including confidential and privileged documents, with other state, federal, and international regulatory agencies, with the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and must maintain as confidential or privileged any document, material, or information received with notice or the understanding that the document, material, or information is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) share documents, materials, or other information with a third-party consultant or vendor, provided the consultant agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information; and

(4) enter into agreements governing the sharing and use of information that are consistent with this subdivision.

Subd. 2. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the commissioner from releasing final, adjudicated actions that are open to public inspection pursuant to chapter 13 to a database or other clearinghouse service maintained by the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates, or the Conference of State Bank Supervisors' subsidiaries.

Sec. 9. Minnesota Statutes 2022, section 47.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$300,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than ~~\$100,000~~ or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall

constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a common interest community, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 10. Minnesota Statutes 2022, section 47.54, subdivision 2, is amended to read:

Subd. 2. **Approval order.** (a) If no objection is received by the commissioner within 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must provide written consent approving the application without a hearing if ~~it is found~~ the commissioner finds that ~~(a)~~: (1) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition; ~~(b)~~; (2) the establishment of the proposed detached facility ~~will improve~~ improves the quality or increase the availability of banking services in the community to be served; and ~~(c)~~ (3) the establishment of the proposed detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served.

~~Otherwise,~~ (b) The commissioner ~~shall~~ must deny ~~the~~ an application that does not meet the criteria under paragraph (a), clauses (1) to (3).

(c) Any proceedings for judicial review of ~~an order of~~ written consent provided by the commissioner ~~issued~~ under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Sec. 11. Minnesota Statutes 2022, section 47.54, subdivision 6, is amended to read:

Subd. 6. **Expiration and extension of ~~order approval~~.** If a facility is not activated within 18 months from the date of ~~the order approval is granted under subdivision 2,~~ the approval ~~order~~ automatically expires. Upon a request ~~of made by~~ the applicant ~~prior to before~~ the ~~automatic expiration~~ date of the ~~order approval expires,~~ the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's ~~order approval~~ is the subject of an appeal in accordance with chapter 14, the time period referred to in this section ~~for activation of~~ to activate the facility and any extensions ~~shall begin~~ begins when all appeals or rights of appeal from the commissioner's ~~order approval~~ have concluded or expired.

Sec. 12. Minnesota Statutes 2023 Supplement, section 47.59, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) Extensions of credit or purchases of extensions of credit by financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, 48.153, 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061 to 334.19 may, but need not, be made according to those sections in lieu of the authority set forth in this section to the extent those sections authorize the financial institution to make extensions of credit or purchase extensions of credit under those sections. If a financial institution elects to make an extension of credit or to purchase an extension of credit under those other sections, the extension of credit or the purchase of an extension of credit is subject to those sections and not this section, except this subdivision, and except as expressly provided in those sections. A financial institution may also charge an organization a rate of interest and any charges agreed to by the organization and may calculate and collect finance and other charges in any manner agreed to by that organization. Except for extensions of credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022, 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made according to this section or the sections listed in this subdivision. This subdivision does not authorize a financial institution to extend credit or purchase an extension of credit under any of the sections listed in this subdivision if the financial institution is not authorized to do so under those sections. A financial institution extending credit under any of the sections listed in this subdivision shall specify in the promissory note, contract, or other loan document the section under which the extension of credit is made.

(b) In accordance with section 525 of the federal Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, the legislature declares that the state of Minnesota does not want the amendments to the Federal Deposit Insurance Act, United States Code, title 12, section 1811, et seq., the federal National Housing Act, United States Code, title 12, section 1701, et seq., and the Federal Credit Union Act, United States Code, title 12, section 1751, et seq., made by sections 521 to 523 of the federal Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, prescribing interest rates and preempting state interest rates to apply to consumer loans made in Minnesota. Consumer loans made in Minnesota are subject to the rates established in this section and as otherwise provided by the laws of Minnesota.



(c) A consumer loan is deemed to be made in Minnesota and is subject to this section and other applicable laws of Minnesota if the borrower is a Minnesota resident and the borrower completes the transaction, either personally or electronically, while physically located in Minnesota.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to loans executed on or after that date.

Sec. 13. Minnesota Statutes 2022, section 47.59, subdivision 3, is amended to read:

Subd. 3. **Finance charge for loans.** (a) With respect to a loan, including a loan pursuant to open-end credit but excluding open-end credit pursuant to a credit card, a financial institution may contract for and receive a finance charge on the unpaid balance of the principal amount not to exceed the greater of:

- (1) an annual percentage rate not exceeding 21.75 percent; or
- (2) the total of:
  - (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$1,350; and
  - (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$1,350.

With respect to open-end credit pursuant to a credit card, the financial institution may contract for and receive a finance charge on the unpaid balance of the principal amount at an annual percentage rate not exceeding 18 percent per year or, if the financial institution is an out-of-state bank, as defined in section 48.92, or out-of-state credit union, as defined in section 52.001, the rate allowed by the financial institution's home state, if that rate exceeds 18 percent per year.

(b) On a loan where the finance charge is calculated according to the method provided for in paragraph (a), clause (2), the finance charge must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest one-tenth of one percent that would earn the same total finance charge at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (2), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) With respect to a loan, the finance charge must be considered not to exceed the maximum annual percentage rate permitted under this section if the finance charge contracted for and received does not exceed the equivalent of the maximum annual percentage rate calculated in accordance with Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided in this section.

(d) This subdivision does not limit or restrict the manner of calculating the finance charge, whether by way of add-on, discount, discount points, precomputed charges, single annual percentage rate, variable rate, interest in advance, compounding, average daily balance method, or otherwise, if the annual percentage rate does not exceed that permitted by this section. Discount points permitted by this paragraph and not collected but included in the principal amount must not be included in the amount on which credit insurance premiums are calculated and charged.

(e) With respect to a loan secured by real estate, if a finance charge is calculated or collected in advance, or included in the principal amount of the loan, and the borrower prepays the loan in full, the financial institution shall credit the borrower with a refund of the charge to the extent that the annual percentage rate yield on the loan would exceed the maximum rate permitted under paragraph (a), taking into account the prepayment. The refund need not be made if it would be less than \$9.00.

(f) With respect to all other loans, if the finance charge is calculated or collected in advance, or included in the principal amount of the loan, and the borrower prepays the loan in full, the financial institution shall credit the borrower with a refund of the charge to the extent the annual percentage rate yield on the loan would exceed the annual percentage rate on the loan as originally determined under paragraph (a) and taking into account the prepayment. The refund need not be made if it would be less than \$9.00.

(g) For the purpose of calculating the refund under this subdivision, the financial institution may assume that the contract was paid before the date of prepayment according to the schedule of payments under the loan and that all payments were paid on their due dates.

(h) For loans repayable in substantially equal successive monthly installments, the financial institution may calculate the refund under paragraph (f) as the portion of the finance charge allocable on an actuarial basis to all wholly unexpired payment periods following the date of prepayment, based on the annual percentage rate on the loan as originally determined under paragraph (a), and for the purpose of calculating the refund may assume that all payments are made on the due date.

(i) The dollar amounts in this subdivision, subdivision 6, paragraph (a), clause (4), and the dollar amount of original principal amount of closed-end credit in subdivision 6, paragraph (d), shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross domestic product, 2005 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December 2011 is the reference base index for adjustments of dollar amounts.

(j) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more; but

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1995, chapter 202, on May 24, 1995; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1995, chapter 202, as a result of earlier application of this section.

(k) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the Department of Commerce. If the index is superseded, the index referred to in this section is the one represented by the Department of Commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(l) The commissioner shall:

(1) announce and publish on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (j);

(2) announce and publish promptly after the changes occur, changes in the index required by paragraph (k) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index; and

(3) promptly notify the revisor of statutes in writing of the changes announced and published by the commissioner pursuant to clauses (1) and (2). The revisor shall publish the changes in the next edition of Minnesota Statutes.

(m) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if that person relies on dollar amounts either determined according to paragraph (j), clause (2), or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(n) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to loans executed on or after that date.

Sec. 14. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus made upon first mortgage security on improved real estate in any state in which the bank or a ~~branch established under section 49.411 detached facility of the bank~~ is located, or in any state adjoining a state in which the bank or a ~~branch established under section 49.411 detached facility of the bank~~ is located, shall not constitute a liability of the maker of the notes secured by such mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of the maker. These mortgage loans shall be limited to, and in no case exceed, 50 percent of the cash value of the security covered by the mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee or for which a conditional guarantee has been issued, which loans shall in no case exceed 60 percent of the cash value of the security covered by such mortgage. For the purposes of this subdivision, real estate is improved when substantial and permanent development or construction has contributed substantially to its value, and agricultural land is improved when farm crops are regularly raised on such land without further substantial improvements.

Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of a string of characters that act as a record of and provide proof that the transaction was verified and added to the blockchain.

Sec. 16. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric identifier representing a destination for a virtual currency transfer that is associated with a virtual currency wallet.

Sec. 17. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal acting as a mechanical agent of the virtual currency kiosk operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency, including but not limited to by (1) connecting directly to a separate virtual currency exchanger that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.

Sec. 18. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 11. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means a corporation, limited liability company, limited liability partnership, foreign entity, or any other person or entity qualified to do business in Minnesota that operates a virtual currency kiosk within Minnesota.

Sec. 19. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 12. **Virtual currency wallet.** "Virtual currency wallet" means a software application or other mechanism providing a means to hold, store, or transfer virtual currency.

Sec. 20. **[53B.75] VIRTUAL CURRENCY KIOSKS.**

Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose in clear, conspicuous, and legibly written English all material risks generally associated with virtual currency. The disclosures must be displayed on the screen of the virtual currency kiosk with the ability for a person to acknowledge the receipt of the disclosures. The disclosures must include at least the following information:

(1) virtual currency is not legal tender, backed or insured by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation protections;

(2) some virtual currency transactions are deemed to be made when recorded on a public ledger, which may not be the date or time when the person initiates the transaction;

(3) virtual currency's value may be derived from market participants' continued willingness to exchange fiat currency for virtual currency, which may result in the permanent and total loss of a particular virtual currency's value if the market for virtual currency disappears;

(4) a person who accepts a virtual currency as payment today is not required to accept and might not accept virtual currency in the future;

(5) the volatility and unpredictability of the price of virtual currency relative to fiat currency may result in a significant loss over a short period;

(6) the nature of virtual currency may lead to an increased risk of fraud or cyber attack;

(7) the nature of virtual currency means that any technological difficulties experienced by virtual currency kiosk operators may prevent access to or use of a person's virtual currency; and

(8) any bond maintained by the virtual currency kiosk operator for the benefit of a person may not cover all losses a person incurs.

(b) The virtual currency kiosk operator must provide an additional disclosure, which must be acknowledged by the person, written prominently and in bold type, and provided separately from the disclosures above, stating: "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS MAY NOT BE RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE."

Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual currency. A virtual currency kiosk operator must make the disclosures in clear, conspicuous, and legibly written English, using at least 48-point sans serif type font. The disclosures under this subdivision must address at least the following:

(1) the person's liability for unauthorized virtual currency transactions;

(2) the person's right to:

(i) stop payment of a virtual currency transfer and the procedure to stop payment;

(ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of the transaction; and

(iii) prior notice of a change in the virtual currency kiosk operator's rules or policies;

(3) under what circumstances the virtual currency kiosk operator, without a court or government order, discloses a person's account information to third parties; and

(4) other disclosures that are customarily provided in connection with opening a person's account.

(b) Before each virtual currency transaction for, on behalf of, or with a person, a virtual currency kiosk operator must disclose the transaction's terms and conditions in clear, conspicuous, and legibly written English, using at least 48-point sans serif type font. The disclosures under this subdivision must address at least the following:

(1) the amount of the transaction;

(2) any fees, expenses, and charges, including applicable exchange rates;

- (3) the type and nature of the transaction;
- (4) a warning that once completed, the transaction may not be reversed;
- (5) a daily virtual currency transaction limit of no more than \$3,000;
- (6) the difference in the virtual currency's sale price compared to the current market price; and
- (7) other disclosures that are customarily given in connection with a virtual currency transaction.

**Subd. 3. Acknowledgment of disclosures.** Before completing the transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all the disclosures required under this section via a confirmation of consent. Additionally, upon a transaction's completion, the virtual currency operator must provide a person with a physical receipt, or the person may choose to have a virtual receipt sent to the person's email address, containing the following information:

- (1) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;
- (2) the type, value, date, and precise time of the transaction, transactional hash, and each virtual currency address;
- (3) the fees charged;
- (4) the exchange rate;
- (5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed delivery;
- (6) a statement of the virtual currency kiosk operator's refund policy; and
- (7) any additional information the commissioner of commerce may require.

**Subd. 4. Cancellation and refund.** A virtual currency kiosk operator must, at the virtual currency kiosk operator's cost and within 72 hours after a virtual currency transaction, allow the person to cancel and receive a full refund for the virtual currency transaction if the virtual currency transaction is:

- (1) the person's first virtual currency transaction with the virtual currency kiosk operator; or
- (2) to a virtual currency wallet or exchange located outside of the United States.

Sec. 21. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to read:

**Subd. 15a. Nationwide Multistate Licensing System and Registry.** "Nationwide Multistate Licensing System and Registry" has the meaning given in section 58A.02, subdivision 8.

Sec. 22. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

**Subd. 18. Residential mortgage loan.** "Residential mortgage loan" means a loan secured primarily by either: (1) a mortgage, deed of trust, or other equivalent security interest on residential real ~~property~~ estate; or (2) certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real ~~property~~ estate.

Sec. 23. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

Subd. 21. **Residential real estate.** "Residential real estate" means real property located in Minnesota upon which a dwelling, as defined in United States Code, title 15, section 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies the real property.

Sec. 24. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

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

(b) A licensee must be either a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and must have and maintain a surety bond in the amounts prescribed under section 58.08.

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

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

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

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

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

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

(6) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, adopted pursuant to Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii);

~~(7)~~ (7) a person exempted by order of the commissioner; or

~~(8)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b, or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

(i) performs only clerical or support duties in connection with assisting a consumer in filling out a residential mortgage loan application but does not in any way offer or negotiate loan terms, or hold themselves out as a housing counselor;

(ii) does not receive any direct or indirect compensation or gain from any individual or company for assisting consumers with a residential mortgage loan application, in excess of the customary salary or commission from the employer in connection with the sales transaction; and

(iii) discloses to the borrower in writing:

(A) if a corporate affiliation with a lender exists;

(B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the lowest or best terms available and the consumer has the right to choose their lender; and

(C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated lender.

(d) For the purposes of this subdivision, "housing counselor" means an individual who provides assistance and guidance about residential mortgage loan terms including rates, fees, or other costs.

(e) The disclosures required under paragraph (c), clause ~~(7)~~ (8), item (iii), must be made on a one-page form prescribed by the commissioner and developed in consultation with the Manufactured and Modular Home Association. The form must be posted on the department's website.

Sec. 25. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August 1, 1999, no person shall engage in activities or practices that fall within the definition of "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) The following persons are exempt from the residential mortgage servicer licensing requirements:

(1) a person licensed as a residential mortgage originator;

(2) an employee of one licensee or one person holding a certificate of exemption based on an exemption under this subdivision;

(3) a person servicing loans made with its own funds, if no more than three such loans are made in any 12-month period;

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

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

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

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

(8) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii); or

~~(8)~~ (9) a person exempted by order of the commissioner.

Sec. 26. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

Subdivision 1. **Exempt person.** (a) An exempt person, as defined by section 58.04, subdivision 1, paragraph (c), and subdivision 2, paragraph (b), is exempt from the licensing requirements of this chapter, but is subject to all other provisions of this chapter.

(b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision 4, even if the institution is otherwise an exempt person.

Sec. 27. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 1, paragraph (c), ~~a financial institution under clause (2);~~

(1) a bona fide nonprofit organization under section 58.04, subdivision 1, paragraph (c), clause (6); or

(2) a person exempted by order of the commissioner under section 58.04, subdivision 1, paragraph (c), clause (6); or (7).

(b) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b); as a financial institution under clause (4);:

(1) a bona fide nonprofit organization under section 58.04, subdivision 2, paragraph (b), clause (8); or

(2) a person exempted by order of the commissioner under section 58.04, subdivision 2, paragraph (b), clause (8) (9).

Sec. 28. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 5. **Background checks.** In connection with an application for a residential mortgage loan originator or servicer license, any person in control of an applicant must, at a minimum, provide the Nationwide Multistate Licensing System and Registry information concerning the person's identity, including:

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

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

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

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

Sec. 29. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 6. **Requesting and distributing criminal information; agency.** For the purposes of this section and in order to reduce the points of contact the Federal Bureau of Investigation may have to maintain for purposes of subdivision 5, clauses (1) and (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request information from and distribute information to the United States Department of Justice or any governmental agency.

Sec. 30. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 7. **Requesting and distributing noncriminal information; agency.** For the purposes of this section and in order to reduce the points of contact the commissioner may have to maintain for purposes of subdivision 5, clause (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request and distribute information from and to any source, as directed by the commissioner.

Sec. 31. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

Subd. 1a. **Residential mortgage originators.** (a) An applicant for a residential mortgage originator license must file with the department a surety bond in the amount of ~~\$100,000~~ \$125,000, issued by an insurance company authorized to do so in this state. The bond must cover all mortgage loan originators who are employees or independent agents of the applicant. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers as a result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.



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

(c) Upon filing of the mortgage call report as required by section ~~58A.17~~ 58.141, a licensee shall maintain or increase ~~its~~ the licensee's surety bond to reflect the total dollar amount of the closed residential mortgage loans originated in this state in the preceding year according to the table in this paragraph. A licensee may decrease ~~its~~ the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

Dollar Amount of Closed Residential Mortgage Loans	Surety Bond Required
\$0 to <del>\$5,000,000</del> <u>\$10,000,000</u>	<del>\$100,000</del> <u>\$125,000</u>
<del>\$5,000,000.01</del> <u>\$10,000,000.01 to \$10,000,000</u> <u>\$25,000,000</u>	<del>\$125,000</del> <u>\$150,000</u>
<del>\$10,000,000.01</del> <u>\$25,000,000.01 to \$25,000,000</u> <u>\$100,000,000</u>	<del>\$150,000</del> <u>\$200,000</u>
Over <del>\$25,000,000</del> <u>\$100,000,000</u>	<del>\$200,000</del> <u>\$300,000</u>

For purposes of this subdivision, "mortgage loan originator" has the meaning given the term in section 58A.02, subdivision 7.

Sec. 32. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicers.** (a) A residential mortgage servicer licensee shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than ~~\$100,000~~ \$125,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter, and for losses or damages incurred by borrowers or other aggrieved parties as the result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond or irrevocable letter of credit must be submitted with the servicer's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond must remain in effect during all periods of a license.

(c) Upon filing the mortgage call report under section 58.141, a licensee must maintain or increase the licensee's surety bond to reflect the total dollar amount of unpaid principal balance for residential mortgage loans serviced in Minnesota during the preceding quarter according to the table in this paragraph. A licensee may decrease the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

<u>Dollar Amount of Unpaid Principal Balance for Serviced Residential Mortgage Loans</u>	<u>Surety Bond Required</u>
<u>\$0 to \$10,000,000</u>	<u>\$125,000</u>
<u>\$10,000,000.01 to \$50,000,000</u>	<u>\$200,000</u>
<u>Over \$50,000,000</u>	<u>\$300,000</u>

Sec. 33. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

Subd. 3. **Consumer education account; money credited and appropriated.** (a) The consumer education account is created in the special revenue fund. Money credited to this account may be appropriated to the commissioner ~~for the purpose of making~~ to: (1) make grants to programs and campaigns designed to help

consumers avoid being victimized by unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner incurs to provide outreach and education related to affordable housing and home ownership education. The commissioner must give preference ~~shall be given~~ for grants to programs and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies, institutions, companies, and organizations.

(b) A sum sufficient is appropriated annually from the consumer education account to the commissioner to make the grants described in paragraph (a).

Sec. 34. Minnesota Statutes 2022, 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. In addition to the powers under section 46.04, the commissioner may accept examination reports prepared by a state agency that has comparable supervisory powers and examination procedures. The authority under section 49.411, subdivision 7, applies to examinations of institutions under this chapter.

Sec. 35. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall:

- (1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;
- (2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;
- (3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, paragraph (d);
- (4) fail to disburse funds according to its contractual or statutory obligations;
- (5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;
- (6) charge a fee for a product or service where the product or service is not actually provided, or misrepresent the amount charged by or paid to a third party for a product or service;
- (7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property law;
- (8) violate any provision of any other applicable state or federal law regulating residential mortgage loans including, without limitation, sections 47.20 to 47.208 and 47.58;
- (9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading statement or representation in connection with a residential loan transaction including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any mortgage product;
- (10) conduct residential mortgage loan business under any name other than that under which the license or certificate of exemption was issued;

(11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for the purpose of influencing the independent judgment of the appraiser with respect to the value of real estate that is to be covered by a residential mortgage or is being offered as security according to an application for a residential mortgage loan;

(12) issue any document indicating conditional qualification or conditional approval for a residential mortgage loan, unless the document also clearly indicates that final qualification or approval is not guaranteed, and may be subject to additional review;

(13) make or assist in making any residential mortgage loan with the intent that the loan will not be repaid and that the residential mortgage originator will obtain title to the property through foreclosure;

(14) provide or offer to provide for a borrower, any brokering or lending services under an arrangement with a person other than a licensee or exempt person, provided that a person may rely upon a written representation by the residential mortgage originator that it is in compliance with the licensing requirements of this chapter;

(15) claim to represent a licensee or exempt person, unless the person is an employee of the licensee or exempt person or unless the person has entered into a written agency agreement with the licensee or exempt person;

(16) fail to comply with the record keeping and notification requirements identified in section 58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan;

For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure;

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case;

(22) violate section 82.77, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan all or a portion of the proceeds of which are used to fully or partially pay off a "special mortgage" unless the borrower has obtained a written certification from an authorized independent loan counselor that the borrower has received counseling on the advisability of the loan transaction. For purposes of this section, "special mortgage" means a residential mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, that bears one or more of the following nonstandard payment terms which substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or interest are not required or can be deferred under specified conditions; (iii) principal or interest is forgivable under specified conditions; or (iv) where no interest or an annual interest rate of two percent or less is charged in connection with the loan. For purposes of this section, "authorized independent loan counselor" means a nonprofit, third-party individual or organization providing home buyer education programs, foreclosure prevention services, mortgage loan counseling, or credit counseling certified by the United States Department of Housing and Urban Development, the Minnesota Home Ownership Center, the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks America;

(24) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the scheduled payments of the following, as applicable: principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage insurance premiums. For loans in which the interest rate may vary, the reasonable ability to pay shall be determined based on a fully indexed rate and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents.

Nothing in this section shall be construed to limit a mortgage originator's or exempt person's ability to rely on criteria other than the borrower's income and financial resources to establish the borrower's reasonable ability to repay the residential mortgage loan, including criteria established by the United States Department of Veterans Affairs or the United States Department of Housing and Urban Development for interest rate reduction refinancing loans or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; however, such other criteria must be verified through reasonably reliable methods and documentation. The mortgage originator's analysis of the borrower's reasonable ability to repay may include, but is not limited to, consideration of the following items, if verified: (1) the borrower's current and expected income; (2) current and expected cash flow; (3) net worth and other financial resources other than the consumer's equity in the dwelling that secures the loan; (4) current financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7) employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax returns; (12) pension statements; and (13) employment payment records, provided that no mortgage originator shall disregard facts and circumstances that indicate that the financial or other information submitted by the consumer is inaccurate or incomplete. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources or sole reliance on any single item listed above is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay;

(25) engage in "churning." As used in this section, "churning" means knowingly or intentionally making, providing, or arranging for a residential mortgage loan when the new residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances; In order to demonstrate a reasonable, tangible net benefit to the borrower, the circumstances at the time of the application must be documented in writing and must be signed by the borrower prior to the closing date;

(26) the first time a residential mortgage originator orally informs a borrower of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan which does not include an amount for payment of property taxes and hazard insurance, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic payments for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that the borrower's existing loan that is anticipated to be refinanced does not have an escrow account; or

(27) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance with any repayment option offered pursuant to the terms of the loan will result in negative amortization during any six-month period.

(b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered bank, savings bank, or credit union, an institution chartered by Congress under the Farm Credit Act, or to a person making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government. This paragraph supersedes any inconsistent provision of this chapter.

Sec. 36. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

**Subdivision 1. Mortgage call reports.** A residential mortgage originator or servicer must submit reports of condition to the Nationwide Multistate Licensing System and Registry. Reports submitted under this subdivision must be in the form and contain the information required by the Nationwide Multistate Licensing System and Registry.

**Subd. 2. Report to Nationwide Multistate Licensing System and Registry.** Subject to section 58A.14, the commissioner must regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the Nationwide Multistate Licensing System and Registry.

**Subd. 3. Unique identifier; display.** The unique identifier of any person originating a residential mortgage loan must be clearly displayed on all residential mortgage loan application forms, solicitations, or advertisements, including business cards or websites, and any other documents the commissioner establishes by rule or order.

Sec. 37. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended to read:

Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's name that has been incurred as a result of:

- (1) the use of the debtor's personal information without the debtor's knowledge, authorization, or consent;
  - (2) the use or threat of force, intimidation, undue influence, ~~harassment~~, fraud, deception, coercion, or other similar means against the debtor; or
  - (3) economic abuse perpetrated against the debtor.
- (b) Coerced debt does not include secured debt.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 38. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended to read:

Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse, ~~harassment~~ economic abuse, or sex or labor trafficking, and (2) owes coerced debt.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 39. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended to read:

Subd. 5. **Documentation.** "Documentation" means ~~a writing that identifies a debt or a portion of a debt as coerced debt, describes the circumstances under which the coerced debt was incurred, and takes the form of:~~

- (1) a police report;
- (2) a Federal Trade Commission identity theft report;

- (3) an order in a dissolution proceeding under chapter 518 that declares that one or more debts are coerced; or
- (4) a sworn written certification.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 40. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended to read:

Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic relationship that controls, restrains, restricts, impairs, or interferes with the ability of a ~~victim of domestic abuse, harassment, or sex or labor trafficking~~ debtor to acquire, use, or maintain economic resources, including but not limited to:

- (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or financial information;
- (2) interfering with the victim's ability to work and earn wages; or
- (3) exerting undue influence over a person's financial and economic behavior or decisions.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 41. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

**332.72 COERCED DEBT PROHIBITED.**

(a) A person is prohibited from causing another person to incur coerced debt.

(b) A person who causes another person to incur a coerced debt in violation of this section is civilly liable to the creditor for the amount of the debt, or portion of the debt, determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and costs, provided the creditor follows the procedures under section 332.74, subdivision 3, paragraph (b).

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 42. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74, a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on which the creditor demands payment is coerced debt and request that the creditor cease all collection activity on the coerced debt. The notification and request must be in writing and include documentation. If not already included in documentation, the notification must include a signed statement that includes:

- (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or labor trafficking;
- (2) a recitation of the facts supporting the claim that the debt is coerced; and
- (3) if only a portion of the debt is claimed to be coerced debt, an itemization of the portion of the debt that is claimed to be coerced debt.

(b) The creditor, within 30 days of the date the notification and request is received, must notify the debtor in writing of the creditor's decision to either immediately cease all collection activity or continue to pursue collection. If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.

~~(b) If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.~~

(c) A debtor must not proceed with an action under section 332.74 until the 30-day period provided under paragraph (a) has expired.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 43. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended to read:

Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced debt, the debtor is entitled to one or more of the following:

(1) a declaratory judgment that the debt or portion of a debt is coerced debt;

(2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced debt; and

(3) an order dismissing any cause of action brought by the creditor to enforce or collect the coerced debt from the debtor or, if only a portion of the debt is established as coerced debt, an order directing that the judgment, if any, in the action be amended to reflect only the portion of the debt that is not coerced debt.

(b) If the court orders relief for the debtor under paragraph (a), the court, after the creditor's motion has been personally served on the person who violated section 332.72, or if personal service cannot be made, after service by United States mail to the last known address of the person who violated section 332.72 and one-week published notice under section 645.11, shall must issue a judgment in favor of the creditor against the person in the amount of the debt or a portion thereof.

(c) This subdivision applies regardless of the judicial district in which the creditor's action or the debtor's petition was filed.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 44. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended to read:

Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced debt has been ~~criminally convicted, entered a guilty plea, or entered an Alford plea under~~ of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or 609.527.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 45. **[332C.01] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Collecting party.** "Collecting party" means a party engaged in the collection of medical debt. Collecting party does not include banks, credit unions, public officers, garnishees, and other parties complying with a court order or statutory obligation to garnish or levy a debtor's property.

Subd. 3. **Debtor.** "Debtor" means a person obligated or alleged to be obligated to pay any debt.

Subd. 4. **Medical debt.** "Medical debt" means debt incurred primarily for medically necessary health treatment or services. Medical debt does not include debt charged to a credit card unless the credit card is issued under a credit plan offered solely for the payment of health care treatment or services.

Subd. 5. **Medically necessary.** "Medically necessary" has the meaning given in section 62J.805, subdivision 6.

Subd. 6. **Person.** "Person" means any individual, partnership, association, or corporation.

Sec. 46. **[332C.02] PROHIBITED PRACTICES.**

No collecting party shall:

(1) in a collection letter, publication, invoice, or any oral or written communication, threaten wage garnishment or legal suit by a particular lawyer, unless the collecting party has actually retained the lawyer to do so;

(2) use or employ sheriffs or any other officer authorized to serve legal papers in connection with the collection of a claim, except when performing legally authorized duties;

(3) use or threaten to use methods of collection which violate Minnesota law;

(4) furnish legal advice to debtors or represent that the collecting party is competent or able to furnish legal advice to debtors;

(5) communicate with debtors in a misleading or deceptive manner by falsely using the stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare, or instruments which simulate the form and appearance of judicial process;

(6) publish or cause to be published any list of debtors, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, or use similar devices or methods of intimidation;

(7) operate under a name or in a manner which falsely implies the collecting party is a branch of or associated with any department of federal, state, county, or local government or an agency thereof;

(8) transact business or hold itself out as a debt settlement company, debt management company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or liquidation is done pursuant to a court order or under the supervision of a creditor's committee;

(9) unless an exemption in the law exists, violate Code of Federal Regulations, title 12, part 1006, while attempting to collect on any account, bill, or other indebtedness. For purposes of this section, Public Law 95-109, and Code of Federal Regulations, title 12, part 1006, apply to collecting parties;

(10) communicate with a debtor by use of an automatic telephone dialing system or an artificial or prerecorded voice after the debtor expressly informs the collecting party to cease communication utilizing an automatic telephone dialing system or an artificial or prerecorded voice. For purposes of this clause, an automatic telephone dialing system or an artificial or prerecorded voice includes but is not limited to (i) artificial intelligence chatbots, and (ii) the usage of the term under the Telephone Consumer Protection Act, United States Code, title 47, section 227(b)(1)(A);

(11) in collection letters or publications, or in any oral or written communication, imply or suggest that medically necessary health treatment or services will be denied as a result of a medical debt;



(12) when a debtor has a listed telephone number, enlist the aid of a neighbor or third party to request that the debtor contact the collecting party, except a person who resides with the debtor or a third party with whom the debtor has authorized with the collecting party to place the request. This clause does not apply to a callback message left at the debtor's place of employment which is limited solely to the collecting party's telephone number and name;

(13) when attempting to collect a medical debt, fail to provide the debtor with the full name of the collecting party, as registered with the secretary of state;

(14) fail to return any amount of overpayment from a debtor to the debtor or to the state of Minnesota pursuant to the requirements of chapter 345;

(15) accept currency or coin as payment for a medical debt without issuing an original receipt to the debtor and maintain a duplicate receipt in the debtor's payment records;

(16) attempt to collect any amount, including any interest, fee, charge, or expense incidental to the charge-off obligation, from a debtor unless the amount is expressly authorized by the agreement creating the medical debt or is otherwise permitted by law;

(17) falsify any documents with the intent to deceive;

(18) when initially contacting a Minnesota debtor by mail to collect a medical debt, fail to include a disclosure on the contact notice, in a type size or font which is equal to or larger than the largest other type of type size or font used in the text of the notice, that includes and identifies the Office of the Minnesota Attorney General's general telephone number, and states: "You have the right to hire your own attorney to represent you in this matter.";

(19) commence legal action to collect a medical debt outside the limitations period set forth in section 541.053;

(20) report to a credit reporting agency any medical debt which the collecting party knows or should know is or was originally owed to a health care provider, as defined in section 62J.805, subdivision 2; or

(21) challenge a debtor's claim of exemption to garnishment or levy in a manner that is baseless, frivolous, or otherwise in bad faith.

Sec. 47. **[332C.03] MEDICAL DEBT REPORTING PROHIBITED.**

(a) A collecting party is prohibited from reporting medical debt to a consumer reporting agency.

(b) A consumer reporting agency is prohibited from making a consumer report containing an item of information that the consumer reporting agency knows or should know concerns:

(1) medical information; or

(2) debt arising from:

(i) the provision of medical care, treatment, services, devices, medicines; or

(ii) procedures to maintain, diagnose, or treat a person's physical or mental health.

(c) For purposes of this section, "consumer report," "consumer reporting agency," and "medical information" have the meanings given in the Fair Credit Reporting Act, United States Code, title 15, section 1681a.

(d) This section applies to collection agencies and debt buyers licensed under chapter 332.

Sec. 48. **[332C.04] DEFENDING MEDICAL DEBT CASES.**

A debtor who successfully defends against a claim for payment of medical debt that is alleged by a collecting party must be awarded the debtor's costs, including reasonable attorney fees as determined by the court, incurred in defending against the collecting party's claim for debt payment.

Sec. 49. **[332C.05] ENFORCEMENT.**

(a) The attorney general may enforce this chapter under section 8.31.

(b) A collecting party that violates this chapter is strictly liable to the debtor in question for the sum of:

(1) actual damage sustained by the debtor as a result of the violation;

(2) additional damages as the court may allow, but not exceeding \$1,000 per violation; and

(3) in the case of any successful action to enforce the foregoing, the costs of the action, together with reasonable attorney fees as determined by the court.

(c) A collecting party that willfully and maliciously violates this chapter is strictly liable to the debtor for three times the sums allowable under paragraph (b), clauses (1) and (2).

(d) The dollar amount limit under paragraph (b), clause (2), changes on July 1 of each even-numbered year in an amount equal to changes made in the Consumer Price Index, compiled by the United States Bureau of Labor Statistics. The Consumer Price Index for December 2024 is the reference base index. If the Consumer Price Index is revised, the percentage of change made under this section must be calculated on the basis of the revised Consumer Price Index. If a Consumer Price Index revision changes the reference base index, a revised reference base index must be determined by multiplying the reference base index that is effective at the time by the rebasing factor furnished by the Bureau of Labor Statistics.

(e) If the Consumer Price Index is superseded, the Consumer Price Index referred to in this section is the Consumer Price Index represented by the Bureau of Labor Statistics as most accurately reflecting changes in the prices paid by consumers for consumer goods and services.

(f) The attorney general must publish the base reference index under paragraph (c) in the State Register no later than September 1, 2024. The attorney general must calculate and publish the revised Consumer Price Index under paragraph (c) in the State Register no later than September 1 each even-numbered year.

(g) A collecting party may not be held liable in any action brought under this section if the collecting party shows by a preponderance of evidence that the violation: (1) was not intentional and resulted from a bona fide error made notwithstanding the maintenance of procedures reasonably adopted to avoid any such error; or (2) was the result of inaccurate or incorrect information provided to the collecting party by a health care provider, as defined in section 62J.805, subdivision 3; a health carrier, as defined in section 62A.011, subdivision 2; or another collecting party currently or previously engaged in collection of the medical debt in question.

Sec. 50. Minnesota Statutes 2022, section 519.05, is amended to read:

**519.05 LIABILITY OF HUSBAND AND WIFE SPOUSES.**

(a) A spouse is not liable to a creditor for any debts of the other spouse. ~~Where husband and wife are living together, they shall be jointly and severally liable for necessary medical services that have been furnished to either spouse, including any claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and necessary household articles and supplies furnished to and used by the family.~~ Spouses are joint and severally liable for claims arising under section 256B.15. Notwithstanding this paragraph, in a proceeding under chapter 518 the court may apportion such debt between the spouses.

(b) Either spouse may close a credit card account or other unsecured consumer line of credit on which both spouses are contractually liable, by giving written notice to the creditor.

Sec. 51. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

Subd. 2. ~~Bible and musical instrument~~ **Sacred possessions.** ~~The family Bible, library, and musical instruments~~ Torah, Qur'an, prayer rug, other religious items in an aggregate amount not exceeding \$2,000.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 52. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2a. **Library.** A personal library in an aggregate amount not exceeding \$2,000.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 53. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2b. **Musical instruments.** Musical instruments in an aggregate amount not exceeding \$2,000.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 54. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs of the debtor and the debtor's family.

(b) Household furniture, household appliances, ~~phonographs, radio and television receivers~~ radios, computers, tablets, televisions, printers, cell phones, smart phones, and other consumer electronics of the debtor and the debtor's family, not exceeding \$11,250 in value.

(c) The debtor's aggregate interest, not exceeding \$3,062.50 in value, in ~~wedding rings or other religious or culturally recognized symbols of marriage exchanged between the debtor and spouse at the time of the marriage and in the debtor's possession~~ jewelry.

The exemption provided by this subdivision may not be waived except with regard to purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase money security interest in the property exempt under this subdivision is void.

If a debtor has property of the type which would qualify for the exemption under clause (b), of a value in excess of \$11,250 an itemized list of the exempt property, together with the value of each item listed, shall be attached to the security agreement at the time a security interest is taken, and a creditor may take a nonpurchase money security interest in the excess over \$11,250 by requiring the debtor to select the exemption in writing at the time the loan is made.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 55. Minnesota Statutes 2022, section 550.37, subdivision 6, is amended to read:

Subd. 6. **Tools of trade.** The tools, implements, machines, vehicles, instruments, office furniture, stock in trade, and library reasonably necessary in the trade, business, or profession of the debtor, not exceeding \$12,500 in value.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 56. Minnesota Statutes 2022, section 550.37, subdivision 12a, is amended to read:

Subd. 12a. **Motor vehicles.** One of the following: (1) one motor vehicle, to the extent of a value not exceeding ~~\$5,000~~ \$10,000; (2) one motor vehicle that is regularly used by or for the benefit of a physically disabled person, as defined under section 169.345, subdivision 2, to the extent of a value not exceeding \$25,000; or (3) one motor vehicle, to the extent of a value not exceeding ~~\$50,000~~ \$100,000, that has been designed or modified, ~~at a cost of not less than \$3,750~~, to accommodate the ~~physical~~ disability making a disabled person eligible for a certificate authorized by section 169.345.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 57. Minnesota Statutes 2022, section 550.37, subdivision 14, is amended to read:

Subd. 14. **Public assistance.** All government assistance based on need, and the earnings or salary of a person who is a recipient of government assistance based on need, shall be exempt from all claims of creditors including any contractual setoff or security interest asserted by a financial institution. For the purposes of this chapter, government assistance based on need includes but is not limited to Minnesota family investment program; Supplemental Security Income; medical assistance; received by the person or by the person's dependent child; MinnesotaCare; received by the person or by the person's dependent child; payment of Medicare part B premiums or receipt of part D extra help; MFIP diversionary work program; work participation cash benefit; Minnesota supplemental assistance; emergency Minnesota supplemental assistance; general assistance; emergency general assistance; emergency assistance or county crisis funds; energy or fuel assistance; ~~and~~ Supplemental Nutrition Assistance Program (SNAP); and the portion of any tax refund attributable to a state or federal tax credit, including but not limited to the earned income tax credit, state or federal child tax credit, Minnesota working family credit, renter's credit, or any low-income tax credit. The salary or earnings of any debtor who is or has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution shall, upon the debtor's return to private employment or farming after having been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after the debtor's return to employment or farming and after all public assistance for which eligibility existed has been terminated. Any portion of an income tax refund consisting of income that was exempt when the income was earned is also exempt under this subdivision. The exemption provisions contained in this subdivision also apply ~~for 60 days~~ after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing government assistance and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, within the preceding six months.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 58. Minnesota Statutes 2022, section 550.37, subdivision 20, is amended to read:

Subd. 20. **Traceable funds.** The exemption of funds from creditors' claims, provided by subdivisions 9, 10, 11, 15, 22, and 24, shall not be affected by the subsequent deposit of the funds in a bank or any other financial institution, whether in a single or joint account, if the funds are traceable to ~~their~~ the funds' exempt source. In

tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. No bank or other financial institution shall be liable for damages for complying with process duly issued out of any court for the collection of a debt even if the funds affected by the process are subsequently determined to have been exempt.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 59. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

Subd. 22. **Rights of action.** Rights of action or money received for injuries to the person of the debtor or of a relative whether or not resulting in death. Injuries to the person include physical, mental, and emotional injuries. The exemption under this subdivision applies to the right to receive, annuities being paid, and money already received.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 60. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to exceed in value \$10,000 in any accrued ~~dividend~~ dividends or interest under or loan value of any unmatured life insurance ~~contract~~ contracts owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 61. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to exceed \$3,000, in household tools and equipment, including but not limited to hand and power tools, snow removal equipment, and lawnmowers.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 62. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 28. **Property tax refunds.** Any refund due under chapter 290A, up to a present value of \$3,000.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 63. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 29. **Funds in a depository account.** An amount up to an aggregate of \$4,000 in financial institutions in which the debtor has a depository account, regardless of the sources of the money, is exempt from garnishment under sections 571.91 to 571.915. The exemption under this subdivision must not be claimed in conjunction with the exemption under subdivision 30.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to garnishment levied on or after that date.

Sec. 64. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 30. **Wild card exemption in bankruptcy.** In a bankruptcy, a debtor may exempt any property, including money in a bank account, up to \$4,000 in value. A debtor is prohibited from claiming the exemption under this subdivision if the debtor is already protecting money in a bank account under subdivision 29, and the debtor is prohibited from using this subdivision in conjunction with subdivision 29.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemptions claimed on or after that date.

Sec. 65. **[550.3711] MOTOR VEHICLE; BANKRUPTCY DEBTOR'S RIGHT TO RETAIN.**

Subdivision 1. **No default.** If a buyer does not default in performing the buyer's obligations under the contract, the seller or holder is prohibited from (1) accelerating the maturity of part or the entire amount due under the contract, or (2) repossessing the motor vehicle.

Subd. 2. **Bankruptcy.** (a) Neither of the following constitutes a default in the performance of the buyer's obligations under the contract: (1) the buyer or another individual liable under the contract files a petition commencing a case for bankruptcy under United States Code, title 11; or (2) the buyer or another individual liable under the contract is a debtor in bankruptcy.

(b) The act or status under paragraph (a), clauses (1) and (2), with respect to the buyer or another individual liable on the contract, must not be used by a seller or holder to: (1) accelerate the maturity of a portion of or the entire amount due under the contract; or (2) repossess the motor vehicle.

(c) A contract provision that states an act or status under paragraph (a), clauses (1) and (2), with respect to the buyer or another individual liable on the contract, constitutes a default is void and unenforceable.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 66. Minnesota Statutes 2022, section 550.39, is amended to read:

**550.39 EXEMPTION OF INSURANCE POLICIES.**

The net amount payable to any insured or to any beneficiary under any policy of accident or disability insurance or under accident or disability clauses attached to any policy of life insurance shall be exempt and free and clear from the claims of all creditors of such insured or such beneficiary and from all legal and judicial processes of execution, attachment, garnishment, or otherwise, up to a total amount of \$1,000,000 per claim and subsequent award.

Sec. 67. Minnesota Statutes 2022, section 563.01, subdivision 3, is amended to read:

Subd. 3. **Court fee waiver; authorization of in forma pauperis.** (a) Any court of the state of Minnesota or any political subdivision thereof may authorize the commencement or defense of any civil action, or appeal therein, without prepayment of fees, costs and security for costs by a natural person who makes affidavit stating (a) the nature of the action, defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is financially unable to pay the fees, costs and security for costs.

(b) Upon a finding by the court that the action is not of a frivolous nature, the court shall allow the person to proceed ~~in forma pauperis~~ with a court fee waiver if the affidavit is substantially in the language required by this subdivision and is not found by the court to be untrue. Persons meeting the requirements of this subdivision include,

but are not limited to, a person who is receiving public assistance described in section 550.37, subdivision 14, who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency, or who has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), except as otherwise provided by section 563.02.

(c) If, at commencement of the action, the court finds that a party does not meet the eligibility criteria under paragraph (b), but the court also finds that the party is not able to pay all of the fees, costs, and security for costs, the court may order payment of a fee of \$75 or partial payment of the fees, costs, and security for costs, to be paid as directed by the court.

The court administrator shall transmit any fees or payments to the commissioner of management and budget for deposit in the state treasury and credit to the general fund.

Sec. 68. Minnesota Statutes 2022, section 563.01, subdivision 4, is amended to read:

Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the sheriff of any Minnesota county shall perform their duties without charge to the person proceeding ~~in forma pauperis~~ with a court fee waiver. The court shall direct payment of the reasonable expense of service of process pursuant to subdivision 2 if served by a private process server, if the sheriff is unavailable, or by publication.

Sec. 69. Minnesota Statutes 2022, section 563.01, subdivision 8, is amended to read:

Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting permission to proceed ~~in forma pauperis~~ with a court fee waiver following application in the manner provided in subdivision 3, direct payment of the reasonable expenses incurred in obtaining the record and reproducing the appellate briefs.

Sec. 70. Minnesota Statutes 2022, section 563.01, subdivision 9, is amended to read:

Subd. 9. **Rescinding ~~in forma pauperis status~~ court fee waiver.** Upon motion, the court may rescind its permission to proceed ~~in forma pauperis~~ with a court fee waiver if ~~it~~ the court finds the allegations of poverty contained in the affidavit are untrue, or if, following commencement of the action, the party becomes able to pay the fees, costs and security for the costs. In such cases, the court may direct the party to pay to the court administrator any costs allowing the action to proceed. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Sec. 71. Minnesota Statutes 2022, section 563.01, subdivision 10, is amended to read:

Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action as in other cases. In the event any person recovers moneys by either settlement or judgment as a result of commencing or defending an action ~~in forma pauperis~~ with a court fee waiver, the costs deferred and the expenses directed by the court to be paid under this section shall be included in such moneys and shall be paid directly to the court administrator by the opposing party. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Sec. 72. Minnesota Statutes 2022, section 563.02, subdivision 2, is amended to read:

Subd. 2. **Inmate request to ~~proceed in forma pauperis~~ waive court fees.** (a) An inmate who wishes to commence a civil action ~~by proceeding in forma pauperis~~ with court fee waived must meet the following requirements, in addition to the requirements of section 563.01, subdivision 3:

(1) exhaust the inmate complaint procedure developed under the commissioner of corrections policy and procedure before commencing a civil action against the department, and state in the application to ~~proceed in forma pauperis~~ waive court fees that the inmate has done so; and

(2) include the following information in an affidavit submitted under section 563.01:

(i) a statement that the inmate's claim is not substantially similar to a previous claim brought by the inmate against the same party, arising from the same operative facts, and in which there was an action that operated as an adjudication on the merits;

(ii) complete information on the inmate's identity, the nature and amount of the inmate's income, spouse's income, if available to the inmate, real property owned by the inmate, and the inmate's bank accounts, debts, monthly expenses, and number of dependents; and

(iii) the most recent monthly statement provided by the commissioner of corrections showing the balance in the inmate's inmate account.

(b) The inmate shall also attach a written authorization for the court to obtain at any time during pendency of the present action, without further authorization from the inmate, a current statement of the inmate's inmate account balance, if needed to determine eligibility to proceed with bringing a civil action ~~in forma pauperis~~ with court fees waived. An inmate who has no funds in an inmate account satisfies the requirement of section 563.01, subdivision 3, clause (c).

(c) An inmate who seeks to proceed as a plaintiff ~~in forma pauperis~~ with court fees waived must file with the court the complaint in the action and the affidavit under this section before serving the complaint on an opposing party.

(d) An inmate who has funds in an inmate account may only proceed as a plaintiff in a civil action by paying the lesser of:

(1) the applicable court filing fee; or

(2) 50 percent of the balance shown in the inmate's account according to the statement filed with the court under this subdivision, consistent with the requirements of section 243.23, subdivision 3.

(e) If an inmate elects to proceed under paragraph (d), the court shall notify the commissioner of corrections to withdraw from the inmate's account the amount required under this section and forward the amount to the court administrator in the county where the action was commenced. The court shall also notify the commissioner of corrections of the amount of the filing fee remaining unpaid. The commissioner shall continue making withdrawals from the inmate's account and forwarding the amounts withdrawn to the court administrator, at intervals as the applicable funds in the inmate's account equal at least \$10, until the entire filing fee and any costs have been paid in full.

Sec. 73. Minnesota Statutes 2022, section 571.72, subdivision 6, is amended to read:

Subd. 6. **Bad faith claim.** If, in a proceeding brought under subdivision 9, section 571.91, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid an appropriate judgment in favor of the attorney shall be entered.

Sec. 74. Minnesota Statutes 2022, section 571.72, subdivision 8, is amended to read:

Subd. 8. **Exemption notice.** In every garnishment where the debtor is a natural person, the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing earnings, the earnings exemption notice provided in section 571.924 must be served ten or more days before the service of the first garnishment summons.



If the creditor is garnishing funds in a financial institution, the exemption notice provided in section 571.912 must be served with the garnishment summons. In all other cases, the exemption notice must be in the following form and served on the debtor with a copy of the garnishment summons.

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF .....	..... JUDICIAL DISTRICT
..... (Creditor)	
against	
..... (Debtor)	EXEMPTION NOTICE
and	
.....(Garnishee)	

A Garnishment Summons is being served upon you. Some of your property may be exempt and cannot be garnished. The following is a list of some of the more common exemptions. It is not complete and is subject to section 550.37 of the Minnesota Statutes and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of garnishment. If you have questions about an exemption, you should obtain legal advice.

- (1) a homestead or the proceeds from the sale of a homestead;
- (2) household furniture, appliances, phonographs, radios, and televisions up to a total current value of \$5,850;
- (3) a manufactured (mobile) home used as your home;
- (4) one motor vehicle currently worth less than \$2,600 after deducting any security interest;
- (5) farm machinery used by an individual principally engaged in farming, or tools, machines, or office furniture used in your business or trade. This exemption is limited to \$13,000;
- (6) relief based on need. This includes:
  - (i) Minnesota Family Investment Program (MFIP) and Work First Program;
  - (ii) Medical Assistance (MA), whether received by you or by your dependent child;
  - (iii) General Assistance (GA);
  - (iv) Emergency General Assistance (EGA);
  - (v) Minnesota Supplemental AID (MSA);
  - (vi) MSA-Emergency Assistance (MSA-EA);
  - (vii) Supplemental Security Income (SSI);
  - (viii) Energy Assistance; and
  - (ix) Emergency Assistance (EA);
- (7) Social Security benefits;
- (8) unemployment benefits, workers' compensation, or veteran's benefits;
- (9) an accident, disability, or retirement pension or annuity;

(10) life insurance proceeds;

(11) earnings of your minor child; and

(12) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a manufactured (mobile) home, or a car).

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemption notices provided on or after that date.

Sec. 75. Minnesota Statutes 2022, section 571.72, subdivision 9, is amended to read:

Subd. 9. **Motion to determine objections.** (a) This subdivision applies to all garnishment proceedings governed by this chapter. An objection regarding a garnishment must be interposed as provided in section 571.914, subdivision 1, in the form provided under section 571.914, subdivision 2.

(b) Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested.

(c) Upon receipt of a claim of exemption by the debtor, the creditor must comply with the claim or interpose an objection within ten business days of the date the exemption claim was received. An objection must be interposed by:

(1) in the district court that issued the judgment, filing the Notice of Objection and requesting a hearing; and

(2) mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the garnishee and one copy of the Notice of Objection and Notice of Hearing to the debtor.

(d) For the purposes of subdivision 6, there is a rebuttable presumption of bad faith if the court finds that the creditor failed to comply with the requirements of this subdivision.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 76. Minnesota Statutes 2022, section 571.72, subdivision 10, is amended to read:

Subd. 10. **Exemption notice for prejudgment garnishment.**

#### EXEMPTION NOTICE

**IMPORTANT NOTICE:** A garnishment summons may be served on your employer, bank, or other third parties without any further court proceeding or notice to you. See the attached Notice of Intent to Garnish for more information.

**The following money and wages may be protected (the legal word is exempt) from garnishment:**

##### 1. Financial institutions/bank

Some of the money in your account may be protected because you receive government benefits from one or more of the following places:

**MFIP** - Minnesota family investment program,

**MFIP Diversionary Work Program,**

**Work participation cash benefit,**

**GA** - general assistance,

**EA** - emergency assistance,

**MA** - medical assistance, whether received by you or by your dependent child.

**EGA** - emergency general assistance or county crisis funds,

**MSA** - Minnesota supplemental aid,

**MSA-EA** - MSA emergency assistance,

**Supplemental Nutrition Assistance Program (SNAP),**

**SSI - Supplemental Security Income,**

**MinnesotaCare,** whether received by you or by your dependent child.

**Medicare Part B premium payments,**

**Medicare Part D extra help,**

**Energy or fuel assistance,**

**Social Security benefits,**

**Unemployment benefits,**

**Workers' compensation,**

**Veterans benefits.**

**Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK STATEMENTS that show what was in your account for the past 60 days may give the creditor enough information about your exemption claim to avoid a garnishment.**

## **2. Earnings**

All or some of your earnings may be completely protected from garnishment if:

**All of your earnings (wages) may be protected if:**

You get government benefits (see list of government benefits)

You currently receive other assistance based on need

You have received government benefits in the last six months

You were in jail or prison in the last six months

Your wages are only protected for 60 days after they are deposited in your account so **it would be helpful if you immediately send the undersigned creditor a copy of BANK STATEMENTS** that show what was in your account **for the past 60 days.**

**Some of your earnings (wages) may be protected if:**

If all of your earnings are not exempt, some of your earnings may still be protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:

75 percent of your wages (after taxes are taken out); or

(insert the sum of the current federal minimum wage) multiplied by 40.

**The money from the following are also exempt for 20 days after they are deposited in your account.**

**An accident, disability, or retirement pension or annuity**

**Payments to you from a life insurance policy**

**Earnings of your child who is under 18 years of age**

**Child support**

**Money paid to you from a claim for damage or destruction of property.** Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

**Death benefits paid to you.**

**YOU WILL BE ABLE TO CLAIM THESE EXEMPTIONS WHEN YOU RECEIVE A NOTICE. You will get the notice at least ten days BEFORE a wage garnishment. BUT if the creditor garnishes your bank account, you will not get the notice until AFTER the account has been frozen. IF YOU BELIEVE THE MONEY IN YOUR BANK ACCOUNT OR YOUR WAGES ARE EXEMPT, YOU SHOULD IMMEDIATELY CONTACT THE PERSON BELOW. YOU SHOULD TELL THEM WHY YOU THINK YOUR ACCOUNT OR WAGES ARE EXEMPT TO SEE IF YOU CAN AVOID GARNISHMENT.**

Creditor .....  
Creditor address .....  
Creditor telephone number .....

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemption notices provided on or after that date.

Sec. 77. Minnesota Statutes 2022, section 571.911, is amended to read:

**571.911 EXEMPTION NOTICE; DUTY OF FINANCIAL INSTITUTION.**

(a) If the garnishment summons is used to garnish funds of a debtor who is a natural person and if the funds to be garnished are held on deposit at a financial institution, the creditor shall serve with the garnishee summons a notice, instructions, and two copies of an exemption notice. The notice, instructions, and exemption notices must be substantially in the forms set forth in section 571.912. Failure of the creditor to send the exemption notice renders the garnishment void, and the financial institution shall take no action.

(b) Unless the total amount in the depository accounts under the debtor's name is less than the amount specified under section 550.37, subdivision 29, upon receipt of the garnishment summons and exemption notices, the financial institution shall retain as much of the amount under section 571.73 as the financial institution has on deposit owing to the debtor, but not more than 110 percent of the creditor's claim. If the amount in the account does not exceed the amount specified under section 550.37, subdivision 29, the bank must notify the creditor that no money is retained.

(c) If the creditor receives notice from the financial institution that no money is retained, the creditor is prohibited from sending the notice under section 571.912.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 78. Minnesota Statutes 2022, section 571.914, subdivision 1, is amended to read:

Subdivision 1. **Objections and request for hearing.** ~~An objection shall be interposed, within six business days of receipt by the creditor of an exemption claim from the debtor, by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the financial institution and one copy of the Notice of Objection and Notice of Hearing to the debtor.~~

(a) The Notice of Objection and Notice of Hearing form must be substantially in the form set out in subdivision 2.

(b) The court administrator may charge a fee of \$1 for the filing of a Notice of Objection and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the court administrator shall schedule the matter for hearing no sooner than five business days but no later than seven business days from the date of filing. A debtor may request continuance of the hearing by notifying the creditor and the court. The court shall schedule the continued hearing within seven days of the original hearing date.

(c) An order stating whether the debtor's funds are exempt shall be issued by the court within three days of the date of the hearing.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 79. Minnesota Statutes 2022, section 571.92, is amended to read:

#### **571.92 GARNISHMENT OF EARNINGS.**

Sections 571.921 to 571.926 relate to the garnishment of earnings. The exemptions available under section 550.37 apply to the garnishment of earnings if the debtor is a resident of Minnesota and the debtor's place of employment is in Minnesota, regardless of where the employer is domiciled.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 80. Minnesota Statutes 2022, section 571.921, is amended to read:

#### **571.921 DEFINITIONS.**

For purposes of sections 571.921 to ~~571.926~~ 571.927, the following terms have the meanings given them:

(a) "Earnings" means:

(1) compensation paid or payable to an employee, independent contractor, or self-employed person for personal service whether denominated as wages, salary, commissions, bonus, payments, profit-sharing distribution, severance payment, fees, or otherwise, and includes periodic payments pursuant to a pension or retirement program;

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2; or

(3) maintenance as defined in section 518.003, subdivision 3a.

(b) "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld.

(c) "Employee" means an individual ~~who performs services subject to the right of the employer to control both what is done and how it is done, whether currently or formerly employed, who is owed earnings and who is treated by an employer as an employee for federal employment tax purposes.~~

(d) "Employer" means a person ~~for whom an individual performs services as an employee~~ who owes or will owe earnings to an employee or independent contractor.

(e) "Independent contractor" means an individual who (1) receives or is owed earnings from an employer through periodic payments, and (2) is not treated by the employer as an employee for federal employment tax purposes.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 81. Minnesota Statutes 2022, section 571.922, is amended to read:

**571.922 LIMITATION ON WAGE GARNISHMENT.**

(a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 120 times the greater of the hourly wage described in section 571.922, paragraph (a), clause (4); or

(2) 15 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 80 times, but is less than or equal to 120 times, the greater of the hourly wages described in section 571.922, paragraph (a), clause (4); or

(3) five percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 40 times, but is less than or equal to 80 times, the greater of the hourly wages described in section 571.922, paragraph (a), clause (4).

(b) The amount by which the debtor's disposable earnings exceed the greater of:

(i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (b), clause (1), item (iii); or

(ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The calculation of the amount that is subject to garnishment must be based on the hourly wage in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(c) If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received).

Wage garnishments on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(e) (d) No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 82. Minnesota Statutes 2022, section 571.924, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The creditor shall serve upon the debtor, no less than ten days before the service of the garnishment summons, a notice that a summons may be issued. The notice shall: (1) be substantially in the form set out in section 571.925; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the debtor; (3) inform the debtor that a garnishment summons may be served on the debtor's employer after ten days, and that the debtor may, within that time, cause to be served on the creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from garnishment; (4) inform the debtor of the earnings garnishment exemptions contained in section 550.37, subdivision 14; ~~and~~ (5) advise the debtor of the relief set forth in this chapter to which the debtor may be entitled if a creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the garnishment process; and (6) provide in type that is at least two points larger than the body of the notice: (i) the date upon which the notice is mailed; (ii) a mailing address and an email address for delivery of an exemption claim; and (iii) a telephone number for the creditor's attorney or the creditor.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 83. Minnesota Statutes 2022, section 571.925, is amended to read:

**571.925 FORM OF NOTICE.**

The ten-day notice informing a debtor that a garnishment summons may be used to garnish the earnings of an individual must be substantially in the following form:

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF .....	..... JUDICIAL DISTRICT
..... (Creditor)	
against	
..... (Debtor)	GARNISHMENT EXEMPTION
and	NOTICE AND NOTICE OF
.....(Garnishee)	INTENT TO GARNISH EARNINGS

PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Some or all of your earnings are exempt from garnishment. If your earnings are garnished, your employer must show you how the amount that is garnished from your earnings was calculated. You have the right to request a hearing if you claim the garnishment is incorrect.

Your earnings are completely exempt from garnishment if you are now a recipient of assistance based on need, if you have been a recipient of assistance based on need within the last six months, or if you have been an inmate of a correctional institution in the last six months.

Assistance based on need includes, but is not limited to:

- MFIP** - Minnesota family investment program,
- MFIP Diversionary Work Program,**
- Work participation cash benefit,**
- GA** - general assistance,
- EA** - emergency assistance,
- MA** - medical assistance, whether received by you or by your dependent child,
- EGA** - emergency general assistance,
- MSA** - Minnesota supplemental aid,
- MSA-EA** - MSA emergency assistance,
- Supplemental Nutrition Assistance Program (SNAP),**
- SSI - Supplemental Security Income,**
- MinnesotaCare,** whether received by you or by your dependent child,
- Medicare Part B premium payments,**
- Medicare Part D extra help,**
- Energy or fuel assistance.**

If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the creditor's attorney and the garnishee.

You may wish to contact the attorney for the creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.

PENALTIES

- (1) Be advised that even if you claim an exemption, a garnishment summons may still be served on your employer. If your earnings are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.
- (2) **HOWEVER, BE WARNED** if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.
- (3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney's fees plus an amount not to exceed \$100.

Dated: .....

.....  
 (Attorney for) Creditor  
 .....  
 Address  
 .....  
 Telephone



DEBTOR'S EXEMPTION CLAIM NOTICE

I hereby claim that my earnings are exempt from garnishment because:

(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)

.....
Program Case Number (if known) County

(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)

.....
Program Case Number (if known) County

(3) I have been an inmate of a correctional institution within the last six months. (Specify the correctional institution and location.)

.....
Correctional Institution Location

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named creditor or the creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.

Date: .....
Debtor
Address
Debtor Telephone Number

STATE OF MINNESOTA DISTRICT COURT
COUNTY OF ..... JUDICIAL DISTRICT
.....(Creditor)
.....(Debtor)
.....(Financial institution)

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to notices provided on or after that date.

Sec. 84. Minnesota Statutes 2022, section 571.927, is amended to read:

571.927 PENALTY FOR RETALIATION FOR GARNISHMENT.

Subdivision 1. Prohibition. An employer shall not discharge or otherwise discipline an employee or independent contractor as a result of an earnings garnishment authorized by this chapter.

Subd. 2. Remedy. If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee or employer-independent contractor relationship existed before the violation of this section, the employee or independent contractor shall recover twice the wages earnings lost as a result of this violation.

Subd. 3. **Nonwaiver.** The rights guaranteed by this section may not be waived or altered by ~~employment~~ contract.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 85. **GARNISHMENT FORMS REVISION.**

(a) The attorney general must review and make recommendations to revise into plain language the notices and forms found in Minnesota Statutes, sections 571.72, subdivisions 8 and 10; 571.74; 571.75, subdivision 2; 571.912; and 571.925.

(b) The attorney general must review and determine whether the forms contained in Minnesota Statutes, sections 571.711, subdivision 11; 571.914; 571.931, subdivision 6; and 571.932, subdivision 2, should be revised into a more easily readable and understandable format. If the attorney general determines the forms should be revised, the attorney general must make recommendations for legislative revisions to the forms.

(c) The recommendations made under paragraphs (a) and (b) must include proposals to (1) explain in simple terms the meaning of garnishment in any form that uses the term garnishment, and (2) prominently place on forms the name, telephone, and email address of the creditor.

(d) When developing the recommendations, the attorney general must consult with the Center for Plain Language and other plain language experts the attorney general may identify, and must collaborate with the commissioner of commerce and affected business and consumer groups, including but not limited to:

(1) the Minnesota Creditors' Rights Association;

(2) the Great Lakes Credit and Collections Association;

(3) the Minnesota Bankers' Association;

(4) the Minnesota Credit Union Network;

(5) BankIn Minnesota;

(6) Mid-Minnesota Legal Aid;

(7) the Minnesota chapter of the National Association of Consumer Advocates;

(8) the Minnesota chapter of the National Association of Consumer Bankruptcy Attorneys;

(9) Lutheran Social Service; and

(10) Family Means.

(e) For the purposes of this section, "plain language" means communication in which the wording, structure, and design are so clear that the intended reader can easily: (1) find what the reader needs; (2) understand what the reader needs; and (3) use what the reader finds to meet the reader's needs.

Sec. 86. **RULEMAKING.**

The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply with the changes made and added in this article to Minnesota Statutes, sections 47.20, subdivision 2; 47.54, subdivisions 2 and 6; 48.24, subdivision 2; 58.02, subdivisions 15a, 18, and 21; 58.04, subdivisions 1 and 2; 58.05, subdivisions 1 and 3;

58.06, subdivisions 5, 6, and 7; 58.08, subdivisions 1a, 2, and 3; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; and 58.141. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section. Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 87. **REPEALER.**

(a) Minnesota Statutes 2022, section 58.08, subdivision 3, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

**EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025.

ARTICLE 3  
INSURANCE

Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A, 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78; 471.617; ~~and 471.982;~~ and 513.80, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2022, section 60A.201, is amended by adding a subdivision to read:

Subd. 6. **Coverage deemed unavailable.** Coverage for a risk that was referred to a surplus lines broker by a Minnesota licensed insurance producer who is not affiliated with the surplus lines broker is deemed unavailable from a licensed insurer.

Sec. 3. **[60A.43] DISABILITY INCOME COVERAGE; DISCLOSURE.**

(a) No contract or policy of long-term disability insurance that limits the duration of coverage for mental health or substance use disorders shall be offered in this state without a disclosure, provided at the time of application, that includes the following:

(1) a notification that the long-term disability (1) coverage selected by the potential policyholder or plan sponsor limits the duration of coverage for mental health or substance use disorders; and

(2) that the potential policyholder or plan sponsor has the right to request more information about the limitation and other coverage options that include an unlimited duration, if available.

(b) Receipt of the disclosure described in paragraph (a) must be acknowledged by the potential policyholder or plan sponsor and evidence of the disclosure and acknowledgment must be retained by the insurance company offering the coverage for a period of no less than two years.

Sec. 4. Minnesota Statutes 2023 Supplement, section 61A.031, is amended to read:

**61A.031 SUICIDE PROVISIONS.**

(a) The ~~sanity or insanity~~ mental competency of a person shall not be a factor in determining whether a person ~~committed~~ completed suicide within the terms of an individual or group life insurance policy regulating the payment of benefits in the event of the insured's suicide. This paragraph shall not be construed to alter present law but is intended to clarify present law.

(b) A life insurance policy or certificate issued or delivered in this state may exclude or restrict liability for any death benefit in the event the insured dies as a result of suicide within one year from the date of the issue of the policy or certificate. Any exclusion or restriction shall be clearly stated in the policy or certificate. Any life insurance policy or certificate which contains any exclusion or restriction under this paragraph shall also provide that in the event any death benefit is denied because the insured dies as a result of suicide within one year from the date of issue of the policy or certificate, the insurer shall refund all premiums paid for coverage providing the denied death benefit on the insured.

Sec. 5. **[62Q.585] GENDER-AFFIRMING CARE COVERAGE; MEDICALLY NECESSARY CARE.**

Subdivision 1. Requirement. No health plan that covers physical or mental health services may be offered, sold, issued, or renewed in this state that:

(1) excludes coverage for medically necessary gender-affirming care; or

(2) requires gender-affirming treatments to satisfy a definition of "medically necessary care," "medical necessity," or any similar term that is more restrictive than the definition provided in subdivision 2.

Subd. 2. Minimum definition. "Medically necessary care" means health care services appropriate in terms of type, frequency, level, setting, and duration to the enrollee's diagnosis or condition and diagnostic testing and preventive services. Medically necessary care must be consistent with generally accepted practice parameters as determined by health care providers in the same or similar general specialty as typically manages the condition, procedure, or treatment at issue and must:

(1) help restore or maintain the enrollee's health; or

(2) prevent deterioration of the enrollee's condition.

Subd. 3. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Gender affirming care" means all medical, surgical, counseling, or referral services, including telehealth services, that an individual may receive to support and affirm the individual's gender identity or gender expression and that are legal under the laws of this state.

(c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages listed in section 62A.011, subdivision 3, clauses (7) and (10).

Sec. 6. Minnesota Statutes 2022, section 65A.29, subdivision 7, is amended to read:

Subd. 7. **Renewal; notice requirement.** (a) No insurer shall refuse to renew, or reduce limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it mails or delivers to the insured, at the address shown in the policy, at least 60 days' advance notice of its intention. The notice must contain the specific underwriting or other reason or reasons for the indicated action and must state the name of the insurer and the date the notice is issued.

(b) For purposes of this section and any rules adopted pursuant to subdivision 8, increasing or revising a homeowner's insurance policy deductible, including but not limited to obligating a policyholder to pay a percentage of an insured loss as part of the deductible, is not a refusal to renew, a reduction in coverage limits, or an elimination of coverage. If an insurer provides a deductible obligating a policyholder to pay a percentage of an insured loss, the insurer must also provide at least one flat-dollar deductible.

(c) Proof of mailing this notice to the insured at the address shown in the policy is sufficient proof that the notice required by this section has been given.

Sec. 7. Minnesota Statutes 2022, section 65A.29, subdivision 8, is amended to read:

Subd. 8. **Rules.** (a) The commissioner may adopt rules pursuant to chapter 14, to specify the grounds for nonrenewal, reduction in limits of coverage, or elimination of coverage of a homeowner's policy. The rules must limit the grounds to the following factors:

(1) reasons stated for cancellation in section 65A.01, subdivision 3a;

(2) reasons stated in section 72A.20, subdivision 13;

(3) insured's loss experience, ~~not to include~~ including natural causes, which may include but are not limited to lightning, rain, wind, and hail; and

(4) other factors deemed reasonable by the commissioner.

The rules may give consideration to the form and content of the termination notice to the insured, a statement as to what constitutes receipt of the termination notice, and the procedure by which the insured may appeal a termination notice.

The rules adopted under this subdivision may provide for imposition of a monetary penalty not greater than \$500 per occurrence upon insurers who are found to be in violation of the law or the rules.

(b) In addition to any rules adopted under this subdivision, an insured may appeal any nonrenewal under this section to the commissioner of commerce. If the commissioner finds that the nonrenewal is unjustified, arbitrary, or capricious, the commissioner shall order the insurer to reinstate the insured's policy. The commissioner's order may be appealed pursuant to chapter 14. The insured's policy shall continue in force pending the conclusion of the appeal to the commissioner. The insurer must notify the insured of the insured's right to appeal the nonrenewal to the commissioner in the notice of nonrenewal required under subdivision 7.

Sec. 8. **[65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES; COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Assessable loss" means a covered loss under the terms of a policy governed by subdivision 2, paragraph (a) or (b).

(c) "Association" has the meaning given in section 515B.1-103, clause (4).

(d) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

Subd. 2. Loss assessment. (a) If a loss assessment is charged by an association to an individual unit owner, the insurance policy in force at the time of the assessable loss must pay the loss assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the assessable loss is the owner of the property listed on the policy at the time the loss assessment is charged;

(2) the insurance policy in force at the time of the assessable loss provides loss assessment coverage; and

(3) a loss assessment and the event or occurrence which triggers a loss assessment shall be considered a single loss for underwriting and rating purposes.

(b) If a loss assessment is charged by an association to an individual unit owner, the insurance policy in force at the time the loss assessment is charged must pay the assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the loss assessment is charged is different than the unit owner at the time of the assessable loss; and

(2) the insurance policy in force at the time the loss assessment is charged provides loss assessment coverage.

(c) For a loss assessment under paragraph (b), an insurer may require evidence documenting that the transfer of ownership occurred prior to the assessment before the insurer affords coverage.

Sec. 9. Minnesota Statutes 2022, section 70A.05, is amended to read:

#### **70A.05 RATING METHODS.**

The compliance of rates with the standards of section 70A.04 shall be determined by considering the following matters:

(1) **Factors in rates.** Due consideration shall be given to past and prospective loss and expense experience within and outside this state, to a reasonable provision for catastrophe hazards and contingencies, to clearly discernible trends within and outside this state, to dividends or savings allowed or returned by insurers to their policyholders, members or subscribers, and to all other relevant factors, including the judgment of underwriters and raters and, with respect to property and homeowners insurance, the impact of losses caused by natural causes, including but not limited to lightning, rain, wind, and hail.

(2) **Classification.** Risks may be classified by any reasonable method for the establishment of rates and minimum premiums. Classifications may not be based on race, color, creed or national origin. Rates thus produced may be modified for individual risks in accordance with rating plans or schedules which establish standards for measuring probable variations in hazards, expenses, or both.

(3) **Profits.** The rates may contain an allowance permitting a profit that is not unreasonable.

Sec. 10. Minnesota Statutes 2022, section 72A.20, subdivision 13, is amended to read:

Subd. 13. **Refusal to renew.** Refusing to renew, declining to offer or write, or charging differential rates for an equivalent amount of homeowner's insurance coverage, as defined by section 65A.27, for property located in a ~~town or statutory or home-rule charter~~ city of the first class, in which the insurer offers to sell or writes homeowner's insurance, solely because:

(a) of the geographic area in which the property is located;

(b) of the age of the primary structure sought to be insured;

(c) the insured or prospective insured was denied coverage of the property by another insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e);

(d) the property of the insured or prospective insured has been insured under the Minnesota FAIR Plan Act, shall constitute an unfair method of competition and an unfair and deceptive act or practice; or

(e) the insured has inquired about coverage for a hypothetical claim or has made an inquiry to the insured's agent regarding a potential claim.

This subdivision prohibits an insurer from filing or charging different rates for different zip code areas within the same town or statutory or home rule charter city.

This subdivision shall not prohibit the insurer from applying underwriting or rating standards which the insurer applies generally in all other locations in the state and which are not specifically prohibited by clauses (a) to (e). Such underwriting or rating standards shall specifically include but not be limited to standards based upon the proximity of the insured property to an extraordinary hazard or based upon the quality or availability of fire protection services or based upon the density or concentration of the insurer's risks. Clause (b) shall not prohibit the use of rating standards based upon the age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 65A.29, subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.

Sec. 11. Minnesota Statutes 2022, section 325E.66, subdivision 1, is amended to read:

Subdivision 1. ~~Payment or rebate of insurance deductible~~ **Residential contractor; prohibited insurance practices.** (a) A residential contractor providing home repair or improvement services to be paid by an insured from the proceeds of a property or casualty insurance policy shall not:

(1) as an inducement to the sale or provision of goods or services to an insured, advertise or promise to pay, directly or indirectly, all or part of any applicable insurance deductible or offer to compensate an insured for providing any service to the insured. The prohibition under this clause includes but is not limited to offering compensation in exchange for:

(i) allowing the residential contractor to conduct an inspection of the insured's roof;

(ii) making an insurance claim for damage to the insured's roof; or

(iii) referring the residential contractor's services to others when insurance proceeds are payable;

(2) provide an insured with an agreement authorizing repairs without also providing a good faith estimate of the itemized and detailed cost of services and materials undertaken pursuant to a property and casualty claim; or

(3) interpret policy provisions or advise an insured regarding coverages or duties under the insured's policy, or adjust a property insurance claim on behalf of the insured, unless the contractor has a license as a public adjuster under chapter 72B.

(b) If a residential contractor violates this section, the insurer to whom the insured tendered the claim shall not be obligated to consider the estimate prepared by the residential contractor. The residential contractor must provide a written notification of the requirements of this section with its initial estimate. The adjuster or insurer must provide a written notification of the requirements of this section in the initial estimate relating to the claim.

(c) For purposes of this section, "residential contractor" means a residential roofer, as defined in section 326B.802, subdivision 14; a residential building contractor, as defined in section 326B.802, subdivision 11; and a residential remodeler, as defined in section 326B.802, subdivision 12.

Sec. 12. **[332.3352] WAIVER OF LICENSING AND REGISTRATION.**

The commissioner of commerce may, by order, waive the licensing and registration requirements of this chapter for a nonresident collection agency and the nonresident collection agency's affiliated collectors if: (1) a written reciprocal licensing agreement is in effect between the commissioner and the licensing officials of the nonresident collection agency's home state; and (2) the nonresident collection agency is licensed in good standing in the nonresident collection agency's home state.

Sec. 13. Minnesota Statutes 2022, section 471.6161, subdivision 8, is amended to read:

Subd. 8. **School districts; group health insurance coverage.** (a) Any entity providing group health insurance coverage to a school district must provide the school district with school district-specific nonidentifiable aggregate claims records for the most recent 24 months within 30 days of the request.

(b) School districts shall request proposals for group health insurance coverage as provided in subdivision 2 from a minimum of three potential sources of coverage. One of these requests must go to an administrator governed by chapter 43A. Entities referenced in subdivision 1 must respond to requests for proposals received directly from a school district. School districts that are self-insured must also follow these provisions, except as provided in paragraph ~~(f)~~ (g). School districts must make requests for proposals at least 150 days prior to the expiration of the existing contract but not more frequently than once every 24 months. The request for proposals must include the most recently available 24 months of nonidentifiable aggregate claims data. The request for proposals must be publicly released at or prior to its release to potential sources of coverage.

(c) School district contracts for group health insurance must not be longer than two years unless the exclusive representative of the largest employment group and the school district agree otherwise.

(d) All proposals for group health insurance coverage, including coverage offered under chapters 43A and 123A, must include the information described in this paragraph for each separate health plan being proposed. The information must be on the first page of each proposal in a summary section and in a separate tabular format. Proposals that do not include all of the following information are not eligible to be selected by a school district. All proposals must include the:

(1) structure of the health plan, designating either exclusive provider organization, preferred provider organization, point of service, or health maintenance organization;

(2) health plan actuarial value, using the minimum value calculator described in Code of Federal Regulations, title 45, section 156.145;

(3) type of provider network, designating either narrow network, broad network, narrow tiered network, or broad tiered network;

(4) agent or broker commissions paid as part of the premium, as requested by the proposal, displayed in dollars per member per month;

(5) total premium dollars in the first 12-month period of the quote, not including commissions;

(6) total premium dollars, per member per month, not including commissions; and

(7) number of expected members used for the premium quote calculation.

~~(d)~~ (e) All initial proposals shall be sealed upon receipt until they are all opened no less than 90 days prior to the plan's renewal date in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Section 13.591, subdivision 3, paragraph (b), applies to data in the proposals. The representatives of the exclusive representative must maintain the data according to this classification and are subject to the remedies and penalties under sections 13.08 and 13.09 for a violation of this requirement.

~~(e)~~ (f) A school district, in consultation with the same representatives referenced in paragraph ~~(d)~~ (e), may continue to negotiate with any entity that submitted a proposal under paragraph ~~(d)~~ (e) in order to reduce costs or improve services under the proposal. Following the negotiations any entity that submitted an initial proposal may



submit a final proposal incorporating the negotiations, which is due no less than 75 days prior to the plan's renewal date. All the final proposals submitted must be opened at the same time in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b), following the opening of the final proposals, all the proposals, including any made under paragraph ~~(d)~~ (e), and other data submitted in connection with the proposals are public data. The school district may choose from any of the initial or final proposals without further negotiations and in accordance with subdivision 5, but not sooner than 15 days after the proposals become public data.

~~(f)~~ (g) School districts that are self-insured shall follow all of the requirements of this section, except that:

(1) their requests for proposals may be for third-party administrator services, where applicable;

(2) these requests for proposals must be from a minimum of three different sources, which may include both entities referenced in subdivision 1 and providers of third-party administrator services;

(3) for purposes of fulfilling the requirement to request a proposal for group insurance coverage from an administrator governed by chapter 43A, self-insured districts are not required to include in the request for proposal the coverage to be provided;

(4) a district that is self-insured on or before the date of enactment, or that is self-insured with more than 1,000 insured lives, or a district in which the school board adopted a motion on or before May 14, 2014, to approve a self-insured health care plan to be effective July 1, 2014, may, but need not, request a proposal from an administrator governed by chapter 43A;

(5) requests for proposals must be sent to providers no less than 90 days prior to the expiration of the existing contract; and

(6) proposals must be submitted at least 60 days prior to the plan's renewal date and all proposals shall be opened at the same time and in the presence of the exclusive representative, where applicable.

~~(g)~~ (h) Nothing in this section shall restrict the authority granted to school district boards of education by section 471.59, except that districts will not be considered self-insured for purposes of this subdivision solely through participation in a joint powers arrangement.

~~(h)~~ (i) An entity providing group health insurance to a school district under a multiyear contract must give notice of any rate or plan design changes applicable under the contract at least 90 days before the effective date of any change. The notice must be given to the school district and to the exclusive representatives of employees.

Sec. 14. Minnesota Statutes 2022, section 471.617, subdivision 2, is amended to read:

Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same requirements as an individual self-insurer under subdivision 1. Self-insurance pools under this section are subject to section 62L.045. A self-insurance pool established and operated by one or more service cooperatives governed by section 123A.21 to provide coverage described in this subdivision qualifies under this subdivision, but the individual school district members of such a pool shall not be considered to be self-insured for purposes of section 471.6161, subdivision 8, paragraph ~~(f)~~ (g). The commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or guidelines for the operation and administration of self-insurance pools.

Sec. 15. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS; UNFAIR SERVICE AGREEMENTS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "County recorder" has the meaning given in section 13.045, subdivision 1.

(c) "Person" means natural persons, corporations both foreign and domestic, trusts, partnerships both limited and general, incorporated or unincorporated associations, companies, business entities, and any other legal entity or any other group associated in fact although not a legal entity or any agent, assignee, heir, employee, representative, or servant thereof.

(d) "Record" or "recording" means placement of a document or instrument in the official county public land records.

(e) "Residential real property" means real property that is located in Minnesota and occupied, or intended to be occupied, by one to four families as the family's or families' residence.

(f) "Service agreement" means a contract under which a person agrees to provide real estate broker services, as defined in section 82.55, subdivision 19, in connection with the purchase or sale of residential real property.

(g) "Service provider" means an individual or entity that provides services to a person pursuant to a service agreement.

**Subd. 2. Unfair service agreements; prohibition.** (a) A service agreement subject to this section is unfair and prohibited if any part of the agreement provides an exclusive right to a service provider for a term in excess of one year after the time the service agreement is entered into and:

(1) purports to run with the land or to be binding on future owners of interests in the real property;

(2) allows for assignment of the right to provide service without notice to and the consent of the residential real property's owner, including a contract for deed vendee;

(3) is recorded or purports to create a lien, encumbrance, or other real property security interest; or

(4) contains a provision that purports to automatically renew the agreement upon the agreement's expiration.

(b) The following are not unfair service agreements under this section:

(1) a home warranty or similar product that covers the cost of maintaining a major home system or appliance for a fixed period;

(2) an insurance contract;

(3) a mortgage loan or a commitment to make or receive a mortgage loan;

(4) an option or right of refusal to purchase a residential real property;

(5) a declaration of any covenants, conditions, or restrictions created in the formation of a homeowners association, a group of condominium owners, or other common interest community or an amendment to the covenants, conditions, or restrictions;

(6) a maintenance or service agreement entered by a homeowners association in a common interest community;

(7) a security agreement governed by chapter 336 that relates to the sale or rental of personal property or fixtures; or

(8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service provider.

(c) This section does not impair any lien right granted under Minnesota law or that is judicially imposed.

**Subd. 3. Recording prohibited.** (a) A person is prohibited from:

(1) presenting or sending an unfair service agreement or notice or memorandum of an unfair service agreement to any county recorder to record; or

(2) causing an unfair service agreement or notice or memorandum of an unfair service agreement to be recorded by a county recorder.

(b) If a county recorder records an unfair service agreement, the county recorder does not incur liability.

(c) If an unfair service agreement is recorded, the recording does not create a lien or provide constructive notice to any third party, bona fide purchaser, or creditor.

**Subd. 4. Unfair service agreements unenforceable.** A service agreement that is unfair under this section is unenforceable and does not create a contractual obligation or relationship. Any waiver of a consumer right, including a right to trial by jury, in an unfair service agreement is void.

**Subd. 5. Unfair service agreements; solicitation.** Encouraging any consumer to enter into an unfair service agreement by any service provider constitutes:

(1) an unfair method of competition; and

(2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph (c), and section 325F.69.

Sec. 16. Minnesota Statutes 2022, section 604.18, subdivision 1, is amended to read:

Subdivision 1. **Terms.** For purposes of this section, the following terms have the meanings given them.

(a) "Insurance policy" means a written agreement between an insured and an insurer that obligates an insurer to pay proceeds directly to an insured. Insurance policy does not include provisions of a written agreement obligating an insurer to defend an insured, reimburse an insured's defense expenses, provide for any other type of defense obligation, or provide indemnification for judgments or settlements. Insurance policy does not include:

(1) coverage for workers' compensation insurance under chapter 176;

(2) a written agreement of a health carrier, as defined in section 62A.011, with the exception of coverage that is limited to disability or income protection or a long-term care policy or insurance, as defined under sections 62A.46, subdivision 2, and 62S.01, subdivision 18;

(3) a contract issued by a nonprofit health service plan corporation regulated under chapter 62C that provides only dental coverage;

(4) a written agreement authorized under section 60A.06, subdivision 1, clause (4) or (6), or 64B.16, subdivision 1; or

(5) a written agreement issued pursuant to section 67A.191.

(b) "Insured" means a person who, or an entity which, qualifies as an insured under the terms of an insurance policy on which a claim for coverage is made. An insured does not include any person or entity claiming a third-party beneficiary status under an insurance policy.

(c) "Insurer" means every insurer, corporation, business trust, or association engaged in insurance as a principal licensed or authorized to transact insurance under section 60A.06, but for purposes of this section an insurer does not include a political subdivision providing self-insurance or a pool of political subdivisions under section 471.981, subdivision 3. The term does not include the Joint Underwriting Association operating under chapter 62F or 62I.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to claims made or commenced under this section on or after that date.

Sec. 17. **REPEALER.**

Minnesota Statutes 2022, section 332.3351, is repealed.

ARTICLE 4  
TELECOMMUNICATIONS POLICY

Section 1. Minnesota Statutes 2022, section 116J.39, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Broadband" or "broadband service" means ~~any a service providing advanced telecommunications capability and that offers to a person or company high-speed~~ Internet access with transmission speeds that, at a minimum, meet the Federal Communications Commission definition for broadband.

(c) "Local unit of government" has the meaning given in section 116G.03, subdivision 3.

(d) "Office" means the Office of Broadband Development established in subdivision 2, paragraph (a).

Sec. 2. Minnesota Statutes 2022, section 116J.394, is amended to read:

**116J.394 DEFINITIONS.**

(a) For the purposes of sections 116J.394 to ~~116J.398~~ 116J.399, the following terms have the meanings given them.

(b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).

(c) "Broadband infrastructure" means networks of deployed ~~telecommunications~~ equipment and technologies necessary to provide ~~high-speed Internet access and other advanced telecommunications services for~~ broadband to end users.

(d) "Commissioner" means the commissioner of employment and economic development.

(e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.

(f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.

(g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.

(h) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds of at least 100 megabits per second download and at least 20 megabits per second upload.

(i) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service, as defined in section 116J.39.

Sec. 3. Minnesota Statutes 2022, section 116J.399, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the following terms have the meanings given:

~~(1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph (e);~~

~~(2) (1) "broadband service" has the meaning given in section 116J.394, paragraph (b) 116J.39, subdivision 1, paragraph (b); and~~

(2) "local franchising authority" means any statutory city, home rule charter city, or town authorized by state law to require a provider to obtain a franchise; and

(3) "provider" means a broadband service provider, but does not include an electric cooperative association organized under chapter 308A that provides broadband service; a provider that exclusively offers personal wireless service, as defined in United States Code, title 47, section 332(c)(7)(C); or a provider that exclusively offers direct broadband satellite service, as defined in United States Code, title 47, section 335(b)(5).

Sec. 4. Minnesota Statutes 2022, section 116J.399, subdivision 8, is amended to read:

Subd. 8. **Local governmental right-of-way management preserved.** (a) The placement of broadband infrastructure to provide broadband service under subdivisions 2 to 7: (1) is subject to local government permitting and right of way management authority under section 237.163, franchising or other municipal authorization under subdivision 10; and (2) must be coordinated with the relevant local government unit in order to minimize potential future relocations. The provider must notify a local government unit prior to placing infrastructure for broadband service in an easement that is in or adjacent to the local government unit's public right-of-way.

(b) Nothing in this section applies to a public utility easement.

Sec. 5. Minnesota Statutes 2022, section 116J.399, is amended by adding a subdivision to read:

Subd. 10. **Franchise or municipal authorization.** (a) A local franchising authority may require a provider furnishing broadband within the local franchising authority's jurisdiction to obtain a franchise or other municipal authorization in accordance with the terms, conditions, and limitations of the local franchising authority's regulatory acts, including but not limited to regulatory acts governing the placing of lines and facilities above ground or underground.

(b) A local franchising authority may by ordinance or resolution create a joint powers commission under section 471.59 to which each local franchising authority may delegate authority vested in that entity by statute or charter to prepare, adopt, grant, administer, and enforce a franchise as contemplated hereunder.

(c) Pursuant to a franchise or other municipal authorization required under paragraph (a), a local franchising authority may require a provider to pay the local franchising authority fees to (1) raise revenue, (2) defray increased municipal costs that accrue as a result of right-of-way occupation, or (3) both. The fee may include but is not limited to a sum of money based on the gross operating revenues or gross earnings resulting from the provider's operations to provide broadband within the local franchising authority's jurisdiction for the duration of time the provider continues to operate within the local franchising authority's jurisdiction. A provider franchise fee must not exceed five percent of the provider's gross revenues and up to an additional three percent of the provider's gross revenues dedicated in support of local programming if the local franchising authority or local franchising authority's designee operates an access channel. Any franchise fee inconsistent with the express terms of title VI of the Communications Act, United States Code, title 47, section 521, et seq., is prohibited.

Sec. 6. Minnesota Statutes 2023 Supplement, section 222.37, subdivision 1, is amended to read:

Subdivision 1. **Use requirements.** (a) Any water power, telegraph, telephone, broadband, pneumatic tube, pipeline, community antenna television, cable communications or electric light, heat, power company, entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility with transmission lines or associated facilities of an entity that directly, or through its members or agents, provides retail electric service in the state, or fire department may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, conduit, transmission lines, hydrants, or dry hydrants, the entity ~~shall be~~ is subject to municipal franchising requirements, including compensation, as well as all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be.

(b) If the governing body does not require the entity to obtain a franchise or permit, an entity shall notify the governing body of any county, town, or city having jurisdiction over a public road prior to the construction or major repair, involving extensive excavation on the road right-of-way, of the entity's equipment along, over, or under the public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis.

(c) For emergency repair an entity shall notify the governing body as soon as practical after the repair is made.

(d) Nothing herein shall be construed to grant to any person any rights ~~for the maintenance of~~ to construct and maintain a ~~telegraph, telephone, pneumatic tube, community antenna television system, system or network that provides telecommunications, broadband, cable communications system, or light, heat, power system, electric power generating system, high voltage transmission line, or hydrant system, gas, electric, or other utility service~~ within the corporate limits of any city until ~~such the person shall have~~ has obtained a franchise or other municipal authorization that grants the right to construct and maintain ~~such the~~ system within ~~such the~~ city or for a period beyond that for which the right to operate ~~such the~~ system is granted by ~~such the~~ city. Authority granted under this paragraph must be granted before the person provides the service. A company that provides multiple services to the public must obtain a franchise or specific municipal authorization to provide each service.

Sec. 7. Minnesota Statutes 2022, section 237.121, is amended to read:

**237.121 PROHIBITED PRACTICES.**

(a) A telephone company or telecommunications carrier may not do any of the following with respect to services regulated by the commission:

(1) upon request, fail to disclose in a timely and uniform manner information necessary for the design of equipment and services that will meet the specifications for interconnection;

(2) intentionally impair the speed, quality, or efficiency of services, products, or facilities offered to a consumer under a tariff, contract, or price list;

(3) fail to provide a service, product, or facility to a consumer other than a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(4) refuse to provide a service, product, or facility to a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(5) impose unreasonable or discriminatory restrictions on the resale of its services, provided that:

(i) it may require that residential service may not be resold as a different class of service; and

(ii) the commission may prohibit resale of services it has approved for provision for not-for-profit entities at rates less than those offered to the general public; ~~or~~

(6) provide telephone service to a person acting as a telephone company or telecommunications carrier if the commission has ordered the telephone company or telecommunications carrier to discontinue service to that person; or

(7) upon cancellation of a service, refuse to provide a prorated refund of payment made in advance by a customer.

(b) A telephone company or telecommunications carrier may not violate a provision of sections 325F.692 and 325F.693, with regard to any of the services provided by the company or carrier.

Sec. 8. Minnesota Statutes 2022, section 237.162, subdivision 4, is amended to read:

Subd. 4. **Telecommunications right-of-way user.** (a) "Telecommunications right-of-way user" means a person owning or controlling a facility in the public right-of-way, or seeking to own or control a facility in the public right-of-way, that is used or is intended to be used for providing wireless service, or transporting telecommunications or other voice ~~or data information~~ service.

(b) For purposes of this section and section 237.163, telecommunications service does not include: (1) cable service, as defined under United States Code, title 47, section 522(6); or (2) broadband service, as defined under section 116J.39, subdivision 1.

~~(b)~~ (c) A cable communication system defined and regulated under chapter 238, ~~and an entity that solely provides broadband services, as defined under section 116.39, subdivision 1,~~ telecommunications activities related to providing natural gas or electric energy services, a public utility as defined in section 216B.02, a municipality, a municipal gas or power agency organized under chapter 453 or 453A, or a cooperative electric association organized under chapter 308A, are not telecommunications right-of-way users for the purposes of this section and section 237.163, ~~except to the extent these entities are offering wireless services.~~

Sec. 9. Minnesota Statutes 2022, section 237.163, subdivision 2, is amended to read:

Subd. 2. **Generally.** (a) Subject to this section, a telecommunications right-of-way user authorized to do business under the laws of this state or by license of the Federal Communications Commission may construct, maintain, and operate small wireless facilities, conduit, cable, switches, and related appurtenances and facilities along, across, upon, above, and under any public right-of-way.

(b) Subject to this section, a local government unit has the authority to franchise and manage its public rights-of-way, receive compensation for use and occupancy, and ~~to~~ recover its rights-of-way management costs. Except as provided in subdivisions 3a, 3b, and 3c, the authority defined in this section may be exercised at the option of the local government unit and is not mandated under this section. A local government unit may, by ordinance:

(1) require a telecommunications right-of-way user seeking to excavate or obstruct a public right-of-way for the purpose of providing telecommunications services to obtain a right-of-way permit to do so and to impose permit conditions consistent with the local government unit's management of the right-of-way;

(2) require a telecommunications right-of-way user using, occupying, or seeking to use or occupy a public right-of-way for the purpose of providing telecommunications services to register with the local government unit by providing the local government unit with the following information:

(i) the applicant's name, gopher state one-call registration number under section 216D.03, address, and telephone and facsimile numbers;

(ii) the name, address, and telephone and facsimile numbers of the applicant's local representative;

(iii) proof of adequate insurance; and

(iv) other information deemed reasonably necessary by the local government unit for the efficient administration of the public right-of-way; and

(3) require telecommunications right-of-way users to submit to the local government unit plans for construction and major maintenance that provide reasonable notice to the local government unit of projects that the telecommunications right-of-way user expects to undertake that may require excavation and obstruction of public rights-of-way.

(c) A local government unit may also require a telecommunications right-of-way user that is registered with the local government unit pursuant to paragraph (b), clause (2), to periodically update the information in its registration application.

(d) Notwithstanding sections 394.34 and 462.355, or any other law, a local government unit must not establish a moratorium with respect to:

(1) filing, receiving, or processing applications for right-of-way or small wireless facility permits; or

(2) issuing or approving right-of-way or small wireless facility permits.

(e) A telecommunications right-of-way user may place a new wireless support structure or collocate small wireless facilities on wireless support structures located within a public right-of-way, subject to the approval procedures under this section and, for collocation on wireless support structures owned by a local government unit, the reasonable terms, conditions, and rates set forth under this section. A local government unit may prohibit, regulate, or charge a fee to install wireless support structures or to collocate small wireless facilities only as provided in this section.

(f) The placement of small wireless facilities and wireless support structures to accommodate small wireless facilities are a permitted use in a public right-of-way, except that a local government unit may require a person to obtain a special or conditional land use permit to install a new wireless support structure for the siting of a small wireless facility in a right-of-way in a district or area zoned for single-family residential use or within a historic district established by federal or state law or city ordinance as of the date of application for a small wireless facility permit. This paragraph does not apply to areas outside a public right-of-way that are zoned and used exclusively for single-family residential use.

Sec. 10. Minnesota Statutes 2022, section 237.163, subdivision 6, is amended to read:

Subd. 6. **Fees.** (a) In addition to franchise fees authorized under section 116J.399, subdivision 10, a local government unit may recover its right-of-way management costs by imposing a fee for registration, a fee for each right-of-way or small wireless facility permit, or, when appropriate, a fee applicable to a particular telecommunications right-of-way user when that user causes the local government unit to incur costs as a result of actions or inactions of that user. A local government unit may not recover costs from a telecommunications right-of-way user or an owner of a cable communications system awarded a franchise under chapter 238 caused by another entity's activity in the right-of-way.

(b) Fees, or other right-of-way obligations, imposed by a local government unit on telecommunications right-of-way users under this section to recover right-of-way management costs must be:

(1) based on the actual costs incurred by the local government unit in managing the public right-of-way;

(2) based on an allocation among all users of the public right-of-way, including the local government unit itself, which shall reflect the proportionate costs imposed on the local government unit by each of the various types of uses of the public rights-of-way;



(3) imposed on a competitively neutral basis; and

(4) imposed in a manner so that aboveground uses of public rights-of-way do not bear costs incurred by the local government unit to regulate underground uses of public rights-of-way.

(c) The rights, duties, and obligations regarding the use of the public right-of-way imposed under this section must be applied to all users of the public right-of-way, including the local government unit while recognizing regulation must reflect the distinct engineering, construction, operation, maintenance and public and worker safety requirements, and standards applicable to various users of the public rights-of-way. For users subject to the franchising authority of a local government unit, to the extent those rights, duties, and obligations are addressed in the terms of an applicable franchise agreement, the terms of the franchise shall prevail over any conflicting provision in an ordinance.

(d) A wireless service provider may collocate small wireless facilities on wireless support structures owned or controlled by a local government unit and located within the public roads or rights-of-way without being required to apply for or enter into any individual license, franchise, or other agreement with the local government unit or any other entity, other than a standard small wireless facility collocation agreement under subdivision 3a, paragraph (f), if the local unit of government elects to utilize such an agreement.

(e) Any initial engineering survey and preparatory construction work associated with collocation must be paid by the cost causer in the form of a onetime, nonrecurring, commercially reasonable, nondiscriminatory, and competitively neutral charge to recover the costs associated with a proposed attachment.

(f) Total application fees for a small wireless facility permit must comply with this subdivision with respect to costs related to the permit.

(g) A local government unit may elect to charge each small wireless facility attached to a wireless support structure owned by the local government unit a fee, in addition to other fees or charges allowed under this subdivision, consisting of:

(1) up to \$150 per year for rent to occupy space on a wireless support structure;

(2) up to \$25 per year for maintenance associated with the space occupied on a wireless support structure; and

(3) a monthly fee for electricity used to operate a small wireless facility, if not purchased directly from a utility, at the rate of:

(i) \$73 per radio node less than or equal to 100 max watts;

(ii) \$182 per radio node over 100 max watts; or

(iii) the actual costs of electricity, if the actual costs exceed the amount in item (i) or (ii).

Sec. 11. Minnesota Statutes 2022, section 237.163, subdivision 7, is amended to read:

Subd. 7. **Additional right-of-way provisions.** (a) In managing the public rights-of-way and in imposing fees under this section, no local ~~government unit~~ franchising authority may:

(1) unlawfully discriminate among telecommunications right-of-way users;

(2) grant a preference to any telecommunications right-of-way user; or

(3) create or erect any unreasonable requirement for entry to the public rights-of-way by telecommunications right-of-way users; ~~or,~~

~~(4) require a telecommunications right of way user to obtain a franchise or pay for the use of the right of way.~~

(b) A telecommunications right-of-way user need not apply for or obtain right-of-way permits for facilities that are located in public rights-of-way on May 10, 1997, for which the user has obtained the required consent of the local government unit, or that are otherwise lawfully occupying the public right-of-way. However, the telecommunications right-of-way user may be required to: (1) comply with all requirements imposed as allowed under this section; and (2) register and to obtain a right-of-way permit for an excavation or obstruction of existing facilities within the public right-of-way after May 10, 1997.

(c) Data and documents exchanged between a local government unit and a telecommunications right-of-way user are subject to the terms of chapter 13. A local government unit not complying with this paragraph is subject to the penalties set forth in section 13.08.

~~(d) A local government unit may not collect a fee imposed under this section through the provision of in-kind services by a telecommunications right of way user, nor may a local government unit require the provision of in-kind services as a condition of consent to use the local government unit's public right of way or to obtain a small wireless facility permit.~~

~~(e) Except as provided in this chapter or required by federal law, a local government unit shall not adopt or enforce any regulation on the placement or operation of communications facilities in the right of way where the entity is already authorized to operate in the right of way, and shall not regulate or impose or collect fees on communications services except to the extent specifically provided for in the existing authorization, and unless expressly required by state or federal statute.~~

Sec. 12. **[237.185] MISSED REPAIR APPOINTMENTS; CREDIT.**

Subdivision 1. **Credit required; limitation; exception.** (a) A local exchange carrier that schedules a repair appointment with a customer for any service, either to provide the service directly or by contracting with a third party, must provide an immediate \$25 credit to the customer if a repair technician fails to appear at the scheduled appointment time and at the location where the repair is required. A customer is not required to request the immediate credit.

(b) The immediate credit under paragraph (a) applies only if the customer, prior to the scheduled repair appointment, provides notice to the local exchange carrier that the customer's compromised health requires continued access to emergency services. The customer is not required to provide the local exchange carrier with medical documentation when providing notice under this paragraph.

(c) The local exchange carrier is not required to provide an immediate credit if the local exchange carrier (1) notifies the customer that a change in scheduling is necessary, and (2) provides the notice to the customer at least 24 hours before the scheduled appointment.

Subd. 2. **Notice.** (a) A local exchange carrier must notify the local exchange carrier's customers (1) of the right to an immediate credit for a missed repair appointment, and (2) that a health notice from the customer must be on file in order for the customer to obtain the immediate credit.

(b) The notice must be given to a new customer within 45 days of the date that service to the customer is commenced and at least annually thereafter. The notice must be provided in a writing labeled "NOTICE OF RIGHT TO IMMEDIATE CREDIT FOR MISSED REPAIR APPOINTMENTS FOR CERTAIN HEALTH COMPROMISED CUSTOMERS." The notification must be printed in a sufficient size so that the notification is clearly legible.

Sec. 13. Minnesota Statutes 2022, section 237.19, is amended to read:

**237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.**

Any municipality shall have the right to own and operate a telephone exchange within its own borders, subject to the provisions of this chapter. It may construct such plant, or purchase an existing plant by agreement with the owner, or where it cannot agree with the owner on price, it may acquire an existing plant by condemnation, ~~as hereinafter provided, but in no case shall a municipality construct or purchase such a plant or proceed to acquire an existing plant by condemnation until such action by it is authorized by a majority of the electors voting upon the proposition at a general election or a special election called for that purpose, and if the proposal is to construct a new exchange where an exchange already exists, it shall not be authorized to do so unless 65 percent of those voting thereon vote in favor of the undertaking.~~ A municipality that owns and operates a telephone exchange may enter into a joint venture as a partner or shareholder with a telecommunications organization to provide telecommunications services within its service area.

Sec. 14. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Broadband Internet access service" means:

(1) a mass-market retail service by wire or radio that provides the capability, including any capability that is incidental to and enables the operation of the communications service, to transmit data to and receive data from all or substantially all Internet endpoints;

(2) any service that provides a functional equivalent of the service described in clause (1); or

(3) any service that is used to evade the protections established under this section.

Broadband Internet access service includes a service that serves end users at fixed endpoints using stationary equipment or end users using mobile stations, but does not include dial-up Internet access service.

(c) "Edge provider" means any person or entity that provides:

(1) any content, application, or service over the Internet; or

(2) a device used to access any content, application, or service over the Internet.

Edge provider does not include a person or entity providing obscene material, as defined in section 617.241.

(d) "Impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service, or use of a nonharmful device" means impairing or degrading any of the following:

(1) particular content, applications, or services;

(2) particular classes of content, applications, or services;

(3) lawful Internet traffic to particular nonharmful devices; or

(4) lawful Internet traffic to particular classes of nonharmful devices.

Impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service, or use of a nonharmful device includes, without limitation, differentiating positively or negatively between any of the following:

(i) particular content, applications, or services;

(ii) particular classes of content, applications, or services;

(iii) lawful Internet traffic to particular nonharmful devices; or

(iv) lawful Internet traffic to particular classes of nonharmful devices.

(e) "Internet service provider" means a business that provides broadband Internet access service to a customer in Minnesota.

(f) "Paid prioritization" means the management of an Internet service provider's network to directly or indirectly favor some traffic over other traffic:

(1) in exchange for monetary or other consideration from a third party; or

(2) to benefit an affiliated entity.

(g) "Reasonable network management" means a network management practice that has a primarily technical network-management justification, but does not include other business practices, which is reasonable if the practice is primarily used for and tailored to achieving a legitimate network-management purpose, taking into account the particular network architecture and technology of the broadband Internet access service, and is as application-agnostic as possible.

(h) "Zero-rating" means exempting some Internet traffic from a customer's data usage allowance.

Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging in any of the following activities with respect to any of the Internet service provider's Minnesota customers:

(1) subject to reasonable network management, blocking lawful content, applications, services, or nonharmful devices;

(2) subject to reasonable network management, impairing, impeding, or degrading lawful Internet traffic on the basis of (i) Internet content, application, or service, or (ii) use of a nonharmful device;

(3) engaging in paid prioritization;

(4) unreasonably interfering with or unreasonably disadvantaging:

(i) a customer's ability to select, access, and use broadband Internet service or lawful Internet content, applications, services, or devices of the customer's choice; or

(ii) an edge provider's ability to provide lawful Internet content, applications, services, or devices to a customer;

(5) engaging in deceptive or misleading marketing practices that misrepresent the treatment of Internet traffic or content;

(6) engaging in zero-rating in exchange for consideration, monetary or otherwise, from a third party; or

(7) zero-rating some Internet content, applications, services, or devices in a category of Internet content, applications, services, or devices, but not the entire category.

Subd. 3. **Exceptions.** This section does not apply to software or applications sponsored by the federal government, a state government, or a federally recognized Tribal government when the Internet service provider allows an advantage to customers for free or improved access, or data for access to government services and programs.

Subd. 4. **Other laws.** This section does not: (1) supersede any obligation or authorization an Internet service provider may have to address the needs of emergency communications or law enforcement, public safety, or national security authorities, consistent with or as permitted by applicable law; or (2) limit the provider's ability to meet, address, or comply with the needs identified in clause (1).

Subd. 5. **Enforcement.** A violation of subdivision 2 may be enforced by the commissioner of commerce under section 45.027. The venue for enforcement proceedings is Ramsey County.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 412.221, subdivision 6, is amended to read:

Subd. 6. **Public ways and grounds.** (a) The council ~~shall have~~ has the power to lay out, open, change, widen or extend streets, alleys, parks, squares, and other public ways and grounds and to grade, pave, repair, control, and maintain the same; to establish and maintain drains, canals, and sewers; to alter, widen or straighten watercourses; to lay, repair, or otherwise improve or discontinue sidewalks, paths, and crosswalks.

~~It shall have~~ (b) The council has the power: (1) to franchise the occupants and users of public right-of-way; (2) to receive compensation; and (3) by ordinance to regulate the use of streets and other public grounds to the extent provided in other applicable law, to prevent encumbrances or obstructions, and to require the owners or occupants of buildings and the owners of vacant lots to remove any snow, ice, dirt, or rubbish from the sidewalks adjacent thereto and in default thereof to cause such encumbrances, obstructions, or substances to be removed and the cost to be assessed against the property as a special assessment.

Sec. 16. Minnesota Statutes 2022, section 429.021, subdivision 1, is amended to read:

Subdivision 1. **Improvements authorized.** The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend, and maintain steam heating mains.

(4) To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care, and removal.

(8) To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.

- (9) To construct, reconstruct, extend, and maintain dikes and other flood control works.
- (10) To construct, reconstruct, extend, and maintain retaining walls and area walls.
- (11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.
- (12) To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.
- (13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.
- (14) To construct, reconstruct, extend, and maintain district heating systems.
- (15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.
- (16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.
- (17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution facilities owned by a municipal gas or electric utility.
- (18) To purchase, install, and maintain signs, posts, and other markers for addressing related to the operation of enhanced 911 telephone service.
- (19) To improve, construct, extend, and maintain facilities for Internet access and other communications purposes, ~~if the council finds that:~~ provided that the municipality must:
- ~~(i) the facilities are necessary to make available Internet access or other communications services that are not and will not be available through other providers or the private market in the reasonably foreseeable future; and~~
  - ~~(ii) the service to be provided by the facilities will not compete with service provided by private entities.~~
  - (i) not discriminate in favor of the municipality's own communications facilities by granting the municipality more favorable or less burdensome terms and conditions than a competitive service provider with respect to: (A) access and use of public rights-of-way; (B) access and use of municipally owned or controlled conduit, towers, and utility poles; and (C) permitting fees charged to access municipally owned and managed facilities;
  - (ii) maintain separation between the municipality's role as a regulator over firms that offer services in competition with the services offered by the municipality over the municipality's communications service facilities, and the municipality's role as a competitive provider of services over the municipality's communications service facilities; and
  - (iii) not share inside information between employees or contractors responsible for executing the municipality's role as a regulator over firms that offer communications services in competition with the communication services offered by the municipality, and employees or contractors responsible for executing the municipality's role as a competitive communications services provider.
- (20) To assess affected property owners for all or a portion of the costs agreed to with an electric utility, telecommunications carrier, or cable system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards, or those set by law, tariff, or franchise, but only upon petition under section 429.031, subdivision 3.

(21) To assess affected property owners for repayment of voluntary energy improvement financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.

(22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy improvement projects in existing buildings, provided that:

(i) a petition for the improvement is made by a property owner under section 429.031, subdivision 3;

(ii) the municipality funds and administers the energy improvement project;

(iii) project funds are only used for the installation of improvements to heating, ventilation, and air conditioning equipment and building envelope and for the installation of renewable energy systems;

(iv) each property owner petitioning for the improvement receives notice that free or low-cost energy improvements may be available under federal, state, or utility programs;

(v) for energy improvement projects on residential property, only residential property having five or more units may obtain financing for projects under this clause; and

(vi) prior to financing an energy improvement project or imposing an assessment for a project, written notice is provided to the mortgage lender of any mortgage encumbering or otherwise secured by the property proposed to be improved.

## ARTICLE 5 LIQUOR

Section 1. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

(m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Swedish Institute or to its concessionaire or operator for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(n) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions or catering contract with the Minneapolis Institute of Arts for use on the premises of the Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on all days of the week.

(o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway House or to its concessionaire or operator for use on the premises owned by Norway House at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.



(p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating to seating requirements, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions or catering contract with the Minneapolis Park and Recreation Board for use on the Minneapolis Park and Recreation Board premises of the Downtown Commons Park, the Minneapolis Sculpture Garden, or at Boom Island Park. The licenses authorized by this subdivision may be used for space specified within the park property, provided all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on the dates on the approved license application.

**EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 2. Laws 2022, chapter 86, article 2, section 3, is amended to read:

Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of Minnesota or to a person or entity holding a concessions contract with the Thai Cultural Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of the State Capitol for both days of the Minnesota Songkran Festival. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

**EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 3. **SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds, provided that the board of Independent School District No. 465, Litchfield, adopts a resolution approving the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply to the school grounds or buildings for a license issued under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Litchfield City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 4. **SPECIAL LIQUOR LAW; CITY OF WATKINS.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Watkins may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds, provided the board of Independent School District No. 463, Eden Valley-Watkins, adopts a resolution approving the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply to the school grounds or buildings for a license issued under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Watkins City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 5. **SPORTS AND EVENT CENTER LICENSE; EAGAN.**

Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses to the owner of a multiuse sports and event center located on property in the city of Eagan, legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter due to subdivision or replatting, or to any facility operator, concessionaire, catering operator, or other third-party food and beverage vendor for the center under contract with the owner. A license issued under this

section may be issued for a space that is not compact and contiguous, provided that the licensed premises shall only be the space described in the approved license. A license issued under this section authorizes sales on all days of the week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to commerce; adding, modifying, or eliminating provisions governing consumer protection, monetary and financial institutions policy, insurance, and telecommunications; modifying and authorizing certain on-sale liquor licenses; making technical changes; requiring reports; establishing penalties; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 47.59, subdivision 3; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 60A.201, by adding a subdivision; 65A.29, subdivisions 7, 8; 70A.05; 72A.20, subdivision 13; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.095, subdivision 3; 82B.19, subdivision 1; 115C.08, subdivision 2; 116J.39, subdivision 1; 116J.394; 116J.399, subdivisions 1, 8, by adding a subdivision; 237.121; 237.162, subdivision 4; 237.163, subdivisions 2, 6, 7; 237.19; 272.12; 325D.43, by adding a subdivision; 325D.44, by adding subdivisions; 325E.66, subdivision 1; 325F.03; 325F.04; 325F.05; 325F.56, subdivision 2; 325F.62, subdivision 3; 340A.404, subdivision 2; 412.221, subdivision 6; 429.021, subdivision 1; 471.6161, subdivision 8; 471.617, subdivision 2; 507.235, subdivisions 1a, 5; 513.73, subdivision 3; 519.05; 550.37, subdivisions 2, 4, 6, 12a, 14, 20, 22, 23, by adding subdivisions; 550.39; 559.21, subdivisions 2a, 4, by adding subdivisions; 559.211, subdivision 1; 559.213; 563.01, subdivisions 3, 4, 8, 9, 10; 563.02, subdivision 2; 571.72, subdivisions 6, 8, 9, 10; 571.911; 571.914, subdivision 1; 571.92; 571.921; 571.922; 571.924, subdivision 1; 571.925; 571.927; 604.18, subdivision 1; Minnesota Statutes 2023 Supplement, sections 47.59, subdivision 2; 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 61A.031; 80A.50; 222.37, subdivision 1; 239.791, subdivision 8; 325E.21, subdivisions 1b, 11; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 60A; 62Q; 65A; 237; 325F; 332; 513; 550; proposing coding for new law as Minnesota Statutes, chapters 46A; 325O; 332C; 559A; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 239.791, subdivision 3; 332.3351; 559.201; 559.202; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4247, A bill for an act relating to health; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; appropriating money; amending Minnesota Statutes 2022, sections 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01,

subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 149A; 156; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 148D.061, subdivision 9; 156.12, subdivision 6.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4251, A bill for an act relating to cannabis; prohibiting the Office of Cannabis Management from approving certain cannabis flower, cannabis products, and hemp-derived consumer products; amending Minnesota Statutes 2023 Supplement, section 342.06.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Health Finance and Policy.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Xiong from the Committee on Workforce Development Finance and Policy to which was referred:

H. F. No. 4509, A bill for an act relating to capital investment; appropriating money for site selection planning and predesign for a new facility for Tending the Soil.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4509 was re-referred to the Committee on Rules and Legislative Administration.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4744, A bill for an act relating to Hennepin County; requiring a majority vote to approve budget; amending Minnesota Statutes 2022, section 383B.908, subdivision 5.

Reported the same back with the recommendation that the bill be placed on the General Register.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4753, A bill for an act relating to disaster relief; requiring the allocation of general fund surplus dollars to the disaster assistance contingency account; amending Minnesota Statutes 2022, section 16A.152, subdivision 1b; Minnesota Statutes 2023 Supplement, section 16A.152, subdivision 2.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4757, A bill for an act relating to cannabis; transferring enforcement of edible cannabinoid products to the Office of Cannabis Management; clarifying workplace testing for cannabis; making technical changes related to the taxation of cannabis and related products; replacing medical cannabis licenses with endorsements; establishing a petition process to designate cannabinoids as nonintoxicating or approved for use in lower-potency hemp edibles; authorizing lower-potency hemp edibles to contain certain artificially derived cannabinoids created in making delta-9 tetrahydrocannabinol; allowing testing of certain hemp products to be performed by labs meeting accreditation standards regardless of licensing status; authorizing patients enrolled in the registry program to obtain cannabis flower from registered designated caregivers; authorizing registered designated caregivers to cultivate cannabis plants on behalf of patients enrolled in the registry program; authorizing the Office of Cannabis Management to recall certain cannabis and related products; transferring the duties of the medical cannabis program to the Office of Cannabis Management on July 1, 2025; authorizing the appointment of deputy directors; clarifying the process for transfer of certain licenses; providing for license preapproval; removing the requirement that local governments perform certain inspections; removing the requirement that license applications be scored based on identified criteria and requiring that license applications be assessed based on certain minimum criteria; requiring employees of cannabis businesses to meet certain background check requirements; establishing social equity licenses; limiting the number of certain licenses that can be made available in an application period; providing for the conversion of a registration to sell certain hemp-derived products into a hemp business license; providing for a cannabis research license classification; authorizing the Office of Cannabis Management to adjust limits on cultivation area; permitting certain businesses to transport cannabis and related products between facilities operated by the business; replacing the prohibition on certain sales of lower-potency hemp products with a prohibition on selling to an obviously intoxicated person; providing for enforcement of unlicensed businesses engaging in activities that require a license; making technical and conforming changes; amending Minnesota Statutes 2022, sections 17.133, subdivision 1; 152.22, subdivision 14; 152.27, subdivisions 2, 6, by adding a subdivision; 181.950, subdivision 10; 181.952, as amended; Minnesota Statutes 2023 Supplement, sections 3.9224, subdivision 1; 151.72, subdivisions 1, 2, 3, 4, 5a, 5b, 6, 7; 181.951, subdivisions 4, 5, 8; 181.954, subdivision 1; 342.01, subdivisions 14, 17, 19, 48, 50, 52, 54, 63, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 3, 6; 342.03, subdivision 1; 342.06; 342.07, subdivision 3; 342.09, subdivision 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, by adding a subdivision; 342.17; 342.18, subdivisions 2, 3, by adding subdivisions; 342.19, by adding a subdivision; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding subdivisions; 342.29, subdivision 4, by adding a subdivision; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivision 3; 342.46, subdivision 8; 342.51; 342.515, subdivision 1, by adding a subdivision; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 4; 342.60; 342.61, subdivisions 1, 4, 5; 342.62, by adding a subdivision; 342.63, subdivisions 2, 3, 6; 342.64, subdivision 1; 342.73, subdivision 4; 342.80; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, section 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2023 Supplement, sections 342.01, subdivision 28; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; Laws 2023, chapter 63, article 7, sections 4; 6.

Reported the same back with the recommendation that the bill be re-referred to the Committee on State and Local Government Finance and Policy.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Nelson, M., from the Committee on Labor and Industry Finance and Policy to which was referred:

H. F. No. 4818, A bill for an act relating to Metropolitan Airports Commission; requiring health and welfare benefits; imposing penalties; creating a civil action; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Page 2, line 6, delete "except" and insert "including"

Page 3, delete subdivision 6

Amend the title as follows:

Page 1, line 3, delete "creating a civil action;"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4818 was re-referred to the Committee on Rules and Legislative Administration.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4959, A bill for an act relating to public safety; establishing the Task Force on Holistic and Effective Responses to Illicit Drug Use; requiring a report; appropriating money.

Reported the same back with the recommendation that the bill be re-referred to the Committee on State and Local Government Finance and Policy.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Youakim from the Committee on Education Finance to which was referred:

H. F. No. 4986, A bill for an act relating to education finance; establishing school district seasonal tax base replacement aid; amending Minnesota Statutes 2022, section 126C.17, by adding a subdivision.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4986 was re-referred to the Committee on Rules and Legislative Administration.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4993, A bill for an act relating to state government; making human services forecast adjustments; appropriating money.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 3947, 4077, 4247, 4744, 4753 and 4993 were read for the second time.

### **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Virnig and Jordan introduced:

H. F. No. 5253, A bill for an act relating to education finance; authorizing a school district to reauthorize a capital projects referendum by board action; amending Minnesota Statutes 2022, section 123B.63, subdivision 3.

The bill was read for the first time and referred to the Committee on Education Finance.

Zeleznikar introduced:

H. F. No. 5254, A bill for an act relating to workforce development; appropriating money for a grant to Lake County Ambulance Service.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Zeleznikar introduced:

H. F. No. 5255, A bill for an act relating to workforce development; appropriating money for a grant to Proctor Public Schools.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Igo, Skraba and Zeleznikar introduced:

H. F. No. 5256, A bill for an act relating to housing; appropriating money for a grant to the Arrowhead Economic Opportunity Agency.

The bill was read for the first time and referred to the Committee on Housing Finance and Policy.

Zelevnikar introduced:

H. F. No. 5257, A bill for an act relating to workforce development; appropriating money for a grant to Duluth Public Schools.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Brand introduced:

H. F. No. 5258, A bill for an act relating to taxation; sales and use; modifying the exemption for telecommunications or pay television services machinery and equipment; amending Minnesota Statutes 2022, section 297A.68, subdivision 35a.

The bill was read for the first time and referred to the Committee on Taxes.

Quam introduced:

H. F. No. 5259, A bill for an act relating to capital investment; appropriating money for road improvements for the Northeast Improvement Zone in the city of Dodge Center and Wasioja Township; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Engen, Zelevnikar, Mekeland, Murphy, Niska and Robbins introduced:

H. F. No. 5260, A bill for an act relating to public safety; increasing the penalty for certain crimes committed after unlawful reentry or for the benefit of a transnational crime organization; amending Minnesota Statutes 2022, section 609.229, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy.

Hudella introduced:

H. F. No. 5261, A bill for an act relating to veterans; expanding veterans hiring preference to include certain active service members who will be honorably discharged within 120 days; amending Minnesota Statutes 2022, sections 43A.11; 197.455, subdivisions 2, 6; 197.4551.

The bill was read for the first time and referred to the Committee on Veterans and Military Affairs Finance and Policy.

Myers introduced:

H. F. No. 5262, A bill for an act relating to taxation; sales and use; providing a refundable construction exemption for construction of new residential housing for first-time homebuyers; amending Minnesota Statutes 2022, sections 297A.71, by adding a subdivision; 297A.75, subdivisions 1, 2.

The bill was read for the first time and referred to the Committee on Taxes.

Myers, Nadeau, Lislegard, Zeleznikar and Skraba introduced:

H. F. No. 5263, A bill for an act relating to transportation; establishing waterfowl critical habitat special license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Zeleznikar; Knudsen; Dotseth; Igo; Perryman; Mekeland; Murphy; Engen; Davis; Joy; Skraba; Niska; Hudson; Bakeberg; Grossell; Robbins; Fogelman; Hudella; Myers; Anderson, P. E., and Nadeau introduced:

H. F. No. 5264, A bill for an act relating to health; establishing a right of patients and residents to have a support person present when receiving health care services; establishing a civil penalty; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Zeleznikar; Skraba; Knudsen; Igo; Perryman; Murphy; Mekeland; Bakeberg; Grossell; Fogelman; Hudella; Anderson, P. E., and Nadeau introduced:

H. F. No. 5265, A bill for an act relating to transportation; amending a surcharge on all-electric vehicles; amending Minnesota Statutes 2022, section 168.013, subdivision 1m.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Gomez introduced:

H. F. No. 5266, A bill for an act relating to taxation; property; modifying provisions related to exemptions for institutions of public charity; amending Minnesota Statutes 2022, section 272.02, subdivision 7, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Pinto introduced:

H. F. No. 5267, A bill for an act relating to early childhood; the governor's budget bill for early childhood programs; modifying provisions related to child welfare and child care licensing; making technical changes to early childhood law; updating the Department of Children, Youth, and Families recodification; appropriating money; amending Minnesota Statutes 2022, sections 245.975, subdivisions 2, 4, 9; 245A.07, subdivision 6; 245A.10, subdivisions 1, as amended, 2, as amended; 245A.144; 245A.175; 256.029, as amended; 260C.007, subdivisions 5, 6, by adding subdivisions; 260C.212, subdivision 13; 260E.03, by adding a subdivision; 260E.14, subdivision 3; 260E.36, subdivision 1a; Minnesota Statutes 2023 Supplement, sections 245A.16, subdivision 1, as amended; 245A.66, subdivision 4, as amended; 256M.42, by adding a subdivision; 260.761, subdivision 2; 260.762, subdivision 2; 260E.02, subdivision 1; 260E.03, subdivisions 15a, 15b, 22; 260E.14, subdivision 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; Laws 2023, chapter 70, article 12, section 30, subdivisions 2, 3; article 20, sections 2, subdivision 24; 23; Laws 2024, chapter 80, article 1, sections 34, subdivision 2; 96; article 2, sections 5, subdivision 21; 7, subdivision 2; 10, subdivision 6; 16, subdivision 1; 30, subdivision 2; 31; 74; article 4, section 26; article 6, section



4; article 7, section 4; proposing coding for new law in Minnesota Statutes, chapter 142A; proposing coding for new law as Minnesota Statutes, chapter 142B; repealing Minnesota Statutes 2022, sections 245.975, subdivision 8; 245A.065; Laws 2024, chapter 80, article 2, sections 1, subdivision 11; 3, subdivision 3; 4, subdivision 4; 10, subdivision 4; 33; 69; Minnesota Rules, part 9545.0845.

The bill was read for the first time and referred to the Committee on Children and Families Finance and Policy.

Hollins introduced:

H. F. No. 5268, A bill for an act relating to electronic delivery devices; prohibiting the sale or offer for sale of disposable electronic delivery devices; proposing civil penalties; amending Minnesota Statutes 2022, section 461.19; proposing coding for new law in Minnesota Statutes, chapter 461.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Freiberg; Howard; Coulter; Hollins; Feist; Kraft; Smith; Lee, K.; Elkins; Long; Jordan; Noor; Greenman and Virnig introduced:

H. F. No. 5269, A bill for an act relating to public safety; prohibiting the open or concealed carry of firearms within 100 feet of designated polling places; proposing coding for new law in Minnesota Statutes, chapter 204C.

The bill was read for the first time and referred to the Committee on Elections Finance and Policy.

Cha introduced:

H. F. No. 5270, A bill for an act relating to public safety; appropriating money for a grant to the Hmong American Mediation Center.

The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy.

Bliss; Grossell; Knudsen; Heintzeman; Burkel; Bennett; Dotseth; Wiener; Joy; Anderson, P. E., and Schultz introduced:

H. F. No. 5271, A bill for an act relating to natural resources; requiring supermajority approval for certain conveyances of surplus land; amending Minnesota Statutes 2022, section 94.09, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Altendorf introduced:

H. F. No. 5272, A bill for an act relating to capital investment; transportation; appropriating money for the realignment of Trunk Highway 60 and local infrastructure related thereto in the city of Wabasha; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Kotyza-Witthuhn introduced:

H. F. No. 5273, A bill for an act relating to cannabis; establishing requirements for ownership of cannabis businesses; establishing disclosure requirements for financing cannabis businesses; proposing coding for new law in Minnesota Statutes, chapter 342.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Stephenson, Hortman and Klevorn introduced:

H. F. No. 5274, A bill for an act relating to horse racing; providing for the conduct of advance deposit wagering, card playing, and pari-mutuel betting; providing definitions; making clarifying and conforming changes; amending Minnesota Statutes 2022, sections 240.01, subdivisions 1c, 5, 8, 14, by adding subdivisions; 240.30, subdivision 8.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Huot introduced:

H. F. No. 5275, A bill for an act relating to health; establishing an Office of Emergency Medical Services to replace the Emergency Medical Services Regulatory Board; specifying duties for the office; transferring duties; establishing an advisory council; establishing alternative EMS response model pilot program; establishing emergency ambulance service aid; making conforming changes; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 62J.49, subdivision 1; 144E.001, by adding subdivisions; 144E.16, subdivision 5; 144E.19, subdivision 3; 144E.27, subdivision 5; 144E.28, subdivisions 5, 6; 144E.285, subdivision 6; 144E.287; 144E.305, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; Minnesota Statutes 2023 Supplement, sections 15A.0815, subdivision 2; 43A.08, subdivision 1a; 152.126, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.50, subdivision 3.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

McDonald; Olson, B., and Torkelson introduced:

H. F. No. 5276, A bill for an act relating to employment; modifying the definition of employee for purposes of earned sick and safe time; amending Minnesota Statutes 2023 Supplement, section 181.9445, subdivision 5.

The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy.

McDonald introduced:

H. F. No. 5277, A bill for an act relating to capital investment; appropriating money for a grant to Clearwater-Clear Lake Food Shelf.

The bill was read for the first time and referred to the Committee on Capital Investment.

Brand introduced:

H. F. No. 5278, A bill for an act relating to workforce development; appropriating money for the purchase and operation of an online early childhood development professional educator program.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Dauids introduced:

H. F. No. 5279, A bill for an act relating to game and fish; prohibiting sharpshooters from taking deer in certain areas; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Noor and Fischer introduced:

H. F. No. 5280, A bill for an act relating to human services; the governor's budget bill for human services; modifying provisions related to aging, disability services, substance use disorder treatment, and the Department of Direct Care and Treatment; making technical changes to human services law; establishing a human services contingency fund; adjusting appropriations for forecasted programs; appropriating money; amending Minnesota Statutes 2022, sections 13.46, subdivisions 1, 10; 145.61, subdivision 5; 246.018, subdivision 3; 246.13, subdivision 2; 256.88; 256.89; 256.90; 256.91; 256.92; 256B.0911, subdivision 20; 256B.0913, subdivision 5a; 256B.69, subdivision 4; 256S.205, subdivisions 2, 3, 5; Minnesota Statutes 2023 Supplement, sections 10.65, subdivision 2; 13.46, subdivision 2; 15.01; 15.06, subdivision 1; 15A.082, subdivisions 1, 3, 7; 43A.08, subdivisions 1, 1a; 246C.01; 246C.02; 246C.04; 246C.05; 256.042, subdivision 2; 256.043, subdivision 3; 256B.0911, subdivision 13; 256B.0913, subdivision 5; 256R.55, subdivision 9; Laws 2023, chapter 61, article 4, section 11; article 8, sections 1; 2; 3; 8; article 9, section 2, subdivision 16, as amended; proposing coding for new law in Minnesota Statutes, chapters 246C; 256; 256B; 256S; repealing Minnesota Statutes 2022, sections 246.01; 246.12; 246.234; 246.36; 246.41; 256S.205, subdivision 4; Minnesota Statutes 2023 Supplement, section 246C.03.

The bill was read for the first time and referred to the Committee on Human Services Finance.

Sencer-Mura introduced:

H. F. No. 5281, A bill for an act relating to economic development; appropriating money for a grant for mental health services for the East African community.

The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy.

Stephenson introduced:

H. F. No. 5282, A bill for an act relating to state government; modifying the licensure of businesses engaged in cannabis sales; regulating the transfer and sharing of data between state agencies; imposing penalties; authorizing rulemaking; amending Minnesota Statutes 2023 Supplement, sections 342.15, by adding a subdivision; 342.19, by adding a subdivision; 342.62, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

Lislegard introduced:

H. F. No. 5283, A bill for an act relating to capital investment; appropriating money for water, sewer, and street infrastructure in the city of McKinley; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Lislegard introduced:

H. F. No. 5284, A bill for an act relating to capital investment; modifying a prior appropriation for a capital project in the city of Chisholm; amending Laws 2023, chapter 71, article 1, section 14, subdivision 13.

The bill was read for the first time and referred to the Committee on Capital Investment.

Rehm introduced:

H. F. No. 5285, A bill for an act relating to taxation; property; requiring a study of and report on state property tax programs that benefit farmers and other owners of agricultural land.

The bill was read for the first time and referred to the Committee on Taxes.

Grossell introduced:

H. F. No. 5286, A bill for an act relating to capital investment; appropriating money for a sanitary sewer collection and treatment system in Beltrami County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Lee, F., introduced:

H. F. No. 5287, A bill for an act relating to capital investment; clarifying capital project funding expectations; amending Minnesota Statutes 2022, section 16A.86, subdivision 4.

The bill was read for the first time and referred to the Committee on Capital Investment.

Lee, F., introduced:

H. F. No. 5288, A bill for an act relating to capital investment; appropriating money for a new Neighborhood HealthSource clinic in North Minneapolis.

The bill was read for the first time and referred to the Committee on Capital Investment.

Altendorf introduced:

H. F. No. 5289, A bill for an act relating to barbering; permitting registration as an apprentice barber; amending Minnesota Statutes 2022, sections 154.003; 154.01; 154.05; 154.09; 154.10, subdivision 2; 154.11, subdivision 3, by adding a subdivision; 154.14; 154.15; 154.161, subdivision 4; 154.162; 154.19; 154.24; proposing coding for new law in Minnesota Statutes, chapter 154.

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy.

Bennett introduced:

H. F. No. 5290, A bill for an act relating to transportation; appropriating money for replacement of bridge on marked Trunk Highway 109 over marked Interstate Highway 90 in Freeborn County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Garofalo, Davids, Brand, Elkins and Lislegard introduced:

H. F. No. 5291, A bill for an act relating to taxation; solid waste management; modifying the allocation of revenues from the solid waste management tax; amending Minnesota Statutes 2023 Supplement, section 297H.13, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Nelson, M., introduced:

H. F. No. 5292, A bill for an act relating to retirement; resolving a conflict in the statute that dictates the established date for full funding; deleting obsolete provisions; amending Minnesota Statutes 2023 Supplement, section 356.215, subdivision 11.

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy.

Frazier introduced:

H. F. No. 5293, A bill for an act relating to economic development; appropriating money for a grant to the Power of People Leadership Institute.

The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy.

Stephenson introduced:

H. F. No. 5294, A bill for an act relating to commerce; adding youths to the Cannabis Advisory Council; amending Minnesota Statutes 2023 Supplement, section 342.03, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Stephenson introduced:

H. F. No. 5295, A bill for an act relating to commerce; modifying fees assessed by the Department of Commerce; amending Minnesota Statutes 2022, sections 45.0135, subdivision 7; 62Q.73, subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Vang introduced:

H. F. No. 5296, A bill for an act relating to workforce development; appropriating money for a grant to the Karen Organization of Minnesota.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Skraba introduced:

H. F. No. 5297, A bill for an act relating to capital investment; appropriating money for a campground and recreational area in the city of Little Fork; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Torkelson and Heintzeman introduced:

H. F. No. 5298, A bill for an act relating to game and fish; modifying trespass law to allow purple markings; amending Minnesota Statutes 2022, section 97B.001, subdivisions 4, 5, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Pelowski introduced:

H. F. No. 5299, A bill for an act relating to higher education; providing for funding and related policy changes to certain licensure and grant provisions; establishing fees; appropriating money; amending Minnesota Statutes 2022, sections 136A.69, subdivision 1; 136A.824, subdivisions 1, 2; Laws 2022, chapter 42, section 2.

The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy.

Agbaje introduced:

H. F. No. 5300, A bill for an act relating to labor; appropriating money to the Nursing Home Workforce Standards Board for certified worker organization grants.

The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy.

Nelson, N., introduced:

H. F. No. 5301, A bill for an act relating to capital investment; appropriating money for public infrastructure in the city of Pine City; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Nelson, N., introduced:

H. F. No. 5302, A bill for an act relating to capital investment; appropriating money to redevelop the auditorium of the former Sandstone School in the city of Sandstone; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Burkel introduced:

H. F. No. 5303, A bill for an act relating to capital investment; appropriating money for the Karlstad airport relocation; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Burkel introduced:

H. F. No. 5304, A bill for an act relating to capital investment; appropriating money for underground water storage tanks in the city of Kennedy; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3377, A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; modifying previous appropriations; amending Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 9; Laws 2021, First Special Session chapter 6, article 6, section 2, subdivision 9; Laws 2022, chapter 94, section 2, subdivisions 9, as amended, 10; Laws 2023, chapter 60, article 2, section 2, subdivision 9.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3769, A bill for an act relating to taxation; corporate franchise; modifying the effective date of a reduction in the limitation on the deductibility of net operating losses; amending Laws 2023, chapter 64, article 1, section 44.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 3567 and 3852.

THOMAS S. BOTTERN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 3567, A bill for an act relating to education; modifying provisions for prekindergarten through grade 12 education including general education, education excellence, teachers, Read Act, special education, charter schools, nutrition and libraries, health and safety, early learning, and education partnerships and compacts; requiring reports; amending Minnesota Statutes 2022, sections 120A.05, subdivision 10a, by adding a subdivision; 120A.22, subdivision 12; 120A.35; 120B.022, subdivisions 1a, 1b; 120B.11, as amended; 120B.13, subdivision 4; 120B.234, subdivisions 1, 2; 121A.22, subdivisions 2, 4; 121A.2207, subdivision 1; 121A.41, subdivision 8; 122A.091, subdivision 5; 122A.181, by adding a subdivision; 122A.182, by adding a subdivision; 122A.185, subdivision 3; 122A.20, by adding a subdivision; 123B.09, subdivision 10; 123B.37, subdivision 2; 124D.151, as amended; 124D.60, subdivision 1; 124D.61; 124E.01, subdivision 1; 124E.05, subdivisions 2, 3, 5; 124E.07; 124E.10, subdivisions 2, 4, 5; 124E.12, subdivision 2; 124E.14; 124E.17; 124E.26; 125A.02, subdivision 1a; 125A.27, subdivision 8; 125A.56, subdivision 1; 127A.70, subdivision 1; 128C.02, by adding a subdivision; 260E.14, subdivision 1; Minnesota Statutes 2023 Supplement, sections 13.32, subdivision 5; 120B.021, subdivision 1; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.117, subdivision 4; 120B.12, subdivisions 1, 2, 2a, 4, 4a; 120B.123, subdivisions 1, 2, 5; 120B.30, subdivisions 7, 12, by adding a subdivision; 120B.302; 120B.305; 120B.31, subdivision 4; 120B.36, subdivision 1; 121A.041, subdivisions 2, 3; 121A.20, subdivision 2; 121A.642, by adding a subdivision; 122A.18, subdivision 1; 122A.181, subdivision 2; 122A.183, subdivision 2; 122A.184, subdivision 1; 122A.185, subdivision 1; 122A.40, subdivision 8; 122A.41, subdivision 5; 122A.631, subdivisions 2, 4; 122A.70, subdivision 2; 124D.09, subdivision 5; 124D.094, subdivisions 2, 3; 124D.111, subdivision 2a; 124D.165, subdivisions 2, 2a; 124D.42, subdivision 8; 124D.901, subdivision 4; 124E.02; 124E.03, subdivision 2; 124E.06, subdivisions 1, 4, 5; 124E.11; 124E.12, subdivision 1; 124E.16, subdivision 1; 125A.08; 126C.40, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 127A; 134; repealing Minnesota Statutes 2022, sections 120B.31, subdivisions 2, 6; 122A.2451, subdivision 9; Minnesota Statutes 2023 Supplement, section 122A.185, subdivision 4; Laws 2017, First Special Session chapter 5, article 8, section 9.

The bill was read for the first time.

Pryor moved that S. F. No. 3567 and H. F. No. 3782, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3852, A bill for an act relating to labor; making policy and technical changes to programs and provisions under the Department of Labor and Industry; making policy and technical changes to provisions under the Bureau of Mediation Services; amending Minnesota Statutes 2022, sections 13.79, subdivision 1; 13.7905, by adding a subdivision; 177.23, by adding subdivisions; 177.24, subdivision 1, by adding a subdivision; 177.30; 178.011, subdivision 9; 178.012, subdivision 1; 178.035, subdivisions 2, 4, 6, 7; 178.036, subdivisions 3, 4, 5, 6, 7; 178.044, subdivision 3; 178.07, subdivisions 1, 3; 178.09, subdivision 2; 178.091, subdivisions 2, 4, by adding subdivisions; 178.10; 179.01, subdivisions 1, 9, 16; 179.06; 179.08; 179.11; 179.12; 179.254, subdivision 1;



179.256; 179.26; 179.27; 179.35, subdivision 1; 179.40; 179.43; 179A.02; 179A.03, subdivision 17; 179A.06, subdivisions 1, 2, 3; 179A.08, subdivision 2; 179A.10, subdivision 1; 179A.104, subdivision 1; 179A.12, subdivision 1; 179A.15; 179A.16, subdivisions 1, 7; 179A.18, subdivisions 2, 3; 179A.19, subdivision 6; 179A.20, subdivision 4; 179A.23; 181.941, subdivision 4; 181.943; 181.950, by adding a subdivision; 181.951, subdivision 1; 181A.08; 181A.12, subdivision 1, by adding subdivisions; 182.664, subdivisions 3, 5; 182.665; 182.666, subdivision 6; 182.667, by adding a subdivision; 326.02, subdivision 5; 326B.0981, subdivisions 3, 4, 8; 326B.33, subdivisions 7, 21; 326B.36, subdivision 2; 326B.46, subdivision 6; 626.892, subdivision 12; Minnesota Statutes 2023 Supplement, sections 177.27, subdivisions 2, 4, 7; 177.42, subdivision 2; 178.01; 181.212, subdivision 7; 181.213, subdivision 1; 181.531, subdivision 3; 181.939, subdivision 2; 181.953, subdivisions 1, 3, by adding a subdivision; 182.6526, subdivision 1; 182.677, subdivisions 1, 2; 204B.19, subdivision 6; 326B.36, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 178; 181; 182; repealing Minnesota Statutes 2022, section 178.036, subdivision 10; Minnesota Rules, parts 5200.0080, subpart 7; 5200.0400; 5510.0310, subpart 13.

The bill was read for the first time.

Nelson, M., moved that S. F. No. 3852 and H. F. No. 3947, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Monday, April 8, 2024 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3872, 3614, 4772 and 3631.

#### CALENDAR FOR THE DAY

H. F. No. 4024 was reported to the House.

Rarick moved to amend H. F. No. 4024, the first engrossment, as follows:

Page 45, line 13, delete "endowment fund" and insert "program"

The motion prevailed and the amendment was adopted.

Rarick moved to amend H. F. No. 4024, the first engrossment, as amended, as follows:

Page 43, delete section 46 and insert:

"Sec. 46. Laws 2023, chapter 41, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. <b>Operations and Maintenance</b>	686,558,000	676,294,000
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(a) \$15,000,000 in fiscal year 2024 and \$15,000,000 in fiscal year 2025 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of

Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) \$7,800,000 in fiscal year 2024 and \$7,800,000 in fiscal year 2025 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) \$4,000,000 in fiscal year 2024 and \$4,000,000 in fiscal year 2025 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) \$5,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are for systemwide safety and security measures on University of Minnesota campuses. The base amount for this appropriation is \$1,000,000 in fiscal year 2026 and later.

(f) \$366,000 in fiscal year 2024 and \$366,000 in fiscal year 2025 are for unemployment insurance aid under Minnesota Statutes, section 268.193.

(g) \$10,000,000 the first year is for programs at the University of Minnesota Medical School Campus on the CentraCare Health System Campus in St. Cloud. ~~This appropriation may be used for tuition support, a residency program, a rural health research program, a program to target scholarships to students from diverse backgrounds, and a scholarship program targeted at students who will practice in rural areas~~ Of this amount, \$2,000,000 is for tuition support, including a scholarship program targeted at students who will practice in rural areas and targeted at students from diverse backgrounds; \$2,000,000 is for costs associated with opening and operating a new regional campus; \$4,000,000 is for costs associated with the expansion of a residency program; and \$2,000,000 is for costs associated with starting and operating a rural health research program. This appropriation is available until June 30, 2027, and must be spent for activities on or associated with the CentraCare Health System Campus in the greater St. Cloud area. This is a onetime appropriation.

(h) \$374,000 the first year and \$110,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products for purposes of article 2, section 2.

(i) The total operations and maintenance base for fiscal year 2026 and later is \$672,294,000.

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

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Robbins moved to amend H. F. No. 4024, the first engrossment, as amended, as follows:

Page 43, after line 22, insert:

"Sec. 46. Laws 2023, chapter 41, article 1, section 2, subdivision 36, is amended to read:

Subd. 36. <b>Fostering Independence Higher Education Grants</b>	4,247,000	<del>4,416,000</del>
		<u>10,416,000</u>

\$4,247,000 the first year and ~~\$4,416,000~~ \$10,416,000 the second year are for grants to eligible students under Minnesota Statutes, section 136A.1241. The Office of Higher Education may use no more than three percent of the appropriation to administer grants.

Sec. 47. Laws 2023, chapter 41, article 1, section 2, subdivision 49, is amended to read:

Subd. 49. <b>North Star Promise</b>	-0-	<del>117,226,000</del>
		<u>111,226,000</u>

~~\$117,226,000~~ \$111,226,000 the second year is transferred from the general fund to the account in the special revenue fund under Minnesota Statutes, section 136A.1465, subdivision 6. The base for the transfer is ~~\$49,500,000~~ \$43,500,000 in fiscal year 2026 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Robbins amendment and the roll was called. There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

- |                 |          |         |         |         |          |
|-----------------|----------|---------|---------|---------|----------|
| Altendorf       | Backer   | Bennett | Daniels | Demuth  | Fogelman |
| Anderson, P. E. | Bakeberg | Bliss   | Davids  | Dotseth | Franson  |
| Anderson, P. H. | Baker    | Burkel  | Davis   | Engen   | Garofalo |

Gillman	Johnson	Mekeland	Niska	Rarick	Urdahl
Grossell	Joy	Mueller	Novotny	Robbins	Wiener
Harder	Kiel	Murphy	O'Driscoll	Schomacker	Wiens
Heintzeman	Knudsen	Myers	Olson, B.	Schultz	Zeleznikar
Hudella	Koznick	Nadeau	Perryman	Scott	
Hudson	Kresha	Nash	Petersburg	Skraba	
Igo	Lawrence	Nelson, N.	Pfarr	Swedzinski	
Jacob	McDonald	Neu Brindley	Quam	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virmig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

Schultz moved to amend H. F. No. 4024, the first engrossment, as amended, as follows:

Page 23, line 1, after the second comma, insert "item (1) to (8) or (10)."

Page 24, line 19, delete "and"

Page 24, line 21, strike the period and insert "; and"

Page 24, after line 21, insert:

"(11) is legally residing or lawfully present in Minnesota for federal immigration purposes."

A roll call was requested and properly seconded.

The question was taken on the Schultz amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Bennett	Demuth	Gillman	Igo	Koznick
Anderson, P. E.	Bliss	Dotseth	Grossell	Jacob	Kresha
Anderson, P. H.	Burkel	Engen	Harder	Johnson	Lawrence
Backer	Daniels	Fogelman	Heintzeman	Joy	Lislegard
Bakeberg	Davids	Franson	Hudella	Kiel	McDonald
Baker	Davis	Garofalo	Hudson	Knudsen	Mekeland

Mueller	Nelson, N.	Olson, B.	Rarick	Skraba	Wiens
Murphy	Neu Brindley	Perryman	Robbins	Swedzinski	Zeleznikar
Myers	Niska	Petersburg	Schomacker	Torkelson	
Nadeau	Novotny	Pfarr	Schultz	Urdahl	
Nash	O'Driscoll	Quam	Scott	Wiener	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Vang
Berg	Fischer	Hill	Kraft	Pelowski	Virmig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

H. F. No. 4024, A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including student sexual misconduct, student aid, student supports, and institutional registration and contract provisions; modifying allowable uses for appropriations; requiring reports; amending Minnesota Statutes 2022, sections 135A.15, subdivisions 1a, 2, 6, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; Laws 2023, chapter 41, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 100 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Acomb	Bliss	Demuth	Freiberg	Hicks	Igo
Agbaje	Brand	Edelson	Garofalo	Hill	Jordan
Anderson, P. H.	Carroll	Elkins	Gomez	Hollins	Keeler
Bahner	Cha	Engen	Greenman	Hornstein	Kiel
Bakeberg	Clardy	Feist	Hansen, R.	Howard	Klevorn
Becker-Finn	Coulter	Finke	Hanson, J.	Hudella	Koegel
Bennett	Curran	Fischer	Hassan	Hudson	Kotyza-Witthuhn
Berg	Daniels	Frazier	Hemmingsen-Jaeger	Huot	Kozlowski
Bierman	Dauids	Frederick	Her	Hussein	Kraft

Lee, F.	Mueller	Noor	Pinto	Skraba	Wiens
Lee, K.	Myers	Norris	Pryor	Smith	Wolgamott
Liebling	Nadeau	Novotny	Pursell	Stephenson	Xiong
Lillie	Nash	Olson, L.	Rarick	Tabke	Youakim
Lislegard	Nelson, M.	Pelowski	Rehm	Torkelson	Zelevnikar
Long	Nelson, N.	Pérez-Vega	Reyer	Urdahl	Spk. Hortman
McDonald	Newton	Perryman	Schomacker	Vang	
Moller	Niska	Petersburg	Sencer-Mura	Virnig	

Those who voted in the negative were:

Altendorf	Dotseth	Heintzeman	Kresha	Olson, B.	Swedzinski
Anderson, P. E.	Fogelman	Jacob	Lawrence	Pfarr	Wiener
Backer	Franson	Johnson	Mekeland	Quam	
Baker	Gillman	Joy	Murphy	Robbins	
Burkel	Grossell	Knudsen	Neu Brindley	Schultz	
Davis	Harder	Koznick	O'Driscoll	Scott	

The bill was passed, as amended, and its title agreed to.

Jacob was excused for the remainder of today's session.

H. F. No. 4176 was reported to the House.

Hudson moved to amend H. F. No. 4176, the first engrossment, as follows:

Page 9, line 15, strike "five" and insert "six"

Page 10, line 2, strike "four" and insert "five"

Page 10, after line 22, insert:

"Sec. 6. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) ~~The commissioner shall establish a schedule of tiered per-child scholarship amounts based on the results of the rate survey conducted under section 119B.02, subdivision 7, the cost of providing high quality early care and learning to children in varying circumstances, a family's income, and geographic location.~~ annually set a scholarship amount per child that is not less than whichever is greater:

(1) the rate paid under section 119B.13, subdivision 1; or

(2) the statewide average general education revenue per average daily membership.

(b) ~~Notwithstanding paragraph (a), a program that has a four star rating under section 124D.142 must receive, for each scholarship recipient who meets the criteria in subdivision 2a, paragraph (b) or (c), an amount not less than the cost to provide full-time care at the 75th percentile of the most recent market rate survey under section 119B.02, subdivision 7.~~ The commissioner shall not differentiate the per-child scholarship amount based on program type or a program's rating status under section 124D.142, but may pay a 15 percent differential above the per-child scholarship amount when a program meets the applicable requirements in section 119B.13, subdivision 3a.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within three months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. An extension may be requested if a program is unavailable for the child within the three-month timeline. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program or within 90 days after the child's third birthday if awarded a scholarship under the age of three.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hudson amendment and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Harder	Kresha	Neu Brindley	Robbins
Anderson, P. E.	Davis	Heintzeman	Lawrence	Niska	Schomacker
Anderson, P. H.	Demuth	Hudella	McDonald	Novotny	Scott
Backer	Dotseth	Hudson	Mekeland	O'Driscoll	Skraba
Bakeberg	Engen	Igo	Mueller	Olson, B.	Swedzinski
Baker	Fogelman	Johnson	Murphy	Perryman	Torkelson
Bennett	Franson	Joy	Myers	Petersburg	Urdahl
Bliss	Garofalo	Kiel	Nadeau	Pfarr	Wiener
Burkel	Gillman	Knudsen	Nash	Quam	Wiens
Daniels	Grossell	Koznick	Nelson, N.	Rarick	Zeleznikar

Those who voted in the negative were:

Acomb	Becker-Finn	Brand	Clardy	Edelson	Finke
Agbaje	Berg	Carroll	Coulter	Elkins	Fischer
Bahner	Bierman	Cha	Curran	Feist	Frazier

Frederick	Hicks	Klevorn	Lislegard	Pérez-Vega	Tabke
Freiberg	Hill	Koegel	Long	Pinto	Vang
Gomez	Hollins	Kotzya-Witthuhn	Moller	Pryor	Virmig
Greenman	Hornstein	Kozlowski	Nelson, M.	Pursell	Wolgamott
Hansen, R.	Howard	Kraft	Newton	Rehm	Xiong
Hanson, J.	Huot	Lee, F.	Noor	Reyer	Youakim
Hassan	Hussein	Lee, K.	Norris	Sencer-Mura	Spk. Hortman
Hemmingsen-Jaeger	Jordan	Liebling	Olson, L.	Smith	
Her	Keeler	Lillie	Pelowski	Stephenson	

The motion did not prevail and the amendment was not adopted.

Hudson moved to amend H. F. No. 4176, the first engrossment, as follows:

Page 2, line 3, after "124D.151" insert "TARGETED" and delete "FOR ELIGIBLE"

Page 2, line 4, delete the new language

Page 2, strike lines 10 to 15

Page 2, lines 16 to 17, delete the new language and strike the old language

Page 2, line 18, strike the old language

Page 2, lines 20 to 21, delete the new language

Page 2, line 22, delete the new language and strike the semicolon

Page 2, lines 23 to 26, delete the new language and strike the old language

Page 2, strike lines 27 to 31

Page 3, line 1, strike the old language

Page 3, lines 2 to 4, delete the new language and strike the old language

Page 3, strike lines 5 to 13

Page 3, line 14, delete the new language and strike the old language

Page 3, delete line 15

Page 3, line 16, delete the new language and strike the old language

Page 3, strike lines 17 to 23

Page 3, line 24, delete the new language and strike the old language

Page 3, after line 28, insert:

"Subd. 2a. Program requirements. A voluntary prekindergarten program provider must:

(1) assess each child's cognitive and language skills with a comprehensive child assessment instrument when the child enters the program and again before the child leaves the program to improve program planning and implementation, communicate with parents, and promote kindergarten readiness;



(2) provide comprehensive program content and intentional instructional practice aligned with the state early childhood learning guidelines and kindergarten standards and based on early childhood research and professional practice that is focused on children's cognitive, social, emotional, and physical skills and development and prepares children for the transition to kindergarten, including early literacy and language skills;

(3) coordinate appropriate kindergarten transition with a child's parents and kindergarten teachers;

(4) involve parents in program planning and decision making;

(5) coordinate with relevant community-based services;

(6) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children with at least one teacher knowledgeable in early childhood curriculum content, English language development programs, and instruction; and

(7) provide instructional content and activities that are of sufficient length and intensity to address children's learning needs, including offering a program with at least 350 hours of instruction per school year."

Page 4, lines 3 and 4, delete the new language and strike the old language

Page 4, line 5, strike the old language

Page 4, line 9, delete the new language

Page 4, delete lines 10 to 29

Page 5, line 1, delete the new language and strike the old language

Page 5, strike lines 2 and 3

Page 5, delete lines 4 to 8

Page 5, before line 9, insert:

"Subd. 4a. **Eligibility.** (a) A child who is four years of age as of September 1 in the calendar year in which the school year commences and meets at least one of the criteria under paragraph (b) is eligible to participate in a voluntary prekindergarten program free of charge. A child who is four years of age as of September 1 in the calendar year in which the school year commences and does not meet at least one of the criteria under paragraph (b) may participate on a fee-for-service basis. A district must adopt a sliding fee schedule based on a family's income but must waive a fee for a participant unable to pay. School districts and charter schools must use voluntary prekindergarten aid for eligible children. Each eligible child must complete a health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19, and must provide documentation of required immunizations under section 121A.15.

(b) An at-risk four-year-old child may participate in the voluntary prekindergarten program free of charge if the child:

(1) qualifies for free or reduced-price meals;

(2) is an English language learner;

(3) is homeless;

(4) has an individualized education program, or individual interagency intervention plan;

(5) is identified through health and developmental screening under sections 121A.16 to 121A.19, with a potential risk factor that may influence learning; or

(6) is in foster care."

Page 5, line 9, strike "To qualify for"

Page 5, lines 10 to 11, strike the old language and delete the new language

Page 5, line 12, delete the new language and strike the period

Page 5, line 13, delete "after" and strike "fiscal year" and delete "2026"

Page 5, lines 29 and 30, reinstate the stricken language and delete the new language

Page 6, lines 21 to 35, reinstate the stricken language

Page 7, lines 1 to 10, reinstate the stricken language

Page 7, delete subdivision 5a

Page 8, lines 16 and 17, delete the new language

Page 8, delete lines 24 to 26 and insert:

**"EFFECTIVE DATE. This section is effective July 1, 2025."**

A roll call was requested and properly seconded.

The question was taken on the Hudson amendment and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	McDonald	O'Driscoll	Skraba
Anderson, P. E.	Demuth	Hudson	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Dotseth	Igo	Mueller	Perryman	Torkelson
Backer	Engen	Johnson	Murphy	Petersburg	Urdahl
Bakeberg	Fogelman	Joy	Myers	Pfarr	Wiener
Baker	Franson	Kiel	Nadeau	Quam	Wiens
Bennett	Garofalo	Knudsen	Nash	Rarick	Zeleznikar
Bliss	Gillman	Koznick	Nelson, N.	Robbins	
Burkel	Grossell	Kresha	Neu Brindley	Schomacker	
Daniels	Harder	Lawrence	Niska	Schultz	
Davids	Heintzeman	Lislegard	Novotny	Scott	

Those who voted in the negative were:

Acomb	Becker-Finn	Brand	Clardy	Edelson	Finke
Agbaje	Berg	Carroll	Coulter	Elkins	Fischer
Bahner	Bierman	Cha	Curran	Feist	Frazier

Frederick	Hicks	Klevorn	Long	Pinto	Vang
Freiberg	Hill	Koegel	Moller	Pryor	Virmig
Gomez	Hollins	Kotzya-Witthuhn	Nelson, M.	Pursell	Wolgamott
Greenman	Hornstein	Kozlowski	Newton	Rehm	Xiong
Hansen, R.	Howard	Kraft	Noor	Reyer	Youakim
Hanson, J.	Huot	Lee, F.	Norris	Sencer-Mura	Spk. Hortman
Hassan	Hussein	Lee, K.	Olson, L.	Smith	
Hemmingsen-Jaeger	Jordan	Liebling	Pelowski	Stephenson	
Her	Keeler	Lillie	Pérez-Vega	Tabke	

The motion did not prevail and the amendment was not adopted.

H. F. No. 4176, A bill for an act relating to early learning; modifying early learning programs; amending Minnesota Statutes 2022, sections 120A.05, subdivision 10a, by adding a subdivision; 124D.151, as amended; 125A.02, subdivision 1a; 125A.27, subdivision 8; 125A.56, subdivision 1; Minnesota Statutes 2023 Supplement, section 124D.165, subdivisions 2, 2a; repealing Laws 2017, First Special Session chapter 5, article 8, section 9.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Agbaje	Feist	Her	Kotzya-Witthuhn	Noor	Stephenson
Bahner	Finke	Hicks	Kozlowski	Norris	Tabke
Becker-Finn	Fischer	Hill	Kraft	Olson, L.	Vang
Berg	Frazier	Hollins	Lee, F.	Pelowski	Virmig
Bierman	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Brand	Freiberg	Howard	Liebling	Pinto	Xiong
Carroll	Gomez	Huot	Lillie	Pryor	Youakim
Cha	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Clardy	Hansen, R.	Jordan	Long	Rehm	
Coulter	Hanson, J.	Keeler	Moller	Reyer	
Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

The bill was passed and its title agreed to.

H. F. No. 3071, A bill for an act relating to transportation; driver and vehicle services; requiring incorporation of plain language standards for written driver's examinations and the driver's manual; requiring a report; appropriating money; amending Minnesota Statutes 2022, section 171.13, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Acomb	Daniels	Heintzeman	Kotyza-Witthuhn	Niska	Skraba
Agbaje	Dauids	Hemmingsen-Jaeger	Kozlowski	Noor	Smith
Anderson, P. E.	Demuth	Her	Kraft	Norris	Stephenson
Anderson, P. H.	Dotseth	Hicks	Lee, F.	O'Driscoll	Swedzinski
Bahner	Edelson	Hill	Lee, K.	Olson, B.	Tabke
Bakeberg	Elkins	Hollins	Liebling	Olson, L.	Torkelson
Baker	Engen	Hornstein	Lillie	Pelowski	Urdahl
Becker-Finn	Feist	Howard	Lislegard	Pérez-Vega	Vang
Bennett	Finke	Hudella	Long	Perryman	Virmig
Berg	Fischer	Hudson	McDonald	Petersburg	Wiens
Bierman	Frazier	Huot	Moller	Pinto	Wolgamott
Bliss	Frederick	Hussein	Mueller	Pryor	Xiong
Brand	Freiberg	Igo	Myers	Pursell	Youakim
Burkel	Garofalo	Johnson	Nadeau	Rarick	Zeleznikar
Carroll	Gomez	Jordan	Nash	Rehm	Spk. Hortman
Cha	Greenman	Keeler	Nelson, M.	Reyer	
Clardy	Hansen, R.	Kiel	Nelson, N.	Robbins	
Coulter	Hanson, J.	Klevorn	Neu Brindley	Schomacker	
Curran	Hassan	Koegel	Newton	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Franson	Joy	Lawrence	Pfarr	Wiener
Backer	Gillman	Knudsen	Mekeland	Quam	
Davis	Grossell	Koznick	Murphy	Schultz	
Fogelman	Harder	Kresha	Novotny	Scott	

The bill was passed and its title agreed to.

H. F. No. 3436 was reported to the House.

Niska moved to amend H. F. No. 3436, the second engrossment, as follows:

Page 50, after line 23, insert:

"Sec. 62. Minnesota Statutes 2022, section 171.13, is amended by adding a subdivision to read:

**Subd. 10. Exam scheduling reporting.** (a) By January 15 and July 15 annually, the commissioner must submit a report on road test examination scheduling to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must:

(1) identify the results of any performance measures and metrics established by the commissioner related to scheduling availability and passage of road tests;

(2) identify the rate at which applicants are able to obtain an appointment for the road test as specified under subdivision 1, paragraph (d); and

(3) describe activities of the commissioner to fully meet the requirements under subdivision 1, paragraph (d).

(b) The commissioner must use existing resources to produce the reports under this subdivision.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Murphy moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 51, line 13, delete "or"

Page 51, after line 14, insert:

"(iii) 169.13, subdivision 1, that contributed to causing death to another; or"

The motion prevailed and the amendment was adopted.

Kraft moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 56, after line 17, insert:

"Sec. 71. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

**Subd. 7a. Locate.** "Locate" means an operator's markings of an underground facility.

Sec. 72. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

**Subd. 7b. Locate period.** "Locate period" means:

(1) the period among the following that ends farthest from now:

(i) the 48-hour period beginning at 12:01 a.m. on the day after a locate request is submitted to the notification center, excluding any Saturday, Sunday, or holiday; or

(ii) the period between the date of submission of a locate request to the notification center and the identified date and time of excavation; or

(2) if applicable, and notwithstanding clause (1), a period of time that is mutually agreed to between the excavator and operator, as specified in written documentation provided to the notification center.

Sec. 73. Minnesota Statutes 2022, section 216D.01, is amended by adding a subdivision to read:

Subd. 8a. **On-site meet.** "On-site meet" means meeting at the site of a proposed excavation requested at the time of notice by the excavator with all affected underground facility operators to further clarify the precise geographic location of excavation, schedule the locating, propose future contacts, and share other information concerning the excavation and facilities.

Sec. 74. Minnesota Statutes 2022, section 216D.01, subdivision 12, is amended to read:

Subd. 12. **Utility quality level.** "Utility quality level" means a professional opinion about the quality and reliability of utility information. There are four levels of utility quality information, ranging from the most precise and reliable, level A, to the least precise and reliable, level D. The utility quality level must be determined in accordance with guidelines established by the Construction Institute of the American Society of Civil Engineers in the document ~~CI/ASCE 38-02~~ entitled "~~Standard Guidelines for the Collection and Depiction of Existing Subsurface Utility Data.~~ Standard Guideline for Investigating and Documenting Existing Utilities," ASCE/UESI/CI 38-22, or in a successor document.

Sec. 75. Minnesota Statutes 2022, section 216D.03, is amended by adding a subdivision to read:

Subd. 5. **Performance reporting.** (a) Each operator must submit a report to the Office of Pipeline Safety on a quarterly basis, using a form or database entry designated by the Office of Pipeline Safety. The report must contain the following information:

(1) the total number of notifications and the number of notifications itemized by type;

(2) for each notification type, the percentage of notifications marked by the start time on the notice; and

(3) the number of utility damages, itemized by the cause of the damages.

(b) Except for a pipeline operator that is subject to chapter 299F or 299J, an operator with fewer than 5,000 notifications received during the previous calendar year is exempt from the reporting requirement under paragraph (a).

(c) The data collected under this subdivision may not be used to initiate an enforcement action by the Office of Pipeline Safety.

(d) The commissioner must annually publish a report on the data collected under this subdivision and make the report available on the Office of Pipeline Safety website.

Sec. 76. Minnesota Statutes 2022, section 216D.04, is amended to read:

#### **216D.04 EXCAVATION; LAND SURVEY.**

Subdivision 1. **Notice required; contents.** (a) Except in an emergency, an excavator ~~shall~~ must and a land surveyor may contact the notification center and provide notice at least 48 hours, excluding the day of notification, Saturdays, Sundays, and holidays and not more than 14 calendar days before beginning any excavation or boundary survey. An excavation or boundary survey begins, for purposes of this requirement, the first time excavation or a boundary survey occurs in an area that was not previously identified by the excavator or land surveyor in the notice.

(b) The notice may be oral or written, and must contain the following information:

(1) the name of the individual providing the notice;

(2) the precise location of the proposed area of excavation or survey;

- (3) the name, address, and telephone number of the individual or individual's company;
- (4) the field telephone number, if one is available;
- (5) the type and extent of the activity;
- (6) whether or not the discharge of explosives is anticipated;
- (7) the date and time when the excavation or survey is to commence; and
- (8) the estimated duration of the activity.

Subd. 1a. **Plans for excavation.** (a) Any person, prior to soliciting bids or entering into a contract for excavation, ~~shall~~ must provide a proposed notice to the notification center to obtain from the affected operators of underground facilities the type, size, and general location of underground facilities. Affected operators ~~shall~~ must provide the information within 15 working days. An operator who provides information to a person who is not a unit of government may indicate any portions of the information which are proprietary and may require the person to provide appropriate confidentiality protection. The information obtained from affected operators must be submitted on the final drawing used for the bid or contract and must depict the utility quality level of that information. This information must be updated not more than 90 days before completion of the final drawing used for the bid or contract.

(b) This subdivision does not apply to bids and contracts for:

- (1) routine maintenance of underground facilities or installation, maintenance, or repair of service lines;
- (2) excavation for operators of underground facilities performed on a unit of work or similar basis; or
- (3) excavation for home construction and projects by home owners.

(c) A person required by this section to show existing underground facilities on its drawings ~~shall~~ must conduct one or more preliminary design meetings during the design phase to communicate the project design and project scope and timeline, and to coordinate utility relocation. Affected facility operators ~~shall~~ must attend these meetings ~~or make other arrangements to provide information~~. Project owners must provide project start dates, duration information, and scope of work.

(d) A person required by this section to show existing underground facilities on its drawings ~~shall~~ must conduct one or more preconstruction meetings to communicate the project design and project scope and timeline, and to coordinate utility relocation. Affected facility operators and contractors ~~shall~~ must attend these meetings ~~or make other arrangements to provide information~~.

(e) This subdivision does not affect the obligation to provide a notice of excavation as required under subdivision 1.

Subd. 1b. **On-site meet.** (a) An on-site meet may be requested for any excavation at the discretion of the excavator. The meet request must include the entire geographic area of the proposed excavation and the specific location of the meet.

(b) Unless otherwise agreed to between an excavator and operator, an on-site meet is required for:

- (1) an excavation notice that involves excavation of one mile or more in length; or
- (2) any combination of notices provided for adjacent geographic sections that, when combined, meet or exceed the minimum excavation length under clause (1).

(c) The excavator must provide a precise geographic area of the proposed excavation and use markings as specified under section 216D.05, clause (2).

(d) An affected operator must (1) attend the on-site meet at the proposed date and time, or (2) contact the excavator before the meet and (i) reschedule the meet for a mutually agreed date and time, or (ii) reach an agreement with the excavator that a meet is not required. At the meet, the operator and the excavator must reach an agreement on any subsequent planned meets or further communication.

(e) The on-site meet date and time must occur at least 48 hours after the notice, excluding Saturdays, Sundays, and holidays. The excavation start time must be at least 48 hours after the proposed meet date and time specified on the notice, excluding Saturdays, Sundays, and holidays.

(f) The excavator and the operator must submit documentation of each on-site meet to the notification center, in the manner specified by the notification center. The documentation must include:

(1) the date and time of the meet;

(2) the names, company affiliations, and contact information of the attendees of each meet;

(3) a diagram, sketch, or description of the precise excavation locations, dates, and times; and

(4) the agreed schedule of any future on-site meets or communications.

Subd. 2. **Duties of notification center; regarding notice.** The notification center ~~shall~~ must assign an inquiry identification number to each notice and retain a record of all notices received for at least six years. The center ~~shall~~ must immediately transmit the information contained in a notice to every operator that has an underground facility in the area of the proposed excavation or boundary survey.

Subd. 3. **Locating underground facility; operator.** (a) Prior to the ~~excavation start time on the notice conclusion of the locate period,~~ an operator ~~shall~~ must locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator and provide readily available information regarding the operator's abandoned and out-of-service underground facilities as shown on maps, drawings, diagrams, or other records used in the operator's normal course of business, without cost to the excavator. The excavator ~~shall~~ must determine the precise location of the underground facility, without damage, before excavating within two feet of the marked location of the underground facility.

(b) Within 96 hours or the time specified in the notice, whichever is later, after receiving a notice for boundary survey from the notification center, excluding Saturdays, Sundays, and holidays, unless otherwise agreed to between the land surveyor and operator, an operator ~~shall~~ must locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator, without cost to the land surveyor.

(c) For the purpose of this section, the approximate horizontal location of the underground facilities is a strip of land two feet on either side of the underground facilities.

(d) Markers used to designate the approximate horizontal location of underground facilities ~~must~~ are subject to the following requirements:

(1) markers must be a combination of paint markings and at least one of the following: (i) a flag or flags, (ii) a stake or stakes, or (iii) a whisker or whiskers;

(2) all markers under clause (1) must follow the current color code standard used by the American Public Works Association;



(3) markers must be located within a plus or minus two-foot tolerance; and

(4) the name of the operator must be indicated on each flag, stake, or whisker.

If the surface being marked is hard, markers without flags, stakes, or whiskers may be used but must comply with the color code standard and tolerance requirement under clauses (2) and (3).

(e) If the operator cannot complete marking of the excavation or boundary survey area before the excavation or boundary survey start time stated in the notice, the operator ~~shall~~ must promptly contact the excavator or land surveyor.

(f) ~~After December 31, 1998,~~ Operators ~~shall~~ must maintain maps, drawings, diagrams, or other records of any underground facility abandoned or out-of-service after December 31, 1998.

(g) An operator or other person providing information pursuant to this subdivision is not responsible to any person, for any costs, claims, or damages for information provided in good faith regarding abandoned, out-of-service, or private or customer-owned underground facilities.

(h) An operator must use geospatial location information or an equivalent technology to develop as-built drawings of newly installed or newly abandoned facilities if exposed in the excavation area. The requirements under this paragraph apply (1) on or after January 1, 2026, or (2) on or after January 1, 2027, for an operator that provided services to fewer than 10,000 customers in calendar year 2025.

Subd. 4. **Locating underground facility; excavator or land surveyor.** (a) The excavator or land surveyor ~~shall~~ must determine the precise location of the underground facility, without damage, before excavating within two feet on either side of the marked location of the underground facility.

(b) Activities in the proposed area of excavation or boundary survey must take place before the expiration date and time on the notification. If the excavator or land surveyor cancels the excavation or boundary survey, the excavator or land surveyor ~~shall~~ must cancel the notice through the notification center.

(c) The notice is valid for 14 calendar days from the start time stated on the notice. If the activity will continue after the expiration time, then the person responsible for the activity ~~shall~~ must serve an additional notice at least 48 hours, excluding Saturdays, Sundays, and holidays, before the expiration time of the original notice, unless the excavator makes arrangements with the operators affected to periodically verify or refresh the marks, in which case the notice is valid for six months from the start time stated on the notice.

(d) The excavator is responsible for reasonably protecting and preserving the marks until no longer required for proper and safe excavation near the underground facility. If the excavator has reason to believe the marks are obliterated, obscured, missing, or incorrect, the excavator ~~shall~~ must notify the facility operator or notification center in order to have an operator verify or refresh the marks.

Sec. 77. Minnesota Statutes 2022, section 216D.05, is amended to read:

#### **216D.05 PRECAUTIONS TO AVOID DAMAGE.**

(a) An excavator ~~shall~~ must:

(1) plan the excavation to avoid damage to and minimize interference with underground facilities in and near the construction area;

(2) use white markings for proposed excavations ~~except where it can be shown that it is not practical,~~ use (i) white markings or black markings in wintery conditions, or (ii) electronic marking as provided in paragraph (b);

(3) maintain a clearance between an underground facility and the cutting edge or point of any mechanized equipment, considering the known limit of control of the cutting edge or point to avoid damage to the facility;

(4) provide support for underground facilities in and near the construction area, including during backfill operations, to protect the facilities; and

(5) conduct the excavation in a careful and prudent manner.

(b) An excavator may use electronic marking under paragraph (a), clause (2), if:

(1) the marking provides at least as much proposed excavation information as equivalent physical markings; and

(2) electronic marking used prior to January 1, 2026, is accompanied by equivalent physical markings as provided under paragraph (a), clause (2).

(c) Following submission of electronic marking, an operator may require the excavator to use physical markings."

Page 67, line 20, after the semicolon, insert "216D.06, subdivision 3;"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Altendorf moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 26, after line 26, insert:

"Sec. 43. Minnesota Statutes 2022, section 169.801, subdivision 7, is amended to read:

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if:

(1) it is for the purpose of avoiding an obstacle on the right side of the road, and:

(i) the implement of husbandry crosses the center line for a brief period of time;

(ii) the implement of husbandry returns back to the right half of the roadway as soon as practicable and when safe to do so;

(iii) no other vehicles are in the immediate vicinity coming from the opposite direction; and

(iv) the operation does not extend into the left half of the roadway more than necessary; or

(2) it is escorted at the front by a vehicle displaying hazard warning lights visible in normal sunlight and the operation does not extend into the left half of the roadway more than is necessary.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Fogelman moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 17, lines 3 and 4, reinstate the stricken language

Page 17, line 4, strike "five" and insert "ten"

A roll call was requested and properly seconded.

The question was taken on the Fogelman amendment and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virnig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

Niska moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 49, after line 29, insert:

"Sec. 60. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner must ensure that an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. The schedule for each exam station must be posted on the department's website.

(d) The commissioner shall ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

(e) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided. For an appointment for a class D driver's license, the website must not require an account or a license number or other personally identifiable information in order to view available exam dates and times.

**EFFECTIVE DATE.** This section is effective October 1, 2024."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Hemmingsen-Jaeger was excused between the hours of 5:45 p.m. and 7:00 p.m.

The question was taken on the Niska amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Baker	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Koegel	Newton	Smith
Agbaje	Elkins	Her	Kotyza-Witthuhn	Noor	Stephenson
Bahner	Feist	Hicks	Kozlowski	Norris	Tabke
Becker-Finn	Finke	Hill	Kraft	Olson, L.	Vang
Berg	Fischer	Hollins	Lee, F.	Pelowski	Virnig
Bierman	Frazier	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Howard	Liebling	Pinto	Xiong
Carroll	Freiberg	Huot	Lillie	Pryor	Youakim
Cha	Gomez	Hussein	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Jordan	Long	Rehm	
Coulter	Hansen, R.	Keeler	Moller	Reyer	
Curran	Hanson, J.	Klevorn	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Petersburg moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 14, after line 26, insert:

"Sec. 20. Minnesota Statutes 2023 Supplement, section 168.1287, subdivision 1, is amended to read:

Subdivision 1. **Issuance of plates.** The commissioner must issue blackout special license plates or a single motorcycle plate to an applicant who:

- (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;
- (2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;
- (3) pays the registration tax as required under section 168.013;
- (4) pays the fees required under this chapter;

- (5) contributes a minimum of \$30 annually ~~to the driver and vehicle services operating account~~; and
- (6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 21. Minnesota Statutes 2023 Supplement, section 168.1287, subdivision 5, is amended to read:

Subd. 5. **Contributions; account.** Contributions collected under subdivision 1, clause (5), must be deposited in the ~~driver and vehicle services operating account under section 299A.705~~ highway user tax distribution fund.

**EFFECTIVE DATE.** This section is effective July 1, 2024."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Petersburg amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Koegel	Newton	Smith
Agbaje	Elkins	Her	Kotyza-Witthuhn	Noor	Stephenson
Bahner	Feist	Hicks	Kozlowski	Norris	Tabke
Becker-Finn	Finke	Hill	Kraft	Olson, L.	Vang
Berg	Fischer	Hollins	Lee, F.	Pelowski	Virmig
Bierman	Frazier	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Howard	Liebling	Pinto	Xiong
Carroll	Freiberg	Huot	Lillie	Pryor	Youakim
Cha	Gomez	Hussein	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Jordan	Long	Rehm	
Coulter	Hansen, R.	Keeler	Moller	Reyer	
Curran	Hanson, J.	Klevorn	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Petersburg moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 7, lines 11 and 12, reinstate the stricken language

Page 7, line 11, after the second comma, insert "or" and strike ", or maintenance"

Page 7, lines 13 and 15, reinstate the stricken language and delete the new language

A roll call was requested and properly seconded.

The question was taken on the Petersburg amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Koegel	Newton	Smith
Agbaje	Elkins	Her	Kotyza-Witthuhn	Noor	Stephenson
Bahner	Feist	Hicks	Kozlowski	Norris	Tabke
Becker-Finn	Finke	Hill	Kraft	Olson, L.	Vang
Berg	Fischer	Hollins	Lee, F.	Pelowski	Virmig
Bierman	Frazier	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Howard	Liebling	Pinto	Xiong
Carroll	Freiberg	Huot	Lillie	Pryor	Youakim
Cha	Gomez	Hussein	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Jordan	Long	Rehm	
Coulter	Hansen, R.	Keeler	Moller	Reyer	
Curran	Hanson, J.	Klevorn	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Novotny moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 14, after line 26, insert:

"Sec. 20. Minnesota Statutes 2023 Supplement, section 168.1287, subdivision 1, is amended to read:

Subdivision 1. **Issuance of plates.** The commissioner must issue blackout special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually ~~to the driver and vehicle services operating account~~; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 21. Minnesota Statutes 2023 Supplement, section 168.1287, subdivision 5, is amended to read:

Subd. 5. **Contributions; account.** Contributions collected under subdivision 1, clause (5), must be deposited in the ~~driver and vehicle services operating account under section 299A.705~~ soft body armor account, which is established in the special revenue fund. Money in the account is for soft body armor reimbursements under section 299A.38.

**EFFECTIVE DATE.** This section is effective July 1, 2024."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Novotny moved to amend the Novotny amendment to H. F. No. 3436, the second engrossment, as amended, as follows:

Page 2, line 1, delete "soft body armor" and insert "public safety officer safety"

Page 2, line 2, after "for" insert "(1) grants to law enforcement agencies for procurement of armored vehicles, and (2)"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Novotny amendment, as amended, and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Altendorf	Backer	Bennett	Daniels	Demuth	Fogelman
Anderson, P. E.	Bakeberg	Bliss	Davids	Dotseth	Franson
Anderson, P. H.	Baker	Burkel	Davis	Engen	Garofalo



Gillman	Joy	Mekeland	Niska	Rarick	Urdahl
Grossell	Kiel	Mueller	Novotny	Robbins	Wiener
Harder	Knudsen	Murphy	O'Driscoll	Schomacker	Wiens
Heintzeman	Koznick	Myers	Olson, B.	Schultz	Wolgamott
Hudella	Kresha	Nadeau	Perryman	Scott	Zeleznikar
Hudson	Lawrence	Nash	Petersburg	Skraba	
Igo	Lislegard	Nelson, N.	Pfarr	Swedzinski	
Johnson	McDonald	Neu Brindley	Quam	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Koegel	Noor	Stephenson
Agbaje	Elkins	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Feist	Hicks	Kozlowski	Olson, L.	Vang
Becker-Finn	Finke	Hill	Kraft	Pelowski	Virmig
Berg	Fischer	Hollins	Lee, F.	Pérez-Vega	Xiong
Bierman	Frazier	Hornstein	Lee, K.	Pinto	Youakim
Brand	Frederick	Howard	Liebling	Pryor	Spk. Hortman
Carroll	Freiberg	Huot	Lillie	Pursell	
Cha	Gomez	Hussein	Long	Rehm	
Clardy	Greenman	Jordan	Moller	Reyer	
Coulter	Hansen, R.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hanson, J.	Klevorn	Newton	Smith	

The motion did not prevail and the amendment, as amended, was not adopted.

Neu Brindley moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 56, after line 5, insert:

"Sec. 70. Minnesota Statutes 2022, section 174.632, is amended by adding a subdivision to read:

Subd. 3. **Report.** (a) By January 31 annually, the commissioner of transportation must submit a report on passenger rail to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

(1) provide a summary of annual revenue and expenditures for each intercity passenger rail line that is in planning, under development, or operational in this state, with breakouts by:

(i) sources of revenue and funding, including estimates or planned sources for passenger rail lines that are not in operation; and

(ii) expenditure category, including but not limited to rail project planning, promotional and marketing activities, project development, land acquisition, construction, operations, and capital maintenance; and

(2) identify the actual or estimated per passenger subsidy for each intercity passenger rail line.

(c) The information under paragraph (b) must include the most recent completed fiscal year and estimates for the upcoming three fiscal years.

(d) The commissioner must use existing resources in the passenger rail budget activity for the costs of the report under this subdivision."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Neu Brindley amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Koegel	Newton	Smith
Agbaje	Elkins	Her	Kotyza-Witthuhn	Noor	Stephenson
Bahner	Feist	Hicks	Kozlowski	Norris	Tabke
Becker-Finn	Finke	Hill	Kraft	Olson, L.	Vang
Berg	Fischer	Hollins	Lee, F.	Pelowski	Virnig
Bierman	Frazier	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Howard	Liebling	Pinto	Xiong
Carroll	Freiberg	Huot	Lillie	Pryor	Youakim
Cha	Gomez	Hussein	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Jordan	Long	Rehm	
Coulter	Hansen, R.	Keeler	Moller	Reyer	
Curran	Hansen, J.	Klevorn	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Robbins moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 67, after line 2, insert:

"Sec. 85. **LIGHT RAIL TRANSIT PROJECTS; TEMPORARY MORATORIUM.**

**Subdivision 1. Prohibition.** (a) The Metropolitan Council must not expend any funds for project development activities on light rail transit capital projects. The prohibition in this section includes but is not limited to planning, analysis, predesign, design, engineering, environmental analysis, land acquisition, and construction.

(b) The prohibition in this section does not apply to:

(1) the Southwest light rail transit (Green Line Extension) project; and

(2) payments to contractors for work performed prior to the effective date of this section.

Subd. 2. **Expiration.** This section expires on the date that the Southwest light rail transit (Green Line Extension) project commences revenue operation. The Metropolitan Council must submit a notification of the date to the revisor of statutes and to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Robbins amendment and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virmig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Her.

### CALENDAR FOR THE DAY, Continued

Koznick moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 54, after line 7, insert:

"Sec. 68. Minnesota Statutes 2023 Supplement, section 174.49, subdivision 2, is amended to read:

Subd. 2. **Transportation advancement account.** A transportation advancement account is established in the special revenue fund. The account consists of funds under ~~sections 168E.09, subdivision 2, and section 297A.94,~~ and as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

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

Page 57, after line 12, insert:

"Sec. 74. Minnesota Statutes 2023 Supplement, section 270C.15, is amended to read:

#### **270C.15 REVENUE DEPARTMENT SERVICE AND RECOVERY SPECIAL REVENUE FUND.**

A Revenue Department service and recovery special revenue fund is created for the purpose of recovering the costs of furnishing government data and related services or products, as well as recovering costs associated with collecting local taxes on sales ~~and the retail delivery fee established under chapter 168E.~~ All money collected under this section is deposited in the Revenue Department service and recovery special revenue fund. Money in the fund is appropriated to the commissioner to reimburse the department for the costs incurred in administering the tax law or providing the data, service, or product. Any money paid to the department as a criminal fine for a violation of state revenue law that is designated by the court to fund enforcement of state revenue law is appropriated to this fund.

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

Page 67, after line 20, insert:

"(b) Minnesota Statutes 2023 Supplement, sections 168E.01; 168E.03; 168E.05; 168E.07; and 168E.09, are repealed."

Page 67, line 21, delete "(b)" and insert "(c)"

Page 67, lines 23 and 24, delete "(c)" and insert "(d)"

Page 67, line 24, before "Paragraph" insert "Paragraph (b) is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Koznick amendment and the roll was called. There were 58 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Harder	Kresha	Niska	Schomacker
Anderson, P. E.	Davis	Heintzeman	Lawrence	Novotny	Schultz
Anderson, P. H.	Demuth	Hudella	McDonald	O'Driscoll	Scott
Backer	Edelson	Hudson	Mekeland	Olson, B.	Skraba
Bakeberg	Engen	Igo	Mueller	Perryman	Torkelson
Baker	Fogelman	Johnson	Murphy	Petersburg	Wiener
Bennett	Franson	Joy	Nadeau	Pfarr	Wiens
Bliss	Garofalo	Kiel	Nash	Quam	Zeleznikar
Burkel	Gillman	Knudsen	Nelson, N.	Rarick	
Daniels	Grossell	Koznick	Neu Brindley	Robbins	

Those who voted in the negative were:

Acomb	Dotseth	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Urdahl
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Vang
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Vimig
Carroll	Freiberg	Howard	Liebling	Pinto	Wolgamott
Cha	Gomez	Huot	Lillie	Pryor	Xiong
Clardy	Greenman	Hussein	Lislegard	Pursell	Youakim
Coulter	Hansen, R.	Jordan	Long	Rehm	Spk. Hortman
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

Garofalo moved to amend H. F. No. 3436, the second engrossment, as amended, as follows:

Page 67, line 15, delete the second "and"

Page 67, after line 15, insert:

"(5) account for the impacts of transportation network company departures and service reduction; and"

Page 67, line 16, delete "(5)" and insert "(6)"

The motion did not prevail and the amendment was not adopted.

Olson, B., offered an amendment to H. F. No. 3436, the second engrossment, as amended.

#### POINT OF ORDER

Agbaje raised a point of order pursuant to rule 3.21 that the Olson, B., amendment was not in order. Speaker pro tempore Her ruled the point of order well taken and the Olson, B., amendment out of order.

Olson, B., appealed the decision of Speaker pro tempore Her.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Her stand as the judgment of the House?" and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virmig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

Those who voted in the negative were:

Altendorf	Davis	Hudella	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Hudson	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Igo	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	Wiener
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiens
Baker	Franson	Kiel	Nash	Rarick	Zeleznikar
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

So it was the judgment of the House that the decision of Speaker pro tempore Her should stand.

H. F. No. 3436, A bill for an act relating to transportation; modifying various transportation-related provisions, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses, and greater Minnesota transit; establishing criminal penalties; modifying prior appropriations; making technical changes; appropriating money; amending

Minnesota Statutes 2022, sections 43A.17, by adding a subdivision; 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.321, subdivisions 2, 2b; 168.002, subdivisions 18, 24, 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.12, subdivision 1; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.011, subdivisions 3a, 44, by adding subdivisions; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.685, subdivisions 4, 5, by adding subdivisions; 169.79, by adding a subdivision; 169.80, by adding a subdivision; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 40, 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivision 2; 171.072; 171.13, subdivision 6; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 221.033, subdivision 1, by adding a subdivision; 360.013, by adding a subdivision; 360.075, subdivision 1; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 161.045, subdivision 3; 168.1235, subdivision 1; 168.1259, subdivision 5; 168.345, subdivision 2; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.12, subdivisions 5c, 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 256B.0625, subdivision 17; 609.855, subdivision 7; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 1, section 2, subdivision 4; article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 97 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hassan	Kotzya-Witthuhn	Norris	Swedzinski
Agbaje	Demuth	Hemmingsen-Jaeger	Kozlowski	Olson, L.	Tabke
Anderson, P. H.	Dotseth	Her	Kraft	Pelowski	Torkelson
Bahner	Edelson	Hicks	Lee, F.	Pérez-Vega	Urdahl
Bakeberg	Elkins	Hill	Lee, K.	Perryman	Vang
Becker-Finn	Engen	Hollins	Liebling	Petersburg	Virinig
Bennett	Feist	Hornstein	Lillie	Pinto	Wiens
Berg	Finke	Howard	Lislegard	Pryor	Wolgamott
Bierman	Fischer	Hudson	Long	Pursell	Xiong
Bliss	Frazier	Huot	Moller	Rarick	Youakim
Brand	Frederick	Hussein	Myers	Rehm	Zeleznikar
Burkel	Freiberg	Igo	Nadeau	Reyer	Spk. Hortman
Carroll	Garofalo	Jordan	Nash	Schomacker	
Cha	Gomez	Keeler	Nelson, M.	Sencer-Mura	
Clardy	Greenman	Kiel	Newton	Skraba	
Coulter	Hansen, R.	Klevorn	Niska	Smith	
Curran	Hanson, J.	Koegel	Noor	Stephenson	

Those who voted in the negative were:

Altendorf	Baker	Fogelman	Grossell	Hudella	Knudsen
Anderson, P. E.	Daniels	Franson	Harder	Johnson	Koznick
Backer	Davis	Gillman	Heintzeman	Joy	Kresha

Lawrence	Mueller	Neu Brindley	Olson, B.	Robbins	Wiener
McDonald	Murphy	Novotny	Pfarr	Schultz	
Mekeland	Nelson, N.	O'Driscoll	Quam	Scott	

The bill was passed, as amended, and its title agreed to.

H. F. No. 3454, A bill for an act relating to the military; modifying the definition of criminal justice agencies; modifying data that the adjutant general may request from other agencies; modifying powers of the adjutant general; authorizing the adjutant general to establish a referral bonus program; modifying the crime of unauthorized presence at military installations; amending Minnesota Statutes 2022, sections 13.02, subdivision 3a; 13.785; 190.16, subdivisions 3, 6a; 192.25; 192.501, by adding a subdivision; 192.67; 609.396.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Harder	Kotzya-Witthuhn	Neu Brindley	Schomacker
Agbaje	Davis	Hassan	Kozlowski	Newton	Schultz
Altendorf	Demuth	Heintzeman	Koznick	Niska	Scott
Anderson, P. E.	Dotseth	Hemmingsen-Jaeger	Kraft	Noor	Sencer-Mura
Anderson, P. H.	Edelson	Her	Kresha	Norris	Skraba
Backer	Elkins	Hicks	Lawrence	Novotny	Smith
Bahner	Engen	Hill	Lee, F.	O'Driscoll	Stephenson
Bakeberg	Feist	Hollins	Lee, K.	Olson, B.	Swedzinski
Baker	Finke	Hornstein	Liebling	Olson, L.	Tabke
Becker-Finn	Fischer	Howard	Lillie	Pelowski	Torkelson
Bennett	Fogelman	Hudella	Lislegard	Pérez-Vega	Urdahl
Berg	Franson	Hudson	Long	Perryman	Vang
Bierman	Frazier	Huot	McDonald	Petersburg	Virmig
Bliss	Frederick	Hussein	Mekeland	Pfarr	Wiener
Brand	Freiberg	Igo	Moller	Pinto	Wiens
Burkel	Garofalo	Johnson	Mueller	Pryor	Wolgamott
Carroll	Gillman	Joy	Murphy	Pursell	Xiong
Cha	Gomez	Keeler	Myers	Quam	Youakim
Clardy	Greenman	Kiel	Nadeau	Rarick	Zeleznikar
Coulter	Grossell	Klevorn	Nash	Rehm	Spk. Hortman
Curran	Hansen, R.	Knudsen	Nelson, M.	Reyer	
Daniels	Hanson, J.	Koegel	Nelson, N.	Robbins	

The bill was passed and its title agreed to.

H. F. No. 4334 was reported to the House.

Hudella moved to amend H. F. No. 4334, the first engrossment, as follows:

Page 1, after line 8, insert:



"Section 1. Minnesota Statutes 2022, section 43A.11, is amended to read:

**43A.11 VETERAN'S PREFERENCE.**

Subdivision 1. **Creation.** Recognizing that training and experience in the military services of the government and loyalty and sacrifice for the government are qualifications of merit which cannot be readily assessed by examination, a veteran's preference shall be available pursuant to this section to ~~a veteran as defined in section 197.447 veterans.~~

Subd. 5. ~~Disabled veteran;~~ **Definitions.** (a) For purposes of this section, "veteran" means:

(1) a person who satisfies the definition in section 197.447; or

(2) a person in active military service in any branch of the armed services when the appointing authority anticipates the person will, prior to appointment, satisfy the definition in section 197.447, as evidenced by a written document from the person's branch certifying that the person is expected to be discharged or released from active military service under honorable conditions no later than 120 days after the date the certification is submitted for consideration in the selection process.

(b) For the purpose of the preference to be used in securing appointment from an applicant pool, "disabled veteran" means a person who:

(1) has a compensable service connected disability as adjudicated by the United States Veterans Administration, or by the retirement board of one of the several branches of the armed forces, which disability is existing at the time preference is claimed; or

(2) satisfies the definition of veteran in paragraph (a), clause (2), and establishes the present existence of a service-connected disability.

Subd. 6. **Preference for spouses.** A preference available pursuant to this section may be used by the surviving spouse of a deceased veteran and by the spouse of a disabled veteran who because of the disability is unable to qualify.

Subd. 7. **Ranking of veterans.** (a) Applicants who meet the minimum qualifications for a vacant position and claim disabled veteran's preference shall be listed in the applicant pool ahead of all other applicants. Applicants who meet the minimum qualifications for a vacant position and claim nondisabled veteran's preference shall be listed in the applicant pool after those claiming disabled veteran's preference and ahead of nonveterans. Each recently separated veteran who meets minimum qualifications for a vacant position and has claimed a veterans or disabled veterans preference must be considered for the position. The top five recently separated veterans must be granted an interview for the position by the hiring authority.

(b) For purposes of this section, the term "recently separated veteran" means:

(1) a veteran, as defined in ~~section 197.447~~ subdivision 5, paragraph (a), clause (1), who has served in active military service, at any time on or after September 11, 2001, and who has been honorably discharged from active service, as shown by the person's form DD-214; or

(2) a veteran, as defined in subdivision 5, paragraph (a), clause (2).

Subd. 8. **Notification.** The commissioner or an appointing authority, when notifying applicants that they have been accepted into the state's selection process, shall notify applicants that they may elect to use veteran's preference.

Subd. 9. **Rejection; explanation.** If the appointing authority rejects a member of the finalist pool who has claimed veteran's preference, the appointing authority shall notify the finalist in writing of the reasons for the rejection.

Subd. 10. **Verification required.** Before appointing a person who received veteran's preference in the selection process under subdivision 5, paragraph (a), clause (2), or subdivision 7, paragraph (b), clause (2), the appointing authority must verify that the person has been separated under honorable conditions, as shown by the person's form DD-214, and has otherwise satisfied the definition of veteran under section 197.447."

Page 1, after line 16, insert:

"Sec. 3. Minnesota Statutes 2022, section 197.455, subdivision 2, is amended to read:

Subd. 2. **Creation.** Recognizing that training and experience in the military services of the government and loyalty and sacrifice for the government are qualifications of merit which cannot be readily assessed by examination, a veteran's preference shall be available to a veteran as defined in section ~~197.447~~ 43A.11, subdivision 5, paragraph (a).

Sec. 4. Minnesota Statutes 2022, section 197.455, subdivision 6, is amended to read:

Subd. 6. **Disabled veteran; definitions.** For the purpose of the preference to be used in securing appointment from a competitive open examination, "disabled veteran" ~~means a person who has a compensable service-connected disability as adjudicated by the United States Veterans Administration, or by the retirement board of one of the several branches of the armed forces, which disability is existing at the time preference is claimed~~ has the meaning given in section 43A.11, subdivision 5, paragraph (b). For purposes of the preference to be used in securing appointment from a competitive promotional examination, "disabled veteran" means a person who, at the time of election to use a promotional preference, is entitled to disability compensation under laws administered by the Veterans Administration for a permanent service-connected disability rated at 50 percent or more.

Sec. 5. Minnesota Statutes 2022, section 197.4551, is amended to read:

**197.4551 PERMISSIVE PREFERENCE FOR VETERANS IN PRIVATE EMPLOYMENT.**

Subdivision 1. **Preference permitted.** A private, nonpublic employer may grant preference to a veteran in hiring and promotion. For purposes of hiring under this section, "veteran" has the meaning given in section 43A.11, subdivision 5, paragraph (a).

Subd. 2. **Preference for spouse of disabled or deceased veteran; definition.** A private, nonpublic employer may grant preference in hiring and promotion to a spouse of a disabled veteran who has a service-connected permanent and total disability and to a surviving spouse of a deceased veteran. For purposes of promotion under this section, "disabled veteran" in this subdivision means a person who has had a compensable service-connected disability as adjudicated by the United States Veterans Administration, or by the retirement board of one of the several branches of the armed forces. For purposes of hiring under this section, "disabled veteran" has the meaning given in section 43A.11, subdivision 5, paragraph (b).

Subd. 3. **Equal employment opportunity law.** Granting preference under subdivision 1 or 2 does not violate any local or state equal employment opportunity law, including, but not limited to, chapter 363A."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 4334, A bill for an act relating to veterans; prohibiting state benefits when certain veterans and former service members forfeit federal benefits; modifying oversight of veterans home administrators; requiring planning for a new state veterans cemetery; amending Minnesota Statutes 2022, section 198.005; Laws 2010, chapter 333, article 2, section 23, as amended; proposing coding for new law in Minnesota Statutes, chapter 197.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Harder	Koegel	Nelson, N.	Robbins
Agbaje	Davis	Hassan	Kotyza-Witthuhn	Neu Brindley	Schomacker
Altendorf	Demuth	Heintzeman	Kozlowski	Newton	Schultz
Anderson, P. E.	Dotseth	Hemmingsen-Jaeger	Koznick	Niska	Scott
Anderson, P. H.	Edelson	Her	Kraft	Noor	Sencer-Mura
Backer	Elkins	Hicks	Kresha	Norris	Skraba
Bahner	Engen	Hill	Lawrence	Novotny	Smith
Bakeberg	Feist	Hollins	Lee, F.	O'Driscoll	Stephenson
Baker	Finke	Hornstein	Lee, K.	Olson, B.	Swedzinski
Becker-Finn	Fischer	Howard	Liebling	Olson, L.	Tabke
Bennett	Fogelman	Hudella	Lillie	Pelowski	Torkelson
Berg	Franson	Hudson	Lislegard	Pérez-Vega	Urdahl
Bierman	Frazier	Huot	Long	Perryman	Vang
Bliss	Frederick	Hussein	McDonald	Petersburg	Virng
Brand	Freiberg	Igo	Mekeland	Pfarr	Wiener
Burkel	Garofalo	Johnson	Moller	Pinto	Wiens
Carroll	Gillman	Jordan	Mueller	Pryor	Wolgamott
Cha	Gomez	Joy	Murphy	Pursell	Xiong
Clardy	Greenman	Keeler	Myers	Quam	Youakim
Coulter	Grossell	Kiel	Nadeau	Rarick	Zeleznikar
Curran	Hansen, R.	Klevorn	Nash	Rehm	Spk. Hortman
Daniels	Hanson, J.	Knudsen	Nelson, M.	Reyer	

The bill was passed, as amended, and its title agreed to.

## MOTIONS AND RESOLUTIONS

Bliss moved that the name of Backer be added as an author on H. F. No. 291. The motion prevailed.

Bliss moved that the name of Backer be added as an author on H. F. No. 292. The motion prevailed.

Demuth moved that the name of Backer be added as an author on H. F. No. 356. The motion prevailed.

Altendorf moved that the name of Backer be added as an author on H. F. No. 641. The motion prevailed.

Elkins moved that the name of Coulter be added as an author on H. F. No. 1342. The motion prevailed.

Kozlowski moved that the name of Wolgamott be added as an author on H. F. No. 1471. The motion prevailed.

Robbins moved that the name of Bakeberg be added as an author on H. F. No. 1503. The motion prevailed.

Hanson, J., moved that the name of Virnig be added as an author on H. F. No. 1618. The motion prevailed.

Nelson, N., moved that the name of Pursell be added as an author on H. F. No. 1788. The motion prevailed.

Sencer-Mura moved that the name of Xiong be added as an author on H. F. No. 2116. The motion prevailed.

Xiong moved that the name of Xiong be stricken as an author on H. F. No. 2166. The motion prevailed.

Hollins moved that the name of Gomez be added as an author on H. F. No. 2201. The motion prevailed.

Kraft moved that the name of Gomez be added as an author on H. F. No. 2297. The motion prevailed.

Curran moved that the name of Virnig be added as an author on H. F. No. 2466. The motion prevailed.

Bahner moved that the name of Virnig be added as an author on H. F. No. 2503. The motion prevailed.

Berg moved that the name of Clardy be added as an author on H. F. No. 2609. The motion prevailed.

Hollins moved that the name of Kozlowski be added as an author on H. F. No. 2666. The motion prevailed.

Greenman moved that the name of Edelson be added as an author on H. F. No. 2696. The motion prevailed.

Fischer moved that the name of Virnig be added as an author on H. F. No. 3063. The motion prevailed.

Jordan moved that the name of Gomez be added as an author on H. F. No. 3345. The motion prevailed.

Berg moved that the name of Hussein be added as an author on H. F. No. 3446. The motion prevailed.

Becker-Finn moved that the name of Gomez be added as an author on H. F. No. 3490. The motion prevailed.

Moller moved that the name of Virnig be added as an author on H. F. No. 3509. The motion prevailed.

Moller moved that the names of Koegel, Becker-Finn and Lillie be added as authors on H. F. No. 3510. The motion prevailed.

Baker moved that the names of Mekeland and Gillman be added as authors on H. F. No. 3530. The motion prevailed.

Hollins moved that the name of Gomez be added as an author on H. F. No. 3566. The motion prevailed.

Hill moved that the name of Xiong be added as an author on H. F. No. 3568. The motion prevailed.

Jordan moved that the name of Gomez be added as an author on H. F. No. 3577. The motion prevailed.

Kozlowski moved that the name of Gomez be added as an author on H. F. No. 3651. The motion prevailed.

Kotzya-Witthuhn moved that the name of Frederick be added as an author on H. F. No. 3680. The motion prevailed.

Norris moved that the name of Robbins be added as an author on H. F. No. 3764. The motion prevailed.

Kozlowski moved that the name of Gomez be added as an author on H. F. No. 3783. The motion prevailed.

Olson, L., moved that the name of Virnig be added as an author on H. F. No. 3882. The motion prevailed.

Hassan moved that the name of Frazier be added as an author on H. F. No. 3917. The motion prevailed.

Feist moved that the name of Gomez be added as an author on H. F. No. 4045. The motion prevailed.

Stephenson moved that the name of Reyer be added as an author on H. F. No. 4053. The motion prevailed.

Koegel moved that the name of Hussein be added as an author on H. F. No. 4120. The motion prevailed.

Wiens moved that the name of Perryman be added as an author on H. F. No. 4134. The motion prevailed.

Kozlowski moved that the name of Gomez be added as an author on H. F. No. 4193. The motion prevailed.

Pryor moved that the name of Bierman be added as an author on H. F. No. 4203. The motion prevailed.

Keeler moved that the name of Joy be added as an author on H. F. No. 4204. The motion prevailed.

Norris moved that the name of Zeleznikar be added as an author on H. F. No. 4264. The motion prevailed.

Lee, K., moved that the names of Hudson and Altendorf be added as authors on H. F. No. 4284. The motion prevailed.

Greenman moved that the name of Gomez be added as an author on H. F. No. 4292. The motion prevailed.

Fischer moved that the name of Virnig be added as an author on H. F. No. 4392. The motion prevailed.

Greenman moved that the name of Freiberg be shown as chief author on H. F. No. 4411. The motion prevailed.

Hollins moved that the name of Her be added as an author on H. F. No. 4461. The motion prevailed.

Schultz moved that the names of Mekeland and Gillman be added as authors on H. F. No. 4462. The motion prevailed.

Wolgamott moved that the name of Howard be added as an author on H. F. No. 4493. The motion prevailed.

Pinto moved that the name of Virnig be added as an author on H. F. No. 4538. The motion prevailed.

Kozlowski moved that the name of Brand be added as an author on H. F. No. 4550. The motion prevailed.

Bierman moved that the name of Nadeau be added as an author on H. F. No. 4587. The motion prevailed.

Tabke moved that the name of Virnig be added as an author on H. F. No. 4591. The motion prevailed.

Her moved that the name of Pinto be added as an author on H. F. No. 4618. The motion prevailed.

Jordan moved that the name of Davis be added as an author on H. F. No. 4621. The motion prevailed.

Freiberg moved that the name of Greenman be added as an author on H. F. No. 4772. The motion prevailed.

Clardy moved that the name of Hudella be added as an author on H. F. No. 4778. The motion prevailed.

Wolgamott moved that the name of Olson, L., be added as an author on H. F. No. 4796. The motion prevailed.

Reyer moved that the name of Virnig be added as an author on H. F. No. 4839. The motion prevailed.

Bierman moved that the names of Greenman and Reyer be added as authors on H. F. No. 4870. The motion prevailed.

Brand moved that the names of Lislegard, Norris and Clardy be added as authors on H. F. No. 4872. The motion prevailed.

Bahner moved that the name of Virnig be added as an author on H. F. No. 4916. The motion prevailed.

Joy moved that the name of Joy be stricken as an author on H. F. No. 4937. The motion prevailed.

Agbaje moved that the name of Urdahl be added as an author on H. F. No. 4977. The motion prevailed.

Long moved that the name of Urdahl be added as an author on H. F. No. 4984. The motion prevailed.

Liebling moved that the name of Pinto be added as an author on H. F. No. 4993. The motion prevailed.

Sencer-Mura moved that the name of Kozlowski be added as an author on H. F. No. 5105. The motion prevailed.

Hassan moved that the names of Frazier and Hussein be added as authors on H. F. No. 5107. The motion prevailed.

Igo moved that the name of Zeleznikar be added as an author on H. F. No. 5117. The motion prevailed.

Kresha moved that the names of Knudsen; Anderson, P. E., and Niska be added as authors on H. F. No. 5123. The motion prevailed.

Wolgamott moved that the name of Baker be added as an author on H. F. No. 5137. The motion prevailed.

Skraha moved that the name of Myers be added as an author on H. F. No. 5138. The motion prevailed.

Bakeberg moved that the name of Knudsen be added as an author on H. F. No. 5151. The motion prevailed.

Long moved that the name of Urdahl be added as an author on H. F. No. 5156. The motion prevailed.

Brand moved that the name of Coulter be added as an author on H. F. No. 5170. The motion prevailed.

Nash moved that the name of Wiens be added as an author on H. F. No. 5180. The motion prevailed.

Engen moved that the name of Hudson be added as an author on H. F. No. 5184. The motion prevailed.

Engen moved that the name of Hudson be added as an author on H. F. No. 5185. The motion prevailed.

Engen moved that the name of Davis be added as an author on H. F. No. 5187. The motion prevailed.

Engen moved that the name of Davis be added as an author on H. F. No. 5188. The motion prevailed.

Keeler moved that the name of Fischer be added as an author on H. F. No. 5200. The motion prevailed.

Zeleznikar moved that the name of Perryman be added as an author on H. F. No. 5201. The motion prevailed.

Reyer moved that the name of Virnig be added as an author on H. F. No. 5203. The motion prevailed.

Virnig moved that the name of Norris be added as an author on H. F. No. 5228. The motion prevailed.

Lislegard moved that the name of Davids be added as an author on H. F. No. 5246. The motion prevailed.

Brand moved that H. F. No. 3896 be recalled from the Committee on Transportation Finance and Policy and be re-referred to the Committee on Commerce Finance and Policy. The motion prevailed.

Agbaje moved that H. F. No. 4977 be recalled from the Committee on State and Local Government Finance and Policy and be re-referred to the Committee on Taxes. The motion prevailed.

Wolgammott moved that H. F. No. 4661, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

Becker-Finn, Kozlowski and Keeler introduced:

House Concurrent Resolution No. 6, A House concurrent resolution recognizing wild rice as sacred and central to the culture and health of Indigenous Peoples in Minnesota and critical to the health and identity of all Minnesota citizens and ecosystems and establishing a commitment to passing Rights of Manoomin/Psij legislation to protect wild rice and the freshwater resources upon which it depends.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

#### MOTION TO SUSPEND RULES

Garofalo moved that the rules of the House be so far suspended so that H. F. No. 5006 be recalled from the Committee on State and Local Government Finance and Policy, be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Garofalo motion and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Bliss	Engen	Hudella	Koznick	Murphy
Anderson, P. E.	Burkel	Franson	Hudson	Kresha	Myers
Anderson, P. H.	Daniels	Garofalo	Igo	Lawrence	Nadeau
Backer	Davids	Gillman	Johnson	Lislegard	Nash
Bakeberg	Davis	Grossell	Joy	McDonald	Nelson, N.
Baker	Demuth	Harder	Kiel	Mekeland	Neu Brindley
Bennett	Dotseth	Heintzeman	Knudsen	Mueller	Niska

Novotny	Petersburg	Robbins	Skraba	Wiener
O'Driscoll	Pfarr	Schomacker	Swedzinski	Wiens
Olson, B.	Quam	Schultz	Torkelson	Wolgamott
Perryman	Rarick	Scott	Urdahl	Zelevnikar

Those who voted in the negative were:

Acomb	Edelson	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hassan	Klevorn	Newton	Smith
Bahner	Feist	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Becker-Finn	Finke	Her	Kotyza-Witthuhn	Norris	Tabke
Berg	Fischer	Hicks	Kozlowski	Olson, L.	Vang
Bierman	Fogelman	Hill	Kraft	Pelowski	Virnich
Brand	Frazier	Hollins	Lee, F.	Pérez-Vega	Xiong
Carroll	Frederick	Hornstein	Lee, K.	Pinto	Youakim
Cha	Freiberg	Howard	Liebling	Pryor	Spk. Hortman
Clardy	Gomez	Huot	Lillie	Pursell	
Coulter	Greenman	Hussein	Long	Rehm	
Curran	Hansen, R.	Jordan	Moller	Reyer	

The motion did not prevail.

#### ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 3:30 p.m., Monday, April 8, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and Speaker pro tempore Her declared the House stands adjourned until 3:30 p.m., Monday, April 8, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives