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ARTICLE 2

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PRESCRIPTION DRUG AFFORDABILITY BOARD

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Section 1. **[62J.85] CITATION.**

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Sections 62J.85 to 62J.95 may be cited as the "Prescription Drug Affordability Act."

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Sec. 2. **[62J.86] DEFINITIONS.**

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Subdivision 1. **Definitions.** For the purposes of sections 62J.85 to 62J.95, the following terms have the meanings given them.

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Subd. 2. **Advisory council.** "Advisory council" means the Prescription Drug Affordability Advisory Council established under section 62J.88.

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Subd. 3. **Biologic.** "Biologic" means a drug that is produced or distributed in accordance with a biologics license application approved under Code of Federal Regulations, title 42, section 447.502.

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Subd. 4. **Biosimilar.** "Biosimilar" has the meaning given in section 62J.84, subdivision 2, paragraph (b).

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Subd. 5. **Board.** "Board" means the Prescription Drug Affordability Board established under section 62J.87.

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Subd. 6. **Brand name drug.** "Brand name drug" has the meaning given in section 62J.84, subdivision 2, paragraph (c).

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Subd. 7. **Generic drug.** "Generic drug" has the meaning given in section 62J.84, subdivision 2, paragraph (e).

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Subd. 8. **Group purchaser.** "Group purchaser" has the meaning given in section 62J.03, subdivision 6, and includes pharmacy benefit managers, as defined in section 62W.02, subdivision 15.

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Subd. 9. **Manufacturer.** "Manufacturer" means an entity that:

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(1) engages in the manufacture of a prescription drug product or enters into a lease with another manufacturer to market and distribute a prescription drug product under the entity's own name; and

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(2) sets or changes the wholesale acquisition cost of the prescription drug product it manufactures or markets.

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Subd. 10. **Prescription drug product.** "Prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar.

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- 9.12 Subd. 11. **Wholesale acquisition cost or WAC.** "Wholesale acquisition cost" or "WAC"
9.13 has the meaning given in United States Code, title 42, section 1395W-3a(c)(6)(B).
- 9.14 Sec. 3. **[62J.87] PRESCRIPTION DRUG AFFORDABILITY BOARD.**
- 9.15 Subdivision 1. **Establishment.** The commissioner of commerce shall establish the
9.16 Prescription Drug Affordability Board, which shall be governed as a board under section
9.17 15.012, paragraph (a), to protect consumers, state and local governments, health plan
9.18 companies, providers, pharmacies, and other health care system stakeholders from
9.19 unaffordable costs of certain prescription drugs.
- 9.20 Subd. 2. **Membership.** (a) The Prescription Drug Affordability Board consists of nine
9.21 members appointed as follows:
- 9.22 (1) seven voting members appointed by the governor;
9.23 (2) one nonvoting member appointed by the majority leader of the senate; and
9.24 (3) one nonvoting member appointed by the speaker of the house.
- 9.25 (b) All members appointed must have knowledge and demonstrated expertise in
9.26 pharmaceutical economics and finance or health care economics and finance. A member
9.27 must not be an employee of, a board member of, or a consultant to a manufacturer or trade
9.28 association for manufacturers or a pharmacy benefit manager or trade association for
9.29 pharmacy benefit managers.
- 9.30 (c) Initial appointments shall be made by January 1, 2022.
- 10.1 Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms, except that initial
10.2 appointees shall serve staggered terms of two, three, or four years as determined by lot by
10.3 the secretary of state. A board member shall serve no more than two consecutive terms.
- 10.4 (b) A board member may resign at any time by giving written notice to the board.
- 10.5 Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from
10.6 the members appointed by the governor. The acting chair shall convene the first meeting
10.7 of the board.
- 10.8 (b) The board shall elect a chair to replace the acting chair at the first meeting of the
10.9 board by a majority of the members. The chair shall serve for one year.
- 10.10 (c) The board shall elect a vice-chair and other officers from the board's membership as
10.11 the board deems necessary.
- 10.12 Subd. 5. **Staff; technical assistance.** (a) The board shall hire an executive director and
10.13 other staff, who shall serve in the unclassified service. The executive director must have
10.14 knowledge and demonstrated expertise in pharmacoeconomics, pharmacology, health policy,
10.15 health services research, medicine, or a related field or discipline. The board may employ

- 10.16 or contract for professional and technical assistance as the board deems necessary to perform
10.17 the board's duties.
- 10.18 (b) The attorney general shall provide legal services to the board.
- 10.19 Subd. 6. **Compensation.** The board members shall not receive compensation but may
10.20 receive reimbursement for expenses as authorized under section 15.059, subdivision 3.
- 10.21 Subd. 7. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall
10.22 meet publicly at least every three months to review prescription drug product information
10.23 submitted to the board under section 62J.90. If there are no pending submissions, the chair
10.24 of the board may cancel or postpone the required meeting. The board may meet in closed
10.25 session when reviewing proprietary information, as determined under the standards developed
10.26 in accordance with section 62J.91, subdivision 4.
- 10.27 (b) The board shall announce each public meeting at least two weeks prior to the
10.28 scheduled date of the meeting. Any materials for the meeting shall be made public at least
10.29 one week prior to the scheduled date of the meeting.
- 10.30 (c) At each public meeting, the board shall provide the opportunity for comments from
10.31 the public, including the opportunity for written comments to be submitted to the board
10.32 prior to a decision by the board.
- 11.1 Sec. 4. **[62J.88] PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.**
- 11.2 Subdivision 1. **Establishment.** The governor shall appoint a 12-member stakeholder
11.3 advisory council to provide advice to the board on drug cost issues and to represent
11.4 stakeholders' views. The members of the advisory council shall be appointed based on the
11.5 members' knowledge and demonstrated expertise in one or more of the following areas: the
11.6 pharmaceutical business; practice of medicine; patient perspectives; health care cost trends
11.7 and drivers; clinical and health services research; and the health care marketplace.
- 11.8 Subd. 2. **Membership.** The council's membership shall consist of the following:
- 11.9 (1) two members representing patients and health care consumers;
- 11.10 (2) two members representing health care providers;
- 11.11 (3) one member representing health plan companies;
- 11.12 (4) two members representing employers, with one member representing large employers
11.13 and one member representing small employers;
- 11.14 (5) one member representing government employee benefit plans;
- 11.15 (6) one member representing pharmaceutical manufacturers;
- 11.16 (7) one member who is a health services clinical researcher;

- 11.17 (8) one member who is a pharmacologist; and
- 11.18 (9) one member with expertise in health economics representing the commissioner of
11.19 health.
- 11.20 Subd. 3. **Terms.** (a) The initial appointments to the advisory council shall be made by
11.21 January 1, 2022. The initial appointed advisory council members shall serve staggered terms
11.22 of two, three, or four years determined by lot by the secretary of state. Following the initial
11.23 appointments, the advisory council members shall serve four-year terms.
- 11.24 (b) Removal and vacancies of advisory council members is governed by section 15.059.
- 11.25 Subd. 4. **Compensation.** Advisory council members may be compensated according to
11.26 section 15.059.
- 11.27 Subd. 5. **Meetings.** Meetings of the advisory council are subject to chapter 13D. The
11.28 advisory council shall meet publicly at least every three months to advise the board on drug
11.29 cost issues related to the prescription drug product information submitted to the board under
11.30 section 62J.90.
- 12.1 Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council does not
12.2 expire.
- 12.3 Sec. 5. **[62J.89] CONFLICTS OF INTEREST.**
- 12.4 Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a
12.5 financial or personal association that has the potential to bias or have the appearance of
12.6 biasing a person's decisions in matters related to the board, the advisory council, or in the
12.7 conduct of the board's or council's activities. A conflict of interest includes any instance in
12.8 which a person, a person's immediate family member, including a spouse, parent, child, or
12.9 other legal dependent, or an in-law of any of the preceding individuals has received or could
12.10 receive a direct or indirect financial benefit of any amount deriving from the result or findings
12.11 of a decision or determination of the board. For purposes of this section, a financial benefit
12.12 includes honoraria, fees, stock, the value of the member's, immediate family member's, or
12.13 in-law's stock holdings, and any direct financial benefit deriving from the finding of a review
12.14 conducted under sections 62J.85 to 62J.95. Ownership of securities is not a conflict of
12.15 interest if the securities are: (1) part of a diversified mutual or exchange traded fund; or (2)
12.16 in a tax-deferred or tax-exempt retirement account that is administered by an independent
12.17 trustee.
- 12.18 Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior
12.19 to entering into a contractual agreement, a board or advisory council member, board staff
12.20 member, or third-party contractor must disclose to the appointing authority or the board
12.21 any conflicts of interest. The information disclosed shall include the type, nature, and
12.22 magnitude of the interests involved.
- 12.23 (b) A board member, board staff member, or third-party contractor with a conflict of
12.24 interest with regard to any prescription drug product under review must recuse themselves

- 12.25 from any discussion, review, decision, or determination made by the board relating to the
12.26 prescription drug product.
- 12.27 (c) Any conflict of interest must be disclosed in advance of the first meeting after the
12.28 conflict is identified or within five days after the conflict is identified, whichever is earlier.
- 12.29 Subd. 3. **Prohibitions.** Board members, board staff, or third-party contractors are
12.30 prohibited from accepting gifts, bequeaths, or donations of services or property that raise
12.31 the specter of a conflict of interest or have the appearance of injecting bias into the activities
12.32 of the board.
- 13.1 Sec. 6. **[62J.90] PRESCRIPTION DRUG PRICE INFORMATION; DECISION TO**
13.2 **CONDUCT COST REVIEW.**
- 13.3 Subdivision 1. **Drug price information from the commissioner of health and other**
13.4 **sources.** (a) The commissioner of health shall provide to the board the information reported
13.5 to the commissioner by drug manufacturers under section 62J.84, subdivisions 3, 4, and 5.
13.6 The commissioner shall provide this information to the board within 30 days of the date the
13.7 information is received from drug manufacturers.
- 13.8 (b) The board shall subscribe to one or more prescription drug pricing files, such as
13.9 Medispan or FirstDatabank, or as otherwise determined by the board.
- 13.10 Subd. 2. **Identification of certain prescription drug products.** (a) The board, in
13.11 consultation with the advisory council, shall identify the following prescription drug products:
- 13.12 (1) brand name drugs or biologics for which the WAC increases by more than ten percent
13.13 or by more than \$10,000 during any 12-month period or course of treatment if less than 12
13.14 months, after adjusting for changes in the Consumer Price Index (CPI);
- 13.15 (2) brand name drugs or biologics that have been introduced at a WAC of \$30,000 or
13.16 more per calendar year or per course of treatment;
- 13.17 (3) biosimilar drugs that have been introduced at a WAC that is not at least 15 percent
13.18 lower than the referenced brand name biologic at the time the biosimilar is introduced; and
- 13.19 (4) generic drugs for which the WAC:
- 13.20 (i) is \$100 or more, after adjusting for changes in the Consumer Price Index (CPI), for:
- 13.21 (A) a 30-day supply lasting a patient for a period of 30 consecutive days based on the
13.22 recommended dosage approved for labeling by the United States Food and Drug
13.23 Administration (FDA);
- 13.24 (B) a supply lasting a patient for fewer than 30 days based on recommended dosage
13.25 approved for labeling by the FDA; or

- 13.26 (C) one unit of the drug if the labeling approved by the FDA does not recommend a
13.27 finite dosage; and
- 13.28 (ii) is increased by 200 percent or more during the immediate preceding 12-month period,
13.29 as determined by the difference between the resulting WAC and the average of the WAC
13.30 reported over the preceding 12 months, after adjusting for changes in the Consumer Price
13.31 Index (CPI).
- 14.1 (b) The board, in consultation with the advisory council, shall identify prescription drug
14.2 products not described in paragraph (a) that may impose costs that create significant
14.3 affordability challenges for the state health care system or for patients, including but not
14.4 limited to drugs to address public health emergencies.
- 14.5 (c) The board shall make available to the public the names and related price information
14.6 of the prescription drug products identified under this subdivision, with the exception of
14.7 information determined by the board to be proprietary under the standards developed by
14.8 the board under section 62J.91, subdivision 4.
- 14.9 Subd. 3. **Determination to proceed with review.** (a) The board may initiate a cost
14.10 review of a prescription drug product identified by the board under this section.
- 14.11 (b) The board shall consider requests by the public for the board to proceed with a cost
14.12 review of any prescription drug product identified under this section.
- 14.13 (c) If there is no consensus among the members of the board with respect to whether or
14.14 not to initiate a cost review of a prescription drug product, any member of the board may
14.15 request a vote to determine whether or not to review the cost of the prescription drug product.
- 14.16 **Sec. 7. [62J.91] PRESCRIPTION DRUG PRODUCT REVIEWS.**
- 14.17 Subdivision 1. **General.** Once a decision by the board has been made to proceed with
14.18 a cost review of a prescription drug product, the board shall conduct the review and make
14.19 a determination as to whether appropriate utilization of the prescription drug under review,
14.20 based on utilization that is consistent with the United States Food and Drug Administration
14.21 (FDA) label or standard medical practice, has led or will lead to affordability challenges
14.22 for the state health care system or for patients.
- 14.23 Subd. 2. **Review considerations.** In reviewing the cost of a prescription drug product,
14.24 the board may consider the following factors:
- 14.25 (1) the price at which the prescription drug product has been and will be sold in the state;
- 14.26 (2) the average monetary price concession, discount, or rebate the manufacturer provides
14.27 to a group purchaser in this state as reported by the manufacturer and the group purchaser
14.28 expressed as a percent of the WAC for prescription drug product under review;
- 14.29 (3) the price at which therapeutic alternatives have been or will be sold in the state;

- 14.30 (4) the average monetary price concession, discount, or rebate the manufacturer provides
14.31 or is expected to provide to a group purchaser in the state or is expected to provide to group
14.32 purchasers in the state for therapeutic alternatives;
- 15.1 (5) the cost to group purchasers based on patient access consistent with the United States
15.2 Food and Drug Administration (FDA) labeled indications;
- 15.3 (6) the impact on patient access resulting from the cost of the prescription drug product
15.4 relative to insurance benefit design;
- 15.5 (7) the current or expected dollar value of drug-specific patient access programs that are
15.6 supported by manufacturers;
- 15.7 (8) the relative financial impacts to health, medical, or other social services costs that
15.8 can be quantified and compared to baseline effects of existing therapeutic alternatives;
- 15.9 (9) the average patient co-pay or other cost-sharing for the prescription drug product in
15.10 the state;
- 15.11 (10) any information a manufacturer chooses to provide; and
- 15.12 (11) any other factors as determined by the board.
- 15.13 Subd. 3. **Further review factors.** If, after considering the factors described in subdivision
15.14 2, the board is unable to determine whether a prescription drug product will produce or has
15.15 produced an affordability challenge, the board may consider:
- 15.16 (1) manufacturer research and development costs, as indicated on the manufacturer's
15.17 federal tax filing for the most recent tax year in proportion to the manufacturer's sales in
15.18 the state;
- 15.19 (2) that portion of direct-to-consumer marketing costs eligible for favorable federal tax
15.20 treatment in the most recent tax year that are specific to the prescription drug product under
15.21 review and that are multiplied by the ratio of total manufacturer in-state sales to total
15.22 manufacturer sales in the United States for the product under review;
- 15.23 (3) gross and net manufacturer revenues for the most recent tax year;
- 15.24 (4) any information and research related to the manufacturer's selection of the introductory
15.25 price or price increase, including but not limited to:
- 15.26 (i) life cycle management;
- 15.27 (ii) market competition and context; and
- 15.28 (iii) projected revenue; and
- 15.29 (5) any additional factors determined by the board to be relevant.

- 16.1 Subd. 4. **Public data; proprietary information.** (a) Any submission made to the board
16.2 related to a drug cost review shall be made available to the public, with the exception of
16.3 information determined by the board to be proprietary.
- 16.4 (b) The board shall establish the standards for the information to be considered proprietary
16.5 under paragraph (a) and section 62J.90, subdivision 2, including standards for heightened
16.6 consideration of proprietary information for submissions for a cost review of a drug that is
16.7 not yet approved by the FDA.
- 16.8 (c) Prior to the board establishing the standards under paragraph (b), the public shall be
16.9 provided notice and the opportunity to submit comments.
- 16.10 Sec. 8. **[62J.92] DETERMINATIONS; COMPLIANCE; REMEDIES.**
- 16.11 Subdivision 1. **Upper payment limit.** (a) In the event the board finds that the spending
16.12 on a prescription drug product reviewed under section 62J.91 creates an affordability
16.13 challenge for the state health care system or for patients, the board shall establish an upper
16.14 payment limit after considering:
- 16.15 (1) the cost to administer the drug;
- 16.16 (2) the cost to deliver the drug to consumers;
- 16.17 (3) the range of prices at which the drug is sold in the United States according to one or
16.18 more pricing files accessed under section 62J.90, subdivision 1, and the range at which
16.19 pharmacies are reimbursed in Canada; and
- 16.20 (4) any other relevant pricing and administrative cost information for the drug.
- 16.21 (b) The upper payment limit shall apply to all public and private purchases, payments,
16.22 and payer reimbursements for the prescription drug product that is intended for individuals
16.23 in the state in person, by mail, or by other means.
- 16.24 Subd. 2. **Noncompliance.** (a) The failure of an entity to comply with an upper payment
16.25 limit established by the board under this section shall be referred to the Office of the Attorney
16.26 General.
- 16.27 (b) If the Office of the Attorney General finds that an entity was noncompliant with the
16.28 upper payment limit requirements, the attorney general may pursue remedies consistent
16.29 with chapter 8 or appropriate criminal charges if there is evidence of intentional profiteering.
- 16.30 (c) An entity who obtains price concessions from a drug manufacturer that result in a
16.31 lower net cost to the stakeholder than the upper payment limit established by the board shall
16.32 not be considered to be in noncompliance.
- 17.1 (d) The Office of the Attorney General may provide guidance to stakeholders concerning
17.2 activities that could be considered noncompliant.

17.3 Subd. 3. **Appeals.** (a) A person affected by a decision of the board may request an appeal
17.4 of the board's decision within 30 days of the date of the decision. The board shall hear the
17.5 appeal and render a decision within 60 days of the hearing.

17.6 (b) All appeal decisions are subject to judicial review in accordance with chapter 14.

17.7 Sec. 9. **[62J.93] REPORTS.**

17.8 Beginning March 1, 2022, and each March 1 thereafter, the board shall submit a report
17.9 to the governor and legislature on general price trends for prescription drug products and
17.10 the number of prescription drug products that were subject to the board's cost review and
17.11 analysis, including the result of any analysis as well as the number and disposition of appeals
17.12 and judicial reviews.

17.13 Sec. 10. **[62J.94] ERISA PLANS AND MEDICARE DRUG PLANS.**

17.14 (a) Nothing in sections 62J.85 to 62J.95 shall be construed to require ERISA plans or
17.15 Medicare Part D plans to comply with decisions of the board, but are free to choose to
17.16 exceed the upper payment limit established by the board under section 62J.92.

17.17 (b) Providers who dispense and administer drugs in the state must bill all payers no more
17.18 than the upper payment limit without regard to whether or not an ERISA plan or Medicare
17.19 Part D plan chooses to reimburse the provider in an amount greater than the upper payment
17.20 limit established by the board.

17.21 (c) For purposes of this section, an ERISA plan or group health plan is an employee
17.22 welfare benefit plan established by or maintained by an employer or an employee
17.23 organization, or both, that provides employer sponsored health coverage to employees and
17.24 the employee's dependents and is subject to the Employee Retirement Income Security Act
17.25 of 1974 (ERISA).

17.26 Sec. 11. **[62J.95] SEVERABILITY.**

17.27 If any provision of sections 62J.85 to 62J.94 or the application of sections 62J.85 to
17.28 62J.94 to any person or circumstance is held invalid for any reason in a court of competent
17.29 jurisdiction, the invalidity does not affect other provisions or any other application of sections
17.30 62J.85 to 62J.94 that can be given effect without the invalid provision or application.

18.1 **ARTICLE 3**

18.2 **INSURANCE**

18.3 Section 1. Minnesota Statutes 2020, section 60A.092, subdivision 10a, is amended to read:

18.4 Subd. 10a. **Other jurisdictions.** The reinsurance is ceded and credit allowed to an
18.5 assuming insurer not meeting the requirements of subdivision 2, 3, 4, 5, ~~or 10~~, or 10b, but
18.6 only with respect to the insurance of risks located in jurisdictions where the reinsurance is
18.7 required by applicable law or regulation of that jurisdiction.

18.8 **EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to reinsurance
18.9 contracts entered into or renewed on or after that date.

18.10 Sec. 2. Minnesota Statutes 2020, section 60A.092, is amended by adding a subdivision to
18.11 read:

18.12 Subd. 10b. **Credit allowed; reciprocal jurisdiction.** (a) Credit shall be allowed when
18.13 the reinsurance is ceded to an assuming insurer meeting each of the following conditions:

18.14 (1) the assuming insurer must have its head office in or be domiciled in, as applicable,
18.15 and be licensed in a reciprocal jurisdiction. A "reciprocal jurisdiction" means a jurisdiction
18.16 that is:

18.17 (i) a non-United States jurisdiction that is subject to an in-force covered agreement with
18.18 the United States, each within its legal authority, or, in the case of a covered agreement
18.19 between the United States and the European Union, is a member state of the European
18.20 Union. For purposes of this subdivision, a "covered agreement" means an agreement entered
18.21 into pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, United
18.22 States Code, title 31, sections 313 and 314, that is currently in effect or in a period of
18.23 provisional application and addresses the elimination, under specified conditions, of collateral
18.24 requirements as a condition for entering into any reinsurance agreement with a ceding insurer
18.25 domiciled in Minnesota or for allowing the ceding insurer to recognize credit for reinsurance;

18.26 (ii) a United States jurisdiction that meets the requirements for accreditation under the
18.27 National Association of Insurance Commissioners (NAIC) financial standards and
18.28 accreditation program; or

18.29 (iii) a qualified jurisdiction, as determined by the commissioner, which is not otherwise
18.30 described in item (i) or (ii) and which meets the following additional requirements, consistent
18.31 with the terms and conditions of in-force covered agreements:

19.1 (A) provides that an insurer which has its head office or is domiciled in such qualified
19.2 jurisdiction shall receive credit for reinsurance ceded to a United States-domiciled assuming
19.3 insurer in the same manner as credit for reinsurance is received for reinsurance assumed by
19.4 insurers domiciled in such qualified jurisdiction;

19.5 (B) does not require a United States-domiciled assuming insurer to establish or maintain
19.6 a local presence as a condition for entering into a reinsurance agreement with any ceding
19.7 insurer subject to regulation by the non-United States jurisdiction or as a condition to allow
19.8 the ceding insurer to recognize credit for such reinsurance;

19.9 (C) recognizes the United States state regulatory approach to group supervision and
19.10 group capital, by providing written confirmation by a competent regulatory authority, in
19.11 such qualified jurisdiction, that insurers and insurance groups that are domiciled or maintain
19.12 their headquarters in this state or another jurisdiction accredited by the NAIC shall be subject
19.13 only to worldwide prudential insurance group supervision including worldwide group
19.14 governance, solvency and capital, and reporting, as applicable, by the commissioner or the

19.15 commissioner of the domiciliary state and will not be subject to group supervision at the
19.16 level of the worldwide parent undertaking of the insurance or reinsurance group by the
19.17 qualified jurisdiction; and

19.18 (D) provides written confirmation by a competent regulatory authority in such qualified
19.19 jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated
19.20 entities, if applicable, shall be provided to the commissioner in accordance with a
19.21 memorandum of understanding or similar document between the commissioner and such
19.22 qualified jurisdiction, including but not limited to the International Association of Insurance
19.23 Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda
19.24 of understanding coordinated by the NAIC;

19.25 (2) the assuming insurer must have and maintain, on an ongoing basis, minimum capital
19.26 and surplus, or its equivalent, calculated according to the methodology of its domiciliary
19.27 jurisdiction, on at least an annual basis as of the preceding December 31 or on the date
19.28 otherwise statutorily reported to the reciprocal jurisdiction, in the following amounts:

19.29 (i) no less than \$250,000,000; or

19.30 (ii) if the assuming insurer is an association, including incorporated and individual
19.31 unincorporated underwriters:

19.32 (A) minimum capital and surplus equivalents, net of liabilities, or own funds of the
19.33 equivalent of at least \$250,000,000; and

20.1 (B) a central fund containing a balance of the equivalent of at least \$250,000,000;

20.2 (3) the assuming insurer must have and maintain, on an ongoing basis, a minimum
20.3 solvency or capital ratio, as applicable, as follows:

20.4 (i) if the assuming insurer has its head office or is domiciled in a reciprocal jurisdiction
20.5 defined in clause (1), item (i), the ratio specified in the applicable covered agreement;

20.6 (ii) if the assuming insurer is domiciled in a reciprocal jurisdiction defined in clause (1),
20.7 item (ii), a risk-based capital ratio of 300 percent of the authorized control level, calculated
20.8 in accordance with the formula developed by the NAIC; or

20.9 (iii) if the assuming insurer is domiciled in a Reciprocal Jurisdiction defined in clause
20.10 (1), item (iii), after consultation with the reciprocal jurisdiction and considering any
20.11 recommendations published through the NAIC Committee Process, such solvency or capital
20.12 ratio as the commissioner determines to be an effective measure of solvency;

20.13 (4) the assuming insurer must agree and provide adequate assurance in the form of a
20.14 properly executed Form AR-1, Form CR-1, and Form RJ-1 of its agreement to the following:

20.15 (i) the assuming insurer must provide prompt written notice and explanation to the
20.16 commissioner if it falls below the minimum requirements set forth in clause (2) or (3), or

20.17 if any regulatory action is taken against the assuming insurer for serious noncompliance
20.18 with applicable law;

20.19 (ii) the assuming insurer must consent in writing to the jurisdiction of the courts of
20.20 Minnesota and to the appointment of the commissioner as agent for service of process. The
20.21 commissioner may require that consent for service of process be provided to the
20.22 commissioner and included in each reinsurance agreement. Nothing in this subdivision shall
20.23 limit or in any way alter the capacity of parties to a reinsurance agreement to agree to
20.24 alternative dispute resolution mechanisms, except to the extent such agreements are
20.25 unenforceable under applicable insolvency or delinquency laws;

20.26 (iii) the assuming insurer must consent in writing to pay all final judgments, wherever
20.27 enforcement is sought, obtained by a ceding insurer or its legal successor, that have been
20.28 declared enforceable in the jurisdiction where the judgment was obtained;

20.29 (iv) each reinsurance agreement must include a provision requiring the assuming insurer
20.30 to provide security in an amount equal to 100 percent of the assuming insurer's liabilities
20.31 attributable to reinsurance ceded pursuant to that agreement if the assuming insurer resists
20.32 enforcement of a final judgment that is enforceable under the law of the jurisdiction in which
21.1 it was obtained or a properly enforceable arbitration award, whether obtained by the ceding
21.2 insurer or by its legal successor on behalf of its resolution estate;

21.3 (v) the assuming insurer must confirm that it is not presently participating in any solvent
21.4 scheme of arrangement which involves this state's ceding insurers, and agree to notify the
21.5 ceding insurer and the commissioner and to provide security in an amount equal to 100
21.6 percent of the assuming insurer's liabilities to the ceding insurer, should the assuming insurer
21.7 enter into such a solvent scheme of arrangement. The security shall be in a form consistent
21.8 with sections 60A.092, subdivision 10, 60A.093, 60A.096, and 60A.097. For purposes of
21.9 this section, the term "solvent scheme of arrangement" means a foreign or alien statutory
21.10 or regulatory compromise procedure subject to requisite majority creditor approval and
21.11 judicial sanction in the assuming insurer's home jurisdiction either to finally commute
21.12 liabilities of duly noticed classed members or creditors of a solvent debtor, or to reorganize
21.13 or restructure the debts and obligations of a solvent debtor on a final basis, and which may
21.14 be subject to judicial recognition and enforcement of the arrangement by a governing
21.15 authority outside the ceding insurer's home jurisdiction; and

21.16 (vi) the assuming insurer must agree in writing to meet the applicable information filing
21.17 requirements set forth in clause (5);

21.18 (5) the assuming insurer or its legal successor must provide, if requested by the
21.19 commissioner, on behalf of itself and any legal predecessors, the following documentation
21.20 to the commissioner:

21.21 (i) for the two years preceding entry into the reinsurance agreement and on an annual
21.22 basis thereafter, the assuming insurer's annual audited financial statements, in accordance

- 21.23 with the applicable law of the jurisdiction of its head office or domiciliary jurisdiction, as
21.24 applicable, including the external audit report;
- 21.25 (ii) for the two years preceding entry into the reinsurance agreement, the solvency and
21.26 financial condition report or actuarial opinion, if filed with the assuming insurer's supervisor;
- 21.27 (iii) prior to entry into the reinsurance agreement and not more than semiannually
21.28 thereafter, an updated list of all disputed and overdue reinsurance claims outstanding for
21.29 90 days or more, regarding reinsurance assumed from ceding insurers domiciled in the
21.30 United States; and
- 21.31 (iv) prior to entry into the reinsurance agreement and not more than semiannually
21.32 thereafter, information regarding the assuming insurer's assumed reinsurance by ceding
21.33 insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid
22.1 and unpaid losses by the assuming insurer to allow for the evaluation of the criteria set forth
22.2 in clause (6);
- 22.3 (6) the assuming insurer must maintain a practice of prompt payment of claims under
22.4 reinsurance agreements. The lack of prompt payment will be evidenced if any of the
22.5 following criteria is met:
- 22.6 (i) more than 15 percent of the reinsurance recoverables from the assuming insurer are
22.7 overdue and in dispute as reported to the commissioner;
- 22.8 (ii) more than 15 percent of the assuming insurer's ceding insurers or reinsurers have
22.9 overdue reinsurance recoverable on paid losses of 90 days or more which are not in dispute
22.10 and which exceed for each ceding insurer \$100,000, or as otherwise specified in a covered
22.11 agreement; or
- 22.12 (iii) the aggregate amount of reinsurance recoverable on paid losses which are not in
22.13 dispute, but are overdue by 90 days or more, exceeds \$50,000,000, or as otherwise specified
22.14 in a covered agreement;
- 22.15 (7) the assuming insurer's supervisory authority must confirm to the commissioner by
22.16 December 31, 2021, and annually thereafter, or at the annual date otherwise statutorily
22.17 reported to the reciprocal jurisdiction, that the assuming insurer complies with the
22.18 requirements set forth in clauses (2) and (3); and
- 22.19 (8) nothing in this subdivision precludes an assuming insurer from providing the
22.20 commissioner with information on a voluntary basis.
- 22.21 (b) The commissioner shall timely create and publish a list of reciprocal jurisdictions.
22.22 The commissioner's list shall include any reciprocal jurisdiction as defined under paragraph
22.23 (a), clause (1), items (i) and (ii), and shall consider any other reciprocal jurisdiction included
22.24 on the NAIC list. The commissioner may approve a jurisdiction that does not appear on the
22.25 NAIC list of reciprocal jurisdictions in accordance with criteria developed under rules issued
22.26 by the commissioner. The commissioner may remove a jurisdiction from the list of reciprocal
22.27 jurisdictions upon a determination that the jurisdiction no longer meets the requirements of

22.28 a reciprocal jurisdiction, in accordance with a process set forth in rules issued by the
22.29 commissioner, except that the commissioner shall not remove from the list a reciprocal
22.30 jurisdiction as defined under paragraph (a), clause (1), items (i) and (ii). Upon removal of
22.31 a reciprocal jurisdiction from the list, credit for reinsurance ceded to an assuming insurer
22.32 which has its home office or is domiciled in that jurisdiction shall be allowed, if otherwise
22.33 allowed pursuant to law.

23.1 (c) The commissioner shall timely create and publish a list of assuming insurers that
23.2 have satisfied the conditions set forth in this subdivision and to which cessions shall be
23.3 granted credit in accordance with this subdivision. The commissioner may add an assuming
23.4 insurer to the list if an NAIC accredited jurisdiction has added the assuming insurer to a list
23.5 of assuming insurers or if, upon initial eligibility, the assuming insurer submits the
23.6 information to the commissioner as required under paragraph (a), clause (4), and complies
23.7 with any additional requirements that the commissioner may impose by rule, except to the
23.8 extent that they conflict with an applicable covered agreement.

23.9 (i) If an NAIC-accredited jurisdiction has determined that the conditions set forth in
23.10 paragraph (a), clause (2), have been met, the commissioner has the discretion to defer to
23.11 that jurisdiction's determination, and add such assuming insurer to the list of assuming
23.12 insurers to which cessions shall be granted credit in accordance with this paragraph. The
23.13 commissioner may accept financial documentation filed with another NAIC-accredited
23.14 jurisdiction or with the NAIC in satisfaction of the requirements of paragraph (a), clause
23.15 (2);

23.16 (ii) When requesting that the commissioner defer to another NAIC-accredited
23.17 jurisdiction's determination, an assuming insurer must submit a properly executed Form
23.18 RJ-1 and additional information as the commissioner may require. A state that has received
23.19 such a request will notify other states through the NAIC Committee Process and provide
23.20 relevant information with respect to the determination of eligibility.

23.21 (d) If the commissioner determines that an assuming insurer no longer meets one or
23.22 more of the requirements under this subdivision, the commissioner may revoke or suspend
23.23 the eligibility of the assuming insurer for recognition under this subdivision in accordance
23.24 with procedures set forth in rule. While an assuming insurer's eligibility is suspended, no
23.25 reinsurance agreement issued, amended, or renewed after the effective date of the suspension
23.26 qualifies for credit, except to the extent that the assuming insurer's obligations under the
23.27 contract are secured in accordance with this section. If an assuming insurer's eligibility is
23.28 revoked, no credit for reinsurance may be granted after the effective date of the revocation
23.29 with respect to any reinsurance agreements entered into by the assuming insurer, including
23.30 reinsurance agreements entered into prior to the date of revocation, except to the extent that
23.31 the assuming insurer's obligations under the contract are secured in a form acceptable to
23.32 the commissioner and consistent with the provisions of this section.

- 23.33 (e) Before denying statement credit or imposing a requirement to post security with
23.34 respect to paragraph (d) or adopting any similar requirement that will have substantially the
23.35 same regulatory impact as security, the commissioner shall:
- 24.1 (1) communicate with the ceding insurer, the assuming insurer, and the assuming insurer's
24.2 supervisory authority that the assuming insurer no longer satisfies one of the conditions
24.3 listed in paragraph (a), clause (2);
- 24.4 (2) provide the assuming insurer with 30 days from the initial communication to submit
24.5 a plan to remedy the defect, and 90 days from the initial communication to remedy the
24.6 defect, except in exceptional circumstances in which a shorter period is necessary for
24.7 policyholder and other consumer protection;
- 24.8 (3) after the expiration of 90 days or less, as set out in clause (2), if the commissioner
24.9 determines that no or insufficient action was taken by the assuming insurer, the commissioner
24.10 may impose any of the requirements as set out in this paragraph; and
- 24.11 (4) provide a written explanation to the assuming insurer of any of the requirements set
24.12 out in this paragraph.
- 24.13 (f) If subject to a legal process of rehabilitation, liquidation, or conservation, as applicable,
24.14 the ceding insurer, or its representative, may seek and, if determined appropriate by the
24.15 court in which the proceedings are pending, may obtain an order requiring that the assuming
24.16 insurer post security for all outstanding ceded liabilities.
- 24.17 (g) Nothing in this subdivision limits or in any way alters the capacity of parties to a
24.18 reinsurance agreement to agree on requirements for security or other terms in the reinsurance
24.19 agreement, except as expressly prohibited by applicable law or rule.
- 24.20 (h) Credit may be taken under this subdivision only for reinsurance agreements entered
24.21 into, amended, or renewed on or after the effective date of this subdivision, and only with
24.22 respect to losses incurred and reserves reported on or after the later of: (1) the date on which
24.23 the assuming insurer has met all eligibility requirements pursuant to this subdivision; and
24.24 (2) the effective date of the new reinsurance agreement, amendment, or renewal. This
24.25 paragraph does not alter or impair a ceding insurer's right to take credit for reinsurance, to
24.26 the extent that credit is not available under this subdivision, as long as the reinsurance
24.27 qualifies for credit under any other applicable provision of law. Nothing in this subdivision
24.28 shall authorize an assuming insurer to withdraw or reduce the security provided under any
24.29 reinsurance agreement, except as permitted by the terms of the agreement. Nothing in this
24.30 subdivision shall limit, or in any way alter, the capacity of parties to any reinsurance
24.31 agreement to renegotiate the agreement.
- 24.32 **EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to reinsurance
24.33 contracts entered into or renewed on or after that date.

- 25.1 Sec. 3. Minnesota Statutes 2020, section 60A.0921, subdivision 2, is amended to read:
- 25.2 Subd. 2. **Certification procedure.** (a) The commissioner shall post notice on the
25.3 department's website promptly upon receipt of any application for certification, including
25.4 instructions on how members of the public may respond to the application. The commissioner
25.5 may not take final action on the application until at least 30 days after posting the notice.
- 25.6 (b) The commissioner shall issue written notice to an assuming insurer that has applied
25.7 and been approved as a certified reinsurer. The notice must include the rating assigned the
25.8 certified reinsurer in accordance with subdivision 1. The commissioner shall publish a list
25.9 of all certified reinsurers and their ratings.
- 25.10 (c) In order to be eligible for certification, the assuming insurer must:
- 25.11 (1) be domiciled and licensed to transact insurance or reinsurance in a qualified
25.12 jurisdiction, as determined by the commissioner under subdivision 3;
- 25.13 (2) maintain capital and surplus, or its equivalent, of no less than \$250,000,000 calculated
25.14 in accordance with paragraph (d), clause (8). This requirement may also be satisfied by an
25.15 association including incorporated and individual unincorporated underwriters having
25.16 minimum capital and surplus equivalents net of liabilities of at least \$250,000,000 and a
25.17 central fund containing a balance of at least \$250,000,000;
- 25.18 (3) maintain financial strength ratings from two or more rating agencies acceptable to
25.19 the commissioner. These ratings shall be based on interactive communication between the
25.20 rating agency and the assuming insurer and shall not be based solely on publicly available
25.21 information. These financial strength ratings shall be one factor used by the commissioner
25.22 in determining the rating that is assigned to the assuming insurer. Acceptable rating agencies
25.23 include the following:
- 25.24 (i) Standard & Poor's;
- 25.25 (ii) Moody's Investors Service;
- 25.26 (iii) Fitch Ratings;
- 25.27 (iv) A.M. Best Company; or
- 25.28 (v) any other nationally recognized statistical rating organization; and
- 25.29 (4) ensure that the certified reinsurer complies with any other requirements reasonably
25.30 imposed by the commissioner.
- 25.31 (d) Each certified reinsurer shall be rated on a legal entity basis, with due consideration
25.32 being given to the group rating where appropriate, except that an association including
26.1 incorporated and individual unincorporated underwriters that has been approved to do
26.2 business as a single certified reinsurer may be evaluated on the basis of its group rating.
26.3 Factors that may be considered as part of the evaluation process include, but are not limited
26.4 to:

26.5 (1) certified reinsurer's financial strength rating from an acceptable rating agency. The
26.6 maximum rating that a certified reinsurer may be assigned will correspond to its financial
26.7 strength rating as outlined in the table below. The commissioner shall use the lowest financial
26.8 strength rating received from an approved rating agency in establishing the maximum rating
26.9 of a certified reinsurer. A failure to obtain or maintain at least two financial strength ratings
26.10 from acceptable rating agencies will result in loss of eligibility for certification;

26.11	Ratings	Best	S&P	Moody's	Fitch
26.12	Secure - 1	A++	AAA	Aaa	AAA
26.13	Secure - 2	A+	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-
26.14	Secure - 3	A	A+, A	A1, A2	A+, A
26.15	Secure - 4	A-	A-	A3	A-
26.16	Secure - 5	B++, B-	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-
26.17					
26.18	Vulnerable - 6	B, B-C++, C+, C, C-, D, E, F	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	BB+, BB, BB-, B+, B, B-, CCC+, CC, CCC-, DD
26.19					
26.20					

26.21 (2) the business practices of the certified reinsurer in dealing with its ceding insurers,
26.22 including its record of compliance with reinsurance contractual terms and obligations;

26.23 (3) for certified reinsurers domiciled in the United States, a review of the most recent
26.24 applicable NAIC annual statement;

26.25 (4) for certified reinsurers not domiciled in the United States, a review annually of such
26.26 forms as may be required by the commissioner;

26.27 (5) the reputation of the certified reinsurer for prompt payment of claims under
26.28 reinsurance agreements, based on an analysis of ceding insurers' reporting of overdue
26.29 reinsurance recoverables, including the proportion of obligations that are more than 90 days
26.30 past due or are in dispute, with specific attention given to obligations payable to companies
26.31 that are in administrative supervision or receivership;

26.32 (6) regulatory actions against the certified reinsurer;

26.33 (7) the report of the independent auditor on the financial statements of the insurance
26.34 enterprise, on the basis described in clause (8);

27.1 (8) for certified reinsurers not domiciled in the United States, audited financial statements
27.2 (audited United States GAAP basis if available, audited IFRS basis statements are allowed,
27.3 but must include an audited footnote reconciling equity and net income to a United States

- 27.4 GAAP basis, or, with permission of the commissioner, audited IFRS statements with
27.5 reconciliation to United States GAAP certified by an officer of the company). Upon the
27.6 initial application for certification, the commissioner will consider audited financial
27.7 statements for the last ~~three~~ two years filed with its non-United States jurisdiction supervisor;
- 27.8 (9) the liquidation priority of obligations to a ceding insurer in the certified reinsurer's
27.9 domiciliary jurisdiction in the context of an insolvency proceeding;
- 27.10 (10) a certified reinsurer's participation in any solvent scheme of arrangement, or similar
27.11 procedure, which involves United States ceding insurers. The commissioner must receive
27.12 prior notice from a certified reinsurer that proposes participation by the certified reinsurer
27.13 in a solvent scheme of arrangement; and
- 27.14 (11) other information as determined by the commissioner.
- 27.15 (e) Based on the analysis conducted under paragraph (d), clause (5), of a certified
27.16 reinsurer's reputation for prompt payment of claims, the commissioner may make appropriate
27.17 adjustments in the security the certified reinsurer is required to post to protect its liabilities
27.18 to United States ceding insurers, provided that the commissioner shall, at a minimum,
27.19 increase the security the certified reinsurer is required to post by one rating level under
27.20 paragraph (d), clause (1), if the commissioner finds that:
- 27.21 (1) more than 15 percent of the certified reinsurer's ceding insurance clients have overdue
27.22 reinsurance recoverables on paid losses of 90 days or more which are not in dispute and
27.23 which exceed \$100,000 for each cedent; or
- 27.24 (2) the aggregate amount of reinsurance recoverables on paid losses which are not in
27.25 dispute that are overdue by 90 days or more exceeds \$50,000,000.
- 27.26 (f) The assuming insurer must submit such forms as required by the commissioner as
27.27 evidence of its submission to the jurisdiction of this state, appoint the commissioner as an
27.28 agent for service of process in this state, and agree to provide security for 100 percent of
27.29 the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding
27.30 insurers if it resists enforcement of a final United States judgment. The commissioner shall
27.31 not certify an assuming insurer that is domiciled in a jurisdiction that the commissioner has
27.32 determined does not adequately and promptly enforce final United States judgments or
27.33 arbitration awards.
- 28.1 (g) The certified reinsurer must agree to meet filing requirements as determined by the
28.2 commissioner, both with respect to an initial application for certification and on an ongoing
28.3 basis. All data submitted by certified reinsurers to the commissioner is nonpublic under
28.4 section 13.02, subdivision 9. The certified reinsurer must file with the commissioner:
- 28.5 (1) a notification within ten days of any regulatory actions taken against the certified
28.6 reinsurer, any change in the provisions of its domiciliary license, or any change in rating
28.7 by an approved rating agency, including a statement describing such changes and the reasons
28.8 therefore;

- 28.9 (2) an annual report regarding reinsurance assumed, in a form determined by the
28.10 commissioner;
- 28.11 (3) an annual report of the independent auditor on the financial statements of the insurance
28.12 enterprise, on the basis described in clause (4);
- 28.13 (4) an annual audited financial statement, regulatory filings, and actuarial opinion filed
28.14 with the certified reinsurer's supervisor. Upon the initial certification, audited financial
28.15 statements for the last ~~three~~ two years filed with the certified reinsurer's supervisor;
- 28.16 (5) at least annually, an updated list of all disputed and overdue reinsurance claims
28.17 regarding reinsurance assumed from United States domestic ceding insurers;
- 28.18 (6) a certification from the certified reinsurer's domestic regulator that the certified
28.19 reinsurer is in good standing and maintains capital in excess of the jurisdiction's highest
28.20 regulatory action level; and
- 28.21 (7) any other relevant information as determined by the commissioner.
- 28.22 **EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to reinsurance
28.23 contracts entered into or renewed on or after that date.
- 28.24 Sec. 4. Minnesota Statutes 2020, section 60A.14, subdivision 1, is amended to read:
- 28.25 Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges
28.26 provided for examinations, the following fees must be paid to the commissioner for deposit
28.27 in the general fund:
- 28.28 (a) by township mutual fire insurance companies:
- 28.29 (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- 28.30 (2) for filing annual statements, \$15;
- 28.31 (3) for each annual certificate of authority, \$15;
- 29.1 (4) for filing bylaws \$25 and amendments thereto, \$10;
- 29.2 (b) by other domestic and foreign companies including fraternal and reciprocal
29.3 exchanges:
- 29.4 (1) for filing an application for an initial certification of authority to be admitted to
29.5 transact business in this state, \$1,500;
- 29.6 (2) for filing certified copy of certificate of articles of incorporation, \$100;
- 29.7 (3) for filing annual statement, ~~\$225~~ \$300;
- 29.8 (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
- 29.9 (5) for filing bylaws, \$75 or amendments thereto, \$75;

- 29.10 (6) for each company's certificate of authority, ~~\$575~~ \$750, annually;
- 29.11 (c) the following general fees apply:
- 29.12 (1) for each certificate, including certified copy of certificate of authority, renewal,
29.13 valuation of life policies, corporate condition or qualification, \$25;
- 29.14 (2) for each copy of paper on file in the commissioner's office 50 cents per page, and
29.15 \$2.50 for certifying the same;
- 29.16 (3) for license to procure insurance in unadmitted foreign companies, \$575;
- 29.17 (4) for valuing the policies of life insurance companies, ~~one cent~~ two cents per \$1,000
29.18 of insurance so valued, provided that the fee shall not exceed ~~\$13,000~~ \$26,000 per year for
29.19 any company. The commissioner may, in lieu of a valuation of the policies of any foreign
29.20 life insurance company admitted, or applying for admission, to do business in this state,
29.21 accept a certificate of valuation from the company's own actuary or from the commissioner
29.22 of insurance of the state or territory in which the company is domiciled;
- 29.23 (5) for receiving and filing certificates of policies by the company's actuary, or by the
29.24 commissioner of insurance of any other state or territory, \$50;
- 29.25 (6) for each appointment of an agent filed with the commissioner, \$30;
- 29.26 (7) for filing forms, rates, and compliance certifications under section 60A.315, \$140
29.27 per filing, or \$125 per filing when submitted via electronic filing system. Filing fees may
29.28 be paid on a quarterly basis in response to an invoice. Billing and payment may be made
29.29 electronically;
- 29.30 (8) for annual renewal of surplus lines insurer license, ~~\$300~~ \$400.
- 30.1 The commissioner shall adopt rules to define filings that are subject to a fee.
- 30.2 **Sec. 5. [60A.985] DEFINITIONS.**
- 30.3 Subdivision 1. Terms. As used in sections 60A.985 to 60A.9857, the following terms
30.4 have the meanings given.
- 30.5 Subd. 2. Authorized individual. "Authorized individual" means an individual known
30.6 to and screened by the licensee and determined to be necessary and appropriate to have
30.7 access to the nonpublic information held by the licensee and its information systems.
- 30.8 Subd. 3. Consumer. "Consumer" means an individual, including but not limited to an
30.9 applicant, policyholder, insured, beneficiary, claimant, and certificate holder who is a resident
30.10 of this state and whose nonpublic information is in a licensee's possession, custody, or
30.11 control.

30.12 Subd. 4. **Cybersecurity event.** "Cybersecurity event" means an event resulting in
30.13 unauthorized access to, or disruption or misuse of, an information system or nonpublic
30.14 information stored on an information system.

30.15 Cybersecurity event does not include the unauthorized acquisition of encrypted nonpublic
30.16 information if the encryption, process, or key is not also acquired, released, or used without
30.17 authorization.

30.18 Cybersecurity event does not include an event with regard to which the licensee has
30.19 determined that the nonpublic information accessed by an unauthorized person has not been
30.20 used or released and has been returned or destroyed.

30.21 Subd. 5. **Encrypted.** "Encrypted" means the transformation of data into a form which
30.22 results in a low probability of assigning meaning without the use of a protective process or
30.23 key.

30.24 Subd. 6. **Information security program.** "Information security program" means the
30.25 administrative, technical, and physical safeguards that a licensee uses to access, collect,
30.26 distribute, process, protect, store, use, transmit, dispose of, or otherwise handle nonpublic
30.27 information.

30.28 Subd. 7. **Information system.** "Information system" means a discrete set of electronic
30.29 information resources organized for the collection, processing, maintenance, use, sharing,
30.30 dissemination, or disposition of nonpublic electronic information, as well as any specialized
30.31 system such as industrial or process controls systems, telephone switching and private
30.32 branch exchange systems, and environmental control systems.

31.1 Subd. 8. **Licensee.** "Licensee" means any person licensed, authorized to operate, or
31.2 registered, or required to be licensed, authorized, or registered by the Department of
31.3 Commerce or the Department of Health under chapters 59A to 62M and 62Q to 79A.

31.4 Subd. 9. **Multifactor authentication.** "Multifactor authentication" means authentication
31.5 through verification of at least two of the following types of authentication factors:

31.6 (1) knowledge factors, such as a password;

31.7 (2) possession factors, such as a token or text message on a mobile phone; or

31.8 (3) inherence factors, such as a biometric characteristic.

31.9 Subd. 10. **Nonpublic information.** "Nonpublic information" means electronic information
31.10 that is not publicly available information and is:

31.11 (1) any information concerning a consumer which because of name, number, personal
31.12 mark, or other identifier can be used to identify the consumer, in combination with any one
31.13 or more of the following data elements:

31.14 (i) Social Security number;

- 31.15 (ii) driver's license number or nondriver identification card number;
- 31.16 (iii) financial account number, credit card number, or debit card number;
- 31.17 (iv) any security code, access code, or password that would permit access to a consumer's
31.18 financial account; or
- 31.19 (v) biometric records; or
- 31.20 (2) any information or data, except age or gender, in any form or medium created by or
31.21 derived from a health care provider or a consumer that can be used to identify a particular
31.22 consumer and that relates to:
- 31.23 (i) the past, present, or future physical, mental, or behavioral health or condition of any
31.24 consumer or a member of the consumer's family;
- 31.25 (ii) the provision of health care to any consumer; or
- 31.26 (iii) payment for the provision of health care to any consumer.
- 31.27 Subd. 11. **Person.** "Person" means any individual or any nongovernmental entity,
31.28 including but not limited to any nongovernmental partnership, corporation, branch, agency,
31.29 or association.
- 32.1 Subd. 12. **Publicly available information.** "Publicly available information" means any
32.2 information that a licensee has a reasonable basis to believe is lawfully made available to
32.3 the general public from: federal, state, or local government records; widely distributed
32.4 media; or disclosures to the general public that are required to be made by federal, state, or
32.5 local law.
- 32.6 For the purposes of this definition, a licensee has a reasonable basis to believe that
32.7 information is lawfully made available to the general public if the licensee has taken steps
32.8 to determine:
- 32.9 (1) that the information is of the type that is available to the general public; and
- 32.10 (2) whether a consumer can direct that the information not be made available to the
32.11 general public and, if so, that such consumer has not done so.
- 32.12 Subd. 13. **Risk assessment.** "Risk assessment" means the risk assessment that each
32.13 licensee is required to conduct under section 60A.9853, subdivision 3.
- 32.14 Subd. 14. **State.** "State" means the state of Minnesota.
- 32.15 Subd. 15. **Third-party service provider.** "Third-party service provider" means a person,
32.16 not otherwise defined as a licensee, that contracts with a licensee to maintain, process, or
32.17 store nonpublic information, or is otherwise permitted access to nonpublic information
32.18 through its provision of services to the licensee.

- 32.19 **EFFECTIVE DATE.** This section is effective August 1, 2021.
- 32.20 Sec. 6. **[60A.9851] INFORMATION SECURITY PROGRAM.**
- 32.21 Subdivision 1. **Implementation of an information security program.** Commensurate
- 32.22 with the size and complexity of the licensee, the nature and scope of the licensee's activities,
- 32.23 including its use of third-party service providers, and the sensitivity of the nonpublic
- 32.24 information used by the licensee or in the licensee's possession, custody, or control, each
- 32.25 licensee shall develop, implement, and maintain a comprehensive written information
- 32.26 security program based on the licensee's risk assessment and that contains administrative,
- 32.27 technical, and physical safeguards for the protection of nonpublic information and the
- 32.28 licensee's information system.
- 32.29 Subd. 2. **Objectives of an information security program.** A licensee's information
- 32.30 security program shall be designed to:
- 32.31 (1) protect the security and confidentiality of nonpublic information and the security of
- 32.32 the information system;
- 33.1 (2) protect against any threats or hazards to the security or integrity of nonpublic
- 33.2 information and the information system;
- 33.3 (3) protect against unauthorized access to, or use of, nonpublic information, and minimize
- 33.4 the likelihood of harm to any consumer; and
- 33.5 (4) define and periodically reevaluate a schedule for retention of nonpublic information
- 33.6 and a mechanism for its destruction when no longer needed.
- 33.7 Subd. 3. **Risk assessment.** The licensee shall:
- 33.8 (1) designate one or more employees, an affiliate, or an outside vendor authorized to act
- 33.9 on behalf of the licensee who is responsible for the information security program;
- 33.10 (2) identify reasonably foreseeable internal or external threats that could result in
- 33.11 unauthorized access, transmission, disclosure, misuse, alteration, or destruction of nonpublic
- 33.12 information, including threats to the security of information systems and nonpublic
- 33.13 information that are accessible to, or held by, third-party service providers;
- 33.14 (3) assess the likelihood and potential damage of the threats identified pursuant to clause
- 33.15 (2), taking into consideration the sensitivity of the nonpublic information;
- 33.16 (4) assess the sufficiency of policies, procedures, information systems, and other
- 33.17 safeguards in place to manage these threats, including consideration of threats in each
- 33.18 relevant area of the licensee's operations, including:
- 33.19 (i) employee training and management;

- 33.20 (ii) information systems, including network and software design, as well as information
33.21 classification, governance, processing, storage, transmission, and disposal; and
- 33.22 (iii) detecting, preventing, and responding to attacks, intrusions, or other systems failures;
33.23 and
- 33.24 (5) implement information safeguards to manage the threats identified in its ongoing
33.25 assessment, and no less than annually, assess the effectiveness of the safeguards' key controls,
33.26 systems, and procedures.
- 33.27 Subd. 4. **Risk management.** Based on its risk assessment, the licensee shall:
- 33.28 (1) design its information security program to mitigate the identified risks, commensurate
33.29 with the size and complexity of the licensee, the nature and scope of the licensee's activities,
33.30 including its use of third-party service providers, and the sensitivity of the nonpublic
33.31 information used by the licensee or in the licensee's possession, custody, or control;
- 34.1 (2) determine which of the following security measures are appropriate and implement
34.2 any appropriate security measures:
- 34.3 (i) place access controls on information systems, including controls to authenticate and
34.4 permit access only to authorized individuals, to protect against the unauthorized acquisition
34.5 of nonpublic information;
- 34.6 (ii) identify and manage the data, personnel, devices, systems, and facilities that enable
34.7 the organization to achieve business purposes in accordance with their relative importance
34.8 to business objectives and the organization's risk strategy;
- 34.9 (iii) restrict physical access to nonpublic information to authorized individuals only;
- 34.10 (iv) protect, by encryption or other appropriate means, all nonpublic information while
34.11 being transmitted over an external network and all nonpublic information stored on a laptop
34.12 computer or other portable computing or storage device or media;
- 34.13 (v) adopt secure development practices for in-house developed applications utilized by
34.14 the licensee;
- 34.15 (vi) modify the information system in accordance with the licensee's information security
34.16 program;
- 34.17 (vii) utilize effective controls, which may include multifactor authentication procedures
34.18 for any authorized individual accessing nonpublic information;
- 34.19 (viii) regularly test and monitor systems and procedures to detect actual and attempted
34.20 attacks on, or intrusions into, information systems;

- 34.21 (ix) include audit trails within the information security program designed to detect and
34.22 respond to cybersecurity events and designed to reconstruct material financial transactions
34.23 sufficient to support normal operations and obligations of the licensee;
- 34.24 (x) implement measures to protect against destruction, loss, or damage of nonpublic
34.25 information due to environmental hazards, such as fire and water damage, other catastrophes,
34.26 or technological failures; and
- 34.27 (xi) develop, implement, and maintain procedures for the secure disposal of nonpublic
34.28 information in any format;
- 34.29 (3) include cybersecurity risks in the licensee's enterprise risk management process;
- 34.30 (4) stay informed regarding emerging threats or vulnerabilities and utilize reasonable
34.31 security measures when sharing information relative to the character of the sharing and the
34.32 type of information shared; and
- 35.1 (5) provide its personnel with cybersecurity awareness training that is updated as
35.2 necessary to reflect risks identified by the licensee in the risk assessment.
- 35.3 Subd. 5. **Oversight by board of directors.** If the licensee has a board of directors, the
35.4 board or an appropriate committee of the board shall, at a minimum:
- 35.5 (1) require the licensee's executive management or its delegates to develop, implement,
35.6 and maintain the licensee's information security program;
- 35.7 (2) require the licensee's executive management or its delegates to report in writing, at
35.8 least annually, the following information:
- 35.9 (i) the overall status of the information security program and the licensee's compliance
35.10 with this act; and
- 35.11 (ii) material matters related to the information security program, addressing issues such
35.12 as risk assessment, risk management and control decisions, third-party service provider
35.13 arrangements, results of testing, cybersecurity events or violations and management's
35.14 responses thereto, and recommendations for changes in the information security program;
35.15 and
- 35.16 (3) if executive management delegates any of its responsibilities under this section, it
35.17 shall oversee the development, implementation, and maintenance of the licensee's information
35.18 security program prepared by the delegate and shall receive a report from the delegate
35.19 complying with the requirements of the report to the board of directors.
- 35.20 Subd. 6. **Oversight of third-party service provider arrangements.** (a) A licensee shall
35.21 exercise due diligence in selecting its third-party service provider.
- 35.22 (b) A licensee shall require a third-party service provider to implement appropriate
35.23 administrative, technical, and physical measures to protect and secure the information

35.24 systems and nonpublic information that are accessible to, or held by, the third-party service
35.25 provider.

35.26 Subd. 7. **Program adjustments.** The licensee shall monitor, evaluate, and adjust, as
35.27 appropriate, the information security program consistent with any relevant changes in
35.28 technology, the sensitivity of its nonpublic information, internal or external threats to
35.29 information, and the licensee's own changing business arrangements, such as mergers and
35.30 acquisitions, alliances and joint ventures, outsourcing arrangements, and changes to
35.31 information systems.

35.32 Subd. 8. **Incident response plan.** (a) As part of its information security program, each
35.33 licensee shall establish a written incident response plan designed to promptly respond to,
36.1 and recover from, any cybersecurity event that compromises the confidentiality, integrity,
36.2 or availability of nonpublic information in its possession, the licensee's information systems,
36.3 or the continuing functionality of any aspect of the licensee's business or operations.

36.4 (b) The incident response plan shall address the following areas:

36.5 (1) the internal process for responding to a cybersecurity event;

36.6 (2) the goals of the incident response plan;

36.7 (3) the definition of clear roles, responsibilities, and levels of decision-making authority;

36.8 (4) external and internal communications and information sharing;

36.9 (5) identification of requirements for the remediation of any identified weaknesses in
36.10 information systems and associated controls;

36.11 (6) documentation and reporting regarding cybersecurity events and related incident
36.12 response activities; and

36.13 (7) the evaluation and revision, as necessary, of the incident response plan following a
36.14 cybersecurity event.

36.15 Subd. 9. **Annual certification to commissioner.** (a) Subject to paragraph (b), by April
36.16 15 of each year, an insurer domiciled in this state shall certify in writing to the commissioner
36.17 that the insurer is in compliance with the requirements set forth in this section. Each insurer
36.18 shall maintain all records, schedules, and data supporting this certificate for a period of five
36.19 years and shall permit examination by the commissioner. To the extent an insurer has
36.20 identified areas, systems, or processes that require material improvement, updating, or
36.21 redesign, the insurer shall document the identification and the remedial efforts planned and
36.22 underway to address such areas, systems, or processes. Such documentation must be available
36.23 for inspection by the commissioner.

36.24 (b) The commissioner must post on the department's website, no later than 60 days prior
36.25 to the certification required by paragraph (a), the form and manner of submission required
36.26 and any instructions necessary to prepare the certification.

36.27 **EFFECTIVE DATE.** This section is effective August 1, 2021. Licensees have one year
36.28 from the effective date to implement subdivisions 1 to 5 and 7 to 9, and two years from the
36.29 effective date to implement subdivision 6.

37.1 Sec. 7. **[60A.9852] INVESTIGATION OF A CYBERSECURITY EVENT.**

37.2 Subdivision 1. **Prompt investigation.** If the licensee learns that a cybersecurity event
37.3 has or may have occurred, the licensee, or an outside vendor or service provider designated
37.4 to act on behalf of the licensee, shall conduct a prompt investigation.

37.5 Subd. 2. **Investigation contents.** During the investigation, the licensee, or an outside
37.6 vendor or service provider designated to act on behalf of the licensee, shall, at a minimum
37.7 and to the extent possible:

37.8 (1) determine whether a cybersecurity event has occurred;

37.9 (2) assess the nature and scope of the cybersecurity event, if any;

37.10 (3) identify whether any nonpublic information was involved in the cybersecurity event
37.11 and, if so, what nonpublic information was involved; and

37.12 (4) perform or oversee reasonable measures to restore the security of the information
37.13 systems compromised in the cybersecurity event in order to prevent further unauthorized
37.14 acquisition, release, or use of nonpublic information in the licensee's possession, custody,
37.15 or control.

37.16 Subd. 3. **Third-party systems.** If the licensee learns that a cybersecurity event has or
37.17 may have occurred in a system maintained by a third-party service provider, the licensee
37.18 will complete the steps listed in subdivision 2 or confirm and document that the third-party
37.19 service provider has completed those steps.

37.20 Subd. 4. **Records.** The licensee shall maintain records concerning all cybersecurity
37.21 events for a period of at least five years from the date of the cybersecurity event and shall
37.22 produce those records upon demand of the commissioner.

37.23 **EFFECTIVE DATE.** This section is effective August 1, 2021.

37.24 Sec. 8. **[60A.9853] NOTIFICATION OF A CYBERSECURITY EVENT.**

37.25 Subdivision 1. **Notification to the commissioner.** Each licensee shall notify the
37.26 commissioner of commerce or commissioner of health, whichever commissioner otherwise
37.27 regulates the licensee, without unreasonable delay but in no event later than three business
37.28 days from a determination that a cybersecurity event has occurred when either of the
37.29 following criteria has been met:

- 37.30 (1) this state is the licensee's state of domicile, in the case of an insurer, or this state is
37.31 the licensee's home state, in the case of a producer, as those terms are defined in chapter
37.32 60K and the cybersecurity event has a reasonable likelihood of materially harming:
- 38.1 (i) any consumer residing in this state; or
- 38.2 (ii) any part of the normal operations of the licensee; or
- 38.3 (2) the licensee reasonably believes that the nonpublic information involved is of 250
38.4 or more consumers residing in this state and that is either of the following:
- 38.5 (i) a cybersecurity event impacting the licensee of which notice is required to be provided
38.6 to any government body, self-regulatory agency, or any other supervisory body pursuant
38.7 to any state or federal law; or
- 38.8 (ii) a cybersecurity event that has a reasonable likelihood of materially harming:
- 38.9 (A) any consumer residing in this state; or
- 38.10 (B) any part of the normal operations of the licensee.
- 38.11 Subd. 2. **Information; notification.** A licensee making the notification required under
38.12 subdivision 1 shall provide the information in electronic form as directed by the
38.13 commissioner. The licensee shall have a continuing obligation to update and supplement
38.14 initial and subsequent notifications to the commissioner concerning material changes to
38.15 previously provided information relating to the cybersecurity event. The licensee shall
38.16 provide as much of the following information as possible:
- 38.17 (1) date of the cybersecurity event;
- 38.18 (2) description of how the information was exposed, lost, stolen, or breached, including
38.19 the specific roles and responsibilities of third-party service providers, if any;
- 38.20 (3) how the cybersecurity event was discovered;
- 38.21 (4) whether any lost, stolen, or breached information has been recovered and, if so, how
38.22 this was done;
- 38.23 (5) the identity of the source of the cybersecurity event;
- 38.24 (6) whether the licensee has filed a police report or has notified any regulatory,
38.25 government, or law enforcement agencies and, if so, when such notification was provided;
- 38.26 (7) description of the specific types of information acquired without authorization.
38.27 Specific types of information means particular data elements including, for example, types
38.28 of medical information, types of financial information, or types of information allowing
38.29 identification of the consumer;

- 38.30 (8) the period during which the information system was compromised by the cybersecurity
38.31 event;
- 39.1 (9) the number of total consumers in this state affected by the cybersecurity event. The
39.2 licensee shall provide the best estimate in the initial report to the commissioner and update
39.3 this estimate with each subsequent report to the commissioner pursuant to this section;
- 39.4 (10) the results of any internal review identifying a lapse in either automated controls
39.5 or internal procedures, or confirming that all automated controls or internal procedures were
39.6 followed;
- 39.7 (11) description of efforts being undertaken to remediate the situation which permitted
39.8 the cybersecurity event to occur;
- 39.9 (12) a copy of the licensee's privacy policy and a statement outlining the steps the licensee
39.10 will take to investigate and notify consumers affected by the cybersecurity event; and
- 39.11 (13) name of a contact person who is familiar with the cybersecurity event and authorized
39.12 to act for the licensee.
- 39.13 Subd. 3. **Notification to consumers.** (a) If a licensee is required to submit a report to
39.14 the commissioner under subdivision 1, the licensee shall notify any consumer residing in
39.15 Minnesota if, as a result of the cybersecurity event reported to the commissioner, the
39.16 consumer's nonpublic information was or is reasonably believed to have been acquired by
39.17 an unauthorized person, and there is a reasonable likelihood of material harm to the consumer
39.18 as a result of the cybersecurity event. Consumer notification is not required for a
39.19 cybersecurity event resulting from the good faith acquisition of nonpublic information by
39.20 an employee or agent of the licensee for the purposes of the licensee's business, provided
39.21 the nonpublic information is not used for a purpose other than the licensee's business or
39.22 subject to further unauthorized disclosure. The notification must be made in the most
39.23 expedient time possible and without unreasonable delay, consistent with the legitimate needs
39.24 of law enforcement or with any measures necessary to determine the scope of the breach,
39.25 identify the individuals affected, and restore the reasonable integrity of the data system.
39.26 The notification may be delayed to a date certain if the commissioner determines that
39.27 providing the notice impedes a criminal investigation. The licensee shall provide a copy of
39.28 the notice to the commissioner.
- 39.29 (b) For purposes of this subdivision, notice required under paragraph (a) must be provided
39.30 by one of the following methods:
- 39.31 (1) written notice to the consumer's most recent address in the licensee's records;
- 39.32 (2) electronic notice, if the licensee's primary method of communication with the
39.33 consumer is by electronic means or if the notice provided is consistent with the provisions
40.1 regarding electronic records and signatures in United States Code, title 15, section 7001;
40.2 or

- 40.3 (3) if the cost of providing notice exceeds \$250,000, the affected class of consumers to
40.4 be notified exceeds 500,000, or the licensee does not have sufficient contact information
40.5 for the subject consumers, notice as follows:
- 40.6 (i) e-mail notice when the licensee has an e-mail address for the subject consumers;
40.7 (ii) conspicuous posting of the notice on the website page of the licensee; and
40.8 (iii) notification to major statewide media.
- 40.9 (c) Notwithstanding paragraph (b), a licensee that maintains its own notification procedure
40.10 as part of its information security program that is consistent with the timing requirements
40.11 of this subdivision is deemed to comply with the notification requirements if the licensee
40.12 notifies subject consumers in accordance with its program.
- 40.13 (d) A waiver of the requirements under this subdivision is contrary to public policy, and
40.14 is void and unenforceable.
- 40.15 **Subd. 4. Notice regarding cybersecurity events of third-party service providers.** (a) In the case of a cybersecurity event in a system maintained by a third-party service provider,
40.16 of which the licensee has become aware, the licensee shall treat such event as it would under
40.17 subdivision 1 unless the third-party service provider provides the notice required under
40.18 subdivision 1.
- 40.20 (b) The computation of a licensee's deadlines shall begin on the day after the third-party
40.21 service provider notifies the licensee of the cybersecurity event or the licensee otherwise
40.22 has actual knowledge of the cybersecurity event, whichever is sooner.
- 40.23 (c) Nothing in this act shall prevent or abrogate an agreement between a licensee and
40.24 another licensee, a third-party service provider, or any other party to fulfill any of the
40.25 investigation requirements imposed under section 60A.9854 or notice requirements imposed
40.26 under this section.
- 40.27 **Subd. 5. Notice regarding cybersecurity events of reinsurers to insurers.** (a) In the
40.28 case of a cybersecurity event involving nonpublic information that is used by the licensee
40.29 that is acting as an assuming insurer or in the possession, custody, or control of a licensee
40.30 that is acting as an assuming insurer and that does not have a direct contractual relationship
40.31 with the affected consumers, the assuming insurer shall notify its affected ceding insurers
40.32 and the commissioner of its state of domicile within three business days of making the
40.33 determination that a cybersecurity event has occurred.
- 41.1 (b) The ceding insurers that have a direct contractual relationship with affected consumers
41.2 shall fulfill the consumer notification requirements imposed under subdivision 3 and any
41.3 other notification requirements relating to a cybersecurity event imposed under this section.
- 41.4 (c) In the case of a cybersecurity event involving nonpublic information that is in the
41.5 possession, custody, or control of a third-party service provider of a licensee that is an
41.6 assuming insurer, the assuming insurer shall notify its affected ceding insurers and the

- 41.7 commissioner of its state of domicile within three business days of receiving notice from
41.8 its third-party service provider that a cybersecurity event has occurred.
- 41.9 (d) The ceding insurers that have a direct contractual relationship with affected consumers
41.10 shall fulfill the consumer notification requirements imposed under subdivision 3 and any
41.11 other notification requirements relating to a cybersecurity event imposed under this section.
- 41.12 (e) Any licensee acting as an assuming insurer shall have no other notice obligations
41.13 relating to a cybersecurity event or other data breach under this section.
- 41.14 Subd. 6. Notice regarding cybersecurity events of insurers to producers of record. (a)
41.15 In the case of a cybersecurity event involving nonpublic information that is in the possession,
41.16 custody, or control of a licensee that is an insurer or its third-party service provider and for
41.17 which a consumer accessed the insurer's services through an independent insurance producer,
41.18 the insurer shall notify the producers of record of all affected consumers no later than the
41.19 time at which notice is provided to the affected consumers.
- 41.20 (b) The insurer is excused from this obligation for those instances in which it does not
41.21 have the current producer of record information for any individual consumer or in those
41.22 instances in which the producer of record is no longer appointed to sell, solicit, or negotiate
41.23 on behalf of the insurer.
- 41.24 **EFFECTIVE DATE.** This section is effective August 1, 2021.
- 41.25 **Sec. 9. [60A.9854] POWER OF COMMISSIONER.**
- 41.26 (a) The commissioner of commerce or commissioner of health, whichever commissioner
41.27 otherwise regulates the licensee, shall have power to examine and investigate into the affairs
41.28 of any licensee to determine whether the licensee has been or is engaged in any conduct in
41.29 violation of sections 60A.985 to 60A.9857. This power is in addition to the powers which
41.30 the commissioner has under section 60A.031. Any such investigation or examination shall
41.31 be conducted pursuant to section 60A.031.
- 41.32 (b) Whenever the commissioner of commerce or commissioner of health has reason to
41.33 believe that a licensee has been or is engaged in conduct in this state which violates sections
42.1 60A.985 to 60A.9857, the commissioner of commerce or commissioner of health may take
42.2 action that is necessary or appropriate to enforce those sections.
- 42.3 **EFFECTIVE DATE.** This section is effective August 1, 2021.
- 42.4 **Sec. 10. [60A.9855] CONFIDENTIALITY.**
- 42.5 Subdivision 1. Licensee information. Any documents, materials, or other information
42.6 in the control or possession of the department that are furnished by a licensee or an employee
42.7 or agent thereof acting on behalf of a licensee pursuant to section 60A.9851, subdivision
42.8 9; section 60A.9853, subdivision 2, clauses (2), (3), (4), (5), (8), (10), and (11); or that are
42.9 obtained by the commissioner in an investigation or examination pursuant to section
42.10 60A.9854 shall be classified as confidential, protected nonpublic, or both; shall not be

- 42.11 subject to subpoena; and shall not be subject to discovery or admissible in evidence in any
42.12 private civil action. However, the commissioner is authorized to use the documents, materials,
42.13 or other information in the furtherance of any regulatory or legal action brought as a part
42.14 of the commissioner's duties.
- 42.15 Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who
42.16 received documents, materials, or other information while acting under the authority of the
42.17 commissioner shall be permitted or required to testify in any private civil action concerning
42.18 any confidential documents, materials, or information subject to subdivision 1.
- 42.19 Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's
42.20 duties under this act, the commissioner:
- 42.21 (1) may share documents, materials, or other information, including the confidential and
42.22 privileged documents, materials, or information subject to subdivision 1, with other state,
42.23 federal, and international regulatory agencies, with the National Association of Insurance
42.24 Commissioners, its affiliates or subsidiaries, and with state, federal, and international law
42.25 enforcement authorities, provided that the recipient agrees in writing to maintain the
42.26 confidentiality and privileged status of the document, material, or other information;
- 42.27 (2) may receive documents, materials, or information, including otherwise confidential
42.28 and privileged documents, materials, or information, from the National Association of
42.29 Insurance Commissioners, its affiliates or subsidiaries, and from regulatory and law
42.30 enforcement officials of other foreign or domestic jurisdictions, and shall maintain as
42.31 confidential or privileged any document, material, or information received with notice or
42.32 the understanding that it is confidential or privileged under the laws of the jurisdiction that
42.33 is the source of the document, material, or information;
- 43.1 (3) may share documents, materials, or other information subject to subdivision 1, with
43.2 a third-party consultant or vendor provided the consultant agrees in writing to maintain the
43.3 confidentiality and privileged status of the document, material, or other information; and
- 43.4 (4) may enter into agreements governing sharing and use of information consistent with
43.5 this subdivision.
- 43.6 Subd. 4. **No waiver of privilege or confidentiality.** No waiver of any applicable privilege
43.7 or claim of confidentiality in the documents, materials, or information shall occur as a result
43.8 of disclosure to the commissioner under this section or as a result of sharing as authorized
43.9 in subdivision 3. Any document, material, or information disclosed to the commissioner
43.10 under this section about a cybersecurity event must be retained and preserved by the licensee
43.11 for the time period under section 541.05, or longer if required by the licensee's document
43.12 retention policy.
- 43.13 Subd. 5. **Certain actions public.** Nothing in sections 60A.985 to 60A.9857 shall prohibit
43.14 the commissioner from releasing final, adjudicated actions that are open to public inspection

43.15 pursuant to chapter 13 to a database or other clearinghouse service maintained by the National
43.16 Association of Insurance Commissioners, its affiliates, or subsidiaries.

43.17 Subd. 6. **Classification, protection, and use of information by others.** Documents,
43.18 materials, or other information in the possession or control of the National Association of
43.19 Insurance Commissioners or a third-party consultant pursuant to sections 60A.985 to
43.20 60A.9857 are classified as confidential, protected nonpublic, and privileged; are not subject
43.21 to subpoena; and are not subject to discovery or admissible in evidence in a private civil
43.22 action.

43.23 **EFFECTIVE DATE.** This section is effective August 1, 2021.

43.24 Sec. 11. **[60A.9856] EXCEPTIONS.**

43.25 Subdivision 1. **Generally.** The following exceptions shall apply to sections 60A.985 to
43.26 60A.9857:

43.27 (1) a licensee with fewer than 25 employees is exempt from sections 60A.9851 and
43.28 60A.9852;

43.29 (2) a licensee subject to and in compliance with the Health Insurance Portability and
43.30 Accountability Act, Public Law 104-191, 110 Stat. 1936 (HIPAA), is considered to comply
43.31 with sections 60A.9851, 60A.9852, and 60A.9853, subdivisions 3 to 5, provided the licensee
43.32 submits a written statement certifying its compliance with HIPAA;

44.1 (3) a licensee affiliated with a depository institution that maintains an information security
44.2 program in compliance with the interagency guidelines establishing standards for
44.3 safeguarding customer information as set forth pursuant to United States Code, title 15,
44.4 sections 6801 and 6805, shall be considered to meet the requirements of section 60A.9851
44.5 provided that the licensee produce, upon request, documentation satisfactory to the
44.6 commission that independently validates the affiliated depository institution's adoption of
44.7 an information security program that satisfies the interagency guidelines;

44.8 (4) an employee, agent, representative, or designee of a licensee, who is also a licensee,
44.9 is exempt from sections 60A.9851 and 60A.9852 and need not develop its own information
44.10 security program to the extent that the employee, agent, representative, or designee is covered
44.11 by the information security program of the other licensee; and

44.12 (5) an employee, agent, representative, or designee of a producer licensee, as defined
44.13 under section 60K.31, subdivision 6, who is also a licensee, is exempt from sections 60A.985
44.14 to 60A.9857.

44.15 Subd. 2. **Exemption lapse; compliance.** In the event that a licensee ceases to qualify
44.16 for an exception, such licensee shall have 180 days to comply with this act.

44.17 **EFFECTIVE DATE.** This section is effective August 1, 2021.

44.18 Sec. 12. [60A.9857] PENALTIES.

44.19 In the case of a violation of sections 60A.985 to 60A.9856, a licensee may be penalized
44.20 in accordance with section 60A.052.

44.21 EFFECTIVE DATE. This section is effective August 1, 2021.

44.22 Sec. 13. Minnesota Statutes 2020, section 61A.245, subdivision 4, is amended to read:

44.23 Subd. 4. **Minimum values.** The minimum values as specified in subdivisions 5, 6, 7, 8
44.24 and 10 of any paid-up annuity, cash surrender or death benefits available under an annuity
44.25 contract shall be based upon minimum nonforfeiture amounts as defined in this subdivision.

44.26 (a) The minimum nonforfeiture amount at any time at or prior to the commencement of
44.27 any annuity payments shall be equal to an accumulation up to that time at rates of interest
44.28 as indicated in paragraph (b) of the net considerations, as defined in this subdivision, paid
44.29 prior to that time, decreased by the sum of clauses (1) through (4):

44.30 (1) any prior withdrawals from or partial surrenders of the contract accumulated at rates
44.31 of interest as indicated in paragraph (b);

45.1 (2) an annual contract charge of \$50, accumulated at rates of interest as indicated in
45.2 paragraph (b);

45.3 (3) any premium tax paid by the company for the contract and not subsequently credited
45.4 back to the company, such as upon early termination of the contract, in which case this
45.5 decrease must not be taken, accumulated at rates of interest as indicated in paragraph (b);
45.6 and

45.7 (4) the amount of any indebtedness to the company on the contract, including interest
45.8 due and accrued.

45.9 The net considerations for a given contract year used to define the minimum nonforfeiture
45.10 amount shall be an amount equal to 87.5 percent of the gross considerations credited to the
45.11 contract during that contract year.

45.12 (b) The interest rate used in determining minimum nonforfeiture amounts must be an
45.13 annual rate of interest determined as the lesser of three percent per annum and the following,
45.14 which must be specified in the contract if the interest rate will be reset:

45.15 (1) the five-year constant maturity treasury rate reported by the Federal Reserve as of a
45.16 date, or average over a period, rounded to the nearest 1/20 of one percent, specified in the
45.17 contract no longer than 15 months prior to the contract issue date or redetermination date
45.18 under clause (4);

45.19 (2) reduced by 125 basis points;

45.20 (3) where the resulting interest rate is not less than ~~one~~ 0.15 percent; and

45.21 (4) the interest rate shall apply for an initial period and may be redetermined for additional
45.22 periods. The redetermination date, basis, and period, if any, shall be stated in the contract.
45.23 The basis is the date or average over a specified period that produces the value of the
45.24 five-year constant maturity treasury rate to be used at each redetermination date.

45.25 (c) During the period or term that a contract provides substantive participation in an
45.26 equity indexed benefit, it may increase the reduction described in clause (2) by up to an
45.27 additional 100 basis points to reflect the value of the equity index benefit. The present value
45.28 at the contract issue date, and at each redetermination date thereafter, of the additional
45.29 reduction must not exceed the market value of the benefit. The commissioner may require
45.30 a demonstration that the present value of the additional reduction does not exceed the market
45.31 value of the benefit. Lacking such a demonstration that is acceptable to the commissioner,
45.32 the commissioner may disallow or limit the additional reduction.

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

46.1 Sec. 14. Minnesota Statutes 2020, section 62J.23, subdivision 2, is amended to read:

46.2 Subd. 2. **Restrictions.** (a) From July 1, 1992, until rules are adopted by the commissioner
46.3 under this section, the restrictions in the federal Medicare antikickback statutes in section
46.4 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and
46.5 rules adopted under the federal statutes, apply to all persons in the state, regardless of whether
46.6 the person participates in any state health care program.

46.7 (b) Nothing in paragraph (a) shall be construed to prohibit an individual from receiving
46.8 a discount or other reduction in price or a limited-time free supply or samples of a prescription
46.9 drug, medical supply, or medical equipment offered by a pharmaceutical manufacturer,
46.10 medical supply or device manufacturer, health plan company, or pharmacy benefit manager,
46.11 so long as:

46.12 (1) the discount or reduction in price is provided to the individual in connection with
46.13 the purchase of a prescription drug, medical supply, or medical equipment prescribed for
46.14 that individual;

46.15 (2) it otherwise complies with the requirements of state and federal law applicable to
46.16 enrollees of state and federal public health care programs;

46.17 (3) the discount or reduction in price does not exceed the amount paid directly by the
46.18 individual for the prescription drug, medical supply, or medical equipment; and

46.19 (4) the limited-time free supply or samples are provided by a physician, advanced practice
46.20 registered nurse, or pharmacist, as provided by the federal Prescription Drug Marketing
46.21 Act.

46.22 For purposes of this paragraph, "prescription drug" includes prescription drugs that are
46.23 administered through infusion, injection, or other parenteral methods, and related services
46.24 and supplies.

46.25 (c) No benefit, reward, remuneration, or incentive for continued product use may be
46.26 provided to an individual or an individual's family by a pharmaceutical manufacturer,
46.27 medical supply or device manufacturer, or pharmacy benefit manager, except that this
46.28 prohibition does not apply to:

46.29 (1) activities permitted under paragraph (b);

46.30 (2) a pharmaceutical manufacturer, medical supply or device manufacturer, health plan
46.31 company, or pharmacy benefit manager providing to a patient, at a discount or reduced
46.32 price or free of charge, ancillary products necessary for treatment of the medical condition
47.1 for which the prescription drug, medical supply, or medical equipment was prescribed or
47.2 provided; and

47.3 (3) a pharmaceutical manufacturer, medical supply or device manufacturer, health plan
47.4 company, or pharmacy benefit manager providing to a patient a trinket or memento of
47.5 insignificant value.

47.6 (d) Nothing in this subdivision shall be construed to prohibit a health plan company
47.7 from offering a tiered formulary with different co-payment or cost-sharing amounts for
47.8 different drugs.

47.9 Sec. 15. [62Q.472] SCREENING AND TESTING FOR OPIOIDS.

47.10 (a) A health plan company shall not place a lifetime or annual limit on screenings and
47.11 urinalysis testing for opioids for an enrollee in an inpatient or outpatient substance use
47.12 disorder treatment program when the screening or testing is ordered by a health care provider
47.13 and performed by an accredited clinical laboratory. A health plan company is not prohibited
47.14 from conducting a medical necessity review when screenings or urinalysis testing for an
47.15 enrollee exceeds 24 tests in any 12-month period.

47.16 (b) This section does not apply to managed care plans or county-based purchasing plans
47.17 when the plan provides coverage to public health care program enrollees under chapter
47.18 256B or 256L.

47.19 **EFFECTIVE DATE.** This section is effective January 1, 2022, and applies to health
47.20 plans offered, issued, or renewed on or after that date.

47.21 Sec. 16. Minnesota Statutes 2020, section 256B.0625, subdivision 10, is amended to read:

47.22 Subd. 10. **Laboratory and x-ray services.** (a) Medical assistance covers laboratory and
47.23 x-ray services.

47.24 (b) Medical assistance covers screening and urinalysis tests for opioids without lifetime
47.25 or annual limits.

47.26 **EFFECTIVE DATE.** This section is effective January 1, 2022.

47.27 Sec. 17. **STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC**
47.28 **RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH**
47.29 **INSURANCE RATES.**

47.30 Subdivision 1. **Study and recommendations.** (a) The commissioner of commerce must
47.31 study disparities between Minnesota's nine geographic rating areas in individual and small
48.1 group market health insurance rates, and recommend ways to reduce or eliminate rate
48.2 disparities between the geographic rating areas and provide stability for the individual and
48.3 small group health insurance markets in Minnesota. The commissioner of commerce must:

48.4 (1) identify the factors that cause higher individual and small group market health
48.5 insurance rates in certain geographic rating areas, and determine the extent to which each
48.6 identified factor contributes to the higher rates;

48.7 (2) identify the impact of referral centers on individual and small group market health
48.8 insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity
48.9 between southeastern Minnesota and the metropolitan area, taking into consideration the
48.10 patterns of referral center usage by patients in those regions;

48.11 (3) determine the extent to which individuals and small employers located in a geographic
48.12 rating area with higher health insurance rates than surrounding geographic rating areas have
48.13 obtained health insurance in a lower-cost geographic rating area, identify the strategies that
48.14 individuals and small employers use to obtain health insurance in a lower-cost geographic
48.15 rating area, and measure the effects of this practice on the rates of the individuals and small
48.16 employers remaining in the geographic rating area with higher health insurance rates; and

48.17 (4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas
48.18 and calculate the effect each proposal would have on rates in each of the proposed rating
48.19 areas. The commissioner of commerce must examine at least three options for redrawing
48.20 the boundaries of Minnesota's geographic rating areas, at least one of which must reduce
48.21 the number of geographic rating areas. All options for redrawing Minnesota's geographic
48.22 rating areas considered by the commissioner of commerce must be designed:

48.23 (i) to reduce or eliminate rate disparities between geographic rating areas and provide
48.24 for stability of the individual and small group health insurance markets in Minnesota;

48.25 (ii) after considering the composition of existing provider networks and referral patterns
48.26 in regions of Minnesota; and

48.27 (iii) in compliance with the requirements for geographic rating areas in Code of Federal
48.28 Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

48.29 (b) Health carriers that cover Minnesota residents, health systems that provide care to
48.30 Minnesota residents, and the commissioner of health must cooperate with any requests for
48.31 information from the commissioner of commerce that the commissioner of commerce
48.32 determines is necessary to conduct the study.

49.1 (c) The commissioner of commerce may recommend one or more proposals for redrawing
49.2 Minnesota's geographic rating areas if the commissioner of commerce determines that the
49.3 proposal would reduce or eliminate individual and small group market health insurance rate
49.4 disparities between the geographic rating areas and provide stability for the individual and
49.5 small group health insurance markets in Minnesota.

49.6 Subd. 2. **Contract.** The commissioner of commerce may contract with another entity
49.7 for technical assistance in conducting the study and developing recommendations according
49.8 to subdivision 1.

49.9 Subd. 3. **Report.** The commissioner of commerce shall complete the study and
49.10 recommendations by January 1, 2022, and submit a report on the study and recommendations
49.11 by that date to the chairs and ranking minority members of the legislative committees with
49.12 jurisdiction over health care and health insurance. The commissioner of commerce shall
49.13 complete the study using existing appropriations.

49.14 Sec. 18. **REPEALER.**

49.15 Minnesota Statutes 2020, sections 60A.98; 60A.981; and 60A.982, are repealed.

49.16 **EFFECTIVE DATE.** This section is effective August 1, 2021.

49.17 **ARTICLE 4**

49.18 **CONSUMER PROTECTION**

49.19 Section 1. Minnesota Statutes 2020, section 13.712, is amended by adding a subdivision
49.20 to read:

49.21 Subd. 7. **Student loan servicers.** Data collected, created, received, maintained, or
49.22 disseminated under chapter 58B are governed by section 58B.10.

49.23 Sec. 2. Minnesota Statutes 2020, section 47.59, subdivision 2, is amended to read:

49.24 Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by
49.25 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60~~, 48.153,
49.26 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061
49.27 to 334.19 may, but need not, be made according to those sections in lieu of the authority
49.28 set forth in this section to the extent those sections authorize the financial institution to make
49.29 extensions of credit or purchase extensions of credit under those sections. If a financial
49.30 institution elects to make an extension of credit or to purchase an extension of credit under
49.31 those other sections, the extension of credit or the purchase of an extension of credit is
50.1 subject to those sections and not this section, except this subdivision, and except as expressly
50.2 provided in those sections. A financial institution may also charge an organization a rate of
50.3 interest and any charges agreed to by the organization and may calculate and collect finance
50.4 and other charges in any manner agreed to by that organization. Except for extensions of
50.5 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
50.6 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made

50.7 according to this section or the sections listed in this subdivision. This subdivision does not
50.8 authorize a financial institution to extend credit or purchase an extension of credit under
50.9 any of the sections listed in this subdivision if the financial institution is not authorized to
50.10 do so under those sections. A financial institution extending credit under any of the sections
50.11 listed in this subdivision shall specify in the promissory note, contract, or other loan document
50.12 the section under which the extension of credit is made.

50.13 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to consumer
50.14 short-term loans and small loans originated on or after that date.

50.15 Sec. 3. Minnesota Statutes 2020, section 47.60, subdivision 2, is amended to read:

50.16 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) ~~In lieu of the interest,~~
50.17 ~~finance charges, or fees in any other law,~~ A consumer small loan lender may charge ~~the~~
50.18 ~~following:~~ interest, finance charges, and fees. The sum of any interest, finance charges, and
50.19 fees must not exceed an annual percentage rate, as defined in section 47.59, subdivision 1,
50.20 paragraph (b), of 36 percent.

50.21 (1) ~~on any amount up to and including \$50, a charge of \$5.50 may be added;~~

50.22 (2) ~~on amounts in excess of \$50, but not more than \$100, a charge may be added equal~~
50.23 ~~to ten percent of the loan proceeds plus a \$5 administrative fee;~~

50.24 (3) ~~on amounts in excess of \$100, but not more than \$250, a charge may be added equal~~
50.25 ~~to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;~~

50.26 (4) ~~for amounts in excess of \$250 and not greater than the maximum in subdivision 1,~~
50.27 ~~paragraph (a), a charge may be added equal to six percent of the loan proceeds with a~~
50.28 ~~minimum of \$17.50 plus a \$5 administrative fee.~~

50.29 (b) The term of a loan made under this section shall be for no more than 30 calendar
50.30 days.

50.31 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the
50.32 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
50.33 rate in the contract for each calendar day the balance is outstanding.

51.1 (d) No insurance charges or other charges must be permitted to be charged, collected,
51.2 or imposed on a consumer small loan except as authorized in this section.

51.3 (e) On a loan transaction in which cash is advanced in exchange for a personal check,
51.4 a return check charge may be charged as authorized by section 604.113, subdivision 2,
51.5 paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
51.6 (b), may not be demanded or assessed against the borrower.

51.7 (f) A loan made under this section must not be repaid by the proceeds of another loan
51.8 made under this section by the same lender or related interest. The proceeds from a loan
51.9 made under this section must not be applied to another loan from the same lender or related

- 51.10 interest. No loan to a single borrower made pursuant to this section shall be split or divided
51.11 and no single borrower shall have outstanding more than one loan with the result of collecting
51.12 a higher charge than permitted by this section or in an aggregate amount of principal exceed
51.13 at any one time the maximum of \$350.
- 51.14 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to consumer
51.15 short-term loans and small loans originated on or after that date.
- 51.16 Sec. 4. Minnesota Statutes 2020, section 47.601, subdivision 2, is amended to read:
- 51.17 Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between
51.18 a consumer short-term loan lender and a borrower residing in Minnesota may contain the
51.19 following:
- 51.20 (1) a provision selecting a law other than Minnesota law under which the contract is
51.21 construed or enforced;
- 51.22 (2) a provision choosing a forum for dispute resolution other than the state of Minnesota;
51.23 or
- 51.24 (3) a provision limiting class actions against a consumer short-term lender for violations
51.25 of subdivision 3 or for making consumer short-term loans:
- 51.26 (i) without a required license issued by the commissioner; or
- 51.27 (ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under
51.28 ~~section 47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if~~
51.29 ~~no pattern or practice exists.~~
- 51.30 (b) Any provision prohibited by paragraph (a) is void and unenforceable.
- 52.1 (c) A consumer short-term loan lender must furnish a copy of the written loan contract
52.2 to each borrower. The contract and disclosures must be written in the language in which
52.3 the loan was negotiated with the borrower and must contain:
- 52.4 (1) the name; address, which may not be a post office box; and telephone number of the
52.5 lender making the consumer short-term loan;
- 52.6 (2) the name and title of the individual employee or representative who signs the contract
52.7 on behalf of the lender;
- 52.8 (3) an itemization of the fees and interest charges to be paid by the borrower;
- 52.9 (4) in bold, 24-point type, the annual percentage rate as computed under United States
52.10 Code, chapter 15, section 1606; and
- 52.11 (5) a description of the borrower's payment obligations under the loan.

52.12 (d) The holder or assignee of a check or other instrument evidencing an obligation of a
52.13 borrower in connection with a consumer short-term loan takes the instrument subject to all
52.14 claims by and defenses of the borrower against the consumer short-term lender.

52.15 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to consumer
52.16 short-term loans and small loans originated on or after that date.

52.17 Sec. 5. Minnesota Statutes 2020, section 47.601, subdivision 6, is amended to read:

52.18 Subd. 6. **Penalties for violation; private right of action.** (a) Except for a "bona fide
52.19 error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an
52.20 individual or entity who violates subdivision 2 or 3 is liable to the borrower for:

52.21 (1) all money collected or received in connection with the loan;

52.22 (2) actual, incidental, and consequential damages;

52.23 (3) statutory damages of up to \$1,000 per violation;

52.24 (4) costs, disbursements, and reasonable attorney fees; and

52.25 (5) injunctive relief.

52.26 (b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower
52.27 is not obligated to pay any amounts owing if the loan is made:

52.28 (1) by a consumer short-term lender who has not obtained an applicable license from
52.29 the commissioner;

52.30 (2) in violation of any provision of subdivision 2 or 3; or

53.1 (3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges,
53.2 or loan amounts allowable under ~~sections 47.59, subdivision 6, and section 47.60~~, subdivision
53.3 2.

53.4 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to consumer
53.5 short-term loans and small loans originated on or after that date.

53.6 Sec. 6. Minnesota Statutes 2020, section 48.512, subdivision 2, is amended to read:

53.7 Subd. 2. **Required information.** Before opening or authorizing signatory power over
53.8 a transaction account, a financial intermediary shall require one applicant to provide the
53.9 following information on an application document signed by the applicant:

53.10 (a) full name;

53.11 (b) birth date;

53.12 (c) address of residence;

53.13 (d) address of current employment, if employed;

53.14 (e) telephone numbers of residence and place of employment, if any;

53.15 (f) Social Security number;

53.16 (g) driver's license or identification card number issued pursuant to section 171.07. If
53.17 the applicant does not have a driver's license or identification card, the applicant may provide
53.18 an identification document number issued for identification purposes by any state, federal,
53.19 or foreign government if the document includes the applicant's photograph, full name, birth
53.20 date, and signature. ~~A valid Wisconsin driver's license without a photograph may be accepted~~
53.21 ~~in satisfaction of the requirement of this paragraph until January 1, 1985;~~

53.22 (h) whether the applicant has had a transaction account at the same or another financial
53.23 intermediary within 12 months immediately preceding the application, and if so, the name
53.24 of the financial intermediary;

53.25 (i) whether the applicant has had a transaction account closed by a financial intermediary
53.26 without the applicant's consent within 12 months immediately preceding the application,
53.27 and if so, the reason the account was closed; and

53.28 (j) whether the applicant has been convicted of a criminal offense because of the use of
53.29 a check or other similar item within 24 months immediately preceding the application.

53.30 A financial intermediary may require an applicant to disclose additional information.

54.1 An applicant who makes a false material statement that the applicant does not believe
54.2 to be true in an application document with respect to information required to be provided
54.3 by this subdivision is guilty of perjury. The financial intermediary shall notify the applicant
54.4 of the provisions of this paragraph.

54.5 Sec. 7. Minnesota Statutes 2020, section 48.512, subdivision 3, is amended to read:

54.6 Subd. 3. **Confirm no involuntary closing.** (a) Before opening or authorizing signatory
54.7 power over a transaction account, the financial intermediary shall attempt to verify the
54.8 information disclosed for subdivision 2, clause (i). Inquiries made to verify this information
54.9 through persons in the business of providing such information must include an inquiry based
54.10 on the applicant's identification number provided under subdivision 2, clause (g).

54.11 (b) The financial intermediary may not open or authorize signatory power over a
54.12 transaction account if (i) the applicant had a transaction account closed by a financial
54.13 intermediary without consent because of issuance by the applicant of dishonored checks
54.14 within 12 months immediately preceding the application, or (ii) the applicant has been
54.15 convicted of a criminal offense because of the use of a check or other similar item within
54.16 24 months immediately preceding the application. This paragraph does not apply to programs
54.17 designed to expand access to financial services to individuals who do not possess a transaction
54.18 account.

54.19 (c) If the transaction account is refused pursuant to this subdivision, the reasons for the
54.20 refusal shall be given to the applicant in writing and the applicant shall be allowed to provide
54.21 additional information.

54.22 Sec. 8. Minnesota Statutes 2020, section 48.512, subdivision 7, is amended to read:

54.23 Subd. 7. **Transaction account service charges and charges relating to dishonored**
54.24 **checks.** (a) The establishment of transaction account service charges and the amounts of
54.25 the charges not otherwise limited or prescribed by law or rule is a business decision to be
54.26 made by each financial intermediary according to sound business judgment and safe, sound
54.27 financial institution operational standards. In establishing transaction account service charges,
54.28 the financial intermediary may consider, but is not limited to considering:

54.29 (1) costs incurred by the institution, plus a profit margin, in providing the service;

54.30 (2) the deterrence of misuse by customers of financial institution services;

54.31 (3) the establishment of the competitive position of the financial institution in accordance
54.32 with the institution's marketing strategy; and

55.1 (4) maintenance of the safety and soundness of the institution.

55.2 (b) Transaction account service charges must be reasonable in relation to these
55.3 considerations and should be arrived at by each financial intermediary on a competitive
55.4 basis and not on the basis of any agreement, arrangement, undertaking, or discussion with
55.5 other financial intermediaries or their officers.

55.6 (c) A financial intermediary may not impose a service charge in excess of ~~\$4~~ \$10 for a
55.7 dishonored check on any person other than the issuer of the check.

55.8 Sec. 9. Minnesota Statutes 2020, section 53.04, subdivision 3a, is amended to read:

55.9 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on
55.10 the terms and other conditions permitted under chapters 47 and 334. Loans made under this
55.11 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making
55.12 a loan under this chapter secured by a lien on real estate shall comply with the requirements
55.13 of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as
55.14 defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A
55.15 licensee making a loan that is a consumer short-term loan, as defined in section 47.601,
55.16 subdivision 1, paragraph (d), must comply with section 47.601.

55.17 (b) Loans made under this subdivision may be secured by real or personal property, or
55.18 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence
55.19 are used to finance the purchase of the borrower's primary residence, the loan must comply
55.20 with the provisions of section 47.20.

55.21 (c) An agency or instrumentality of the United States government or a corporation
55.22 otherwise created by an act of the United States Congress or a lender approved or certified

55.23 by the secretary of housing and urban development, or approved or certified by the
55.24 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
55.25 Home Administration, or approved or certified by the Federal Home Loan Mortgage
55.26 Corporation, or approved or certified by the Federal National Mortgage Association, that
55.27 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
55.28 direct collection of payments from or enforcement of rights against borrowers arising from
55.29 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
55.30 order to purchase or take assignments of mortgage loans from persons holding a certificate
55.31 of authorization under this chapter.

55.32 (d) This subdivision does not authorize an industrial loan and thrift company to make
55.33 loans under an overdraft checking plan.

56.1 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to consumer
56.2 short-term loans and small loans originated on or after that date.

56.3 Sec. 10. Minnesota Statutes 2020, section 56.131, subdivision 1, is amended to read:

56.4 Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not
56.5 exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and
56.6 surplus as defined in section 53.015, if greater, a licensee may contract for and receive
56.7 interest, finance charges, and other charges as provided in section 47.59.

56.8 (b) Notwithstanding paragraph (a), a licensee making a loan that is a consumer small
56.9 loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section
56.10 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section
56.11 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

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

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

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

56.21 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to consumer
56.22 short-term loans and small loans originated on or after that date.

56.23 Sec. 11. **[58B.01] TITLE.**

56.24 This chapter may be cited as the "Student Loan Borrower Bill of Rights."

56.25 Sec. 12. **[58B.02] DEFINITIONS.**

56.26 Subdivision 1. **Scope.** For purposes of this chapter, the following terms have the meanings
56.27 given them.

56.28 Subd. 2. **Borrower.** "Borrower" means a resident of this state who has received or agreed
56.29 to pay a student loan or a person who shares responsibility with a resident for repaying a
56.30 student loan.

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

57.2 Subd. 4. **Financial institution.** "Financial institution" means any of the following
57.3 organized under the laws of this state, any other state, or the United States: a bank, bank
57.4 and trust, trust company with banking powers, savings bank, savings association, or credit
57.5 union.

57.6 Subd. 5. **Person in control.** "Person in control" means any member of senior
57.7 management, including owners or officers, and other persons who directly or indirectly
57.8 possess the power to direct or cause the direction of the management policies of an applicant
57.9 or student loan servicer under this chapter, regardless of whether the person has any
57.10 ownership interest in the applicant or student loan servicer. Control is presumed to exist if
57.11 a person directly or indirectly owns, controls, or holds with power to vote ten percent or
57.12 more of the voting stock of an applicant or student loan servicer or of a person who owns,
57.13 controls, or holds with power to vote ten percent or more of the voting stock of an applicant
57.14 or student loan servicer.

57.15 Subd. 6. **Servicing.** "Servicing" means:

57.16 (1) receiving any scheduled periodic payments from a borrower or notification of
57.17 payments, and applying payments to the borrower's account pursuant to the terms of the
57.18 student loan or of the contract governing servicing;

57.19 (2) during a period when no payment is required on a student loan, maintaining account
57.20 records for the loan and communicating with the borrower regarding the loan, on behalf of
57.21 the loan's holder; and

57.22 (3) interacting with a borrower, including activities to help prevent default on obligations
57.23 arising from student loans, conducted to facilitate the requirements in clauses (1) and (2).

57.24 Subd. 7. **Student loan.** "Student loan" means a government, commercial, or foundation
57.25 loan for actual costs paid for tuition and reasonable education and living expenses.

57.26 Subd. 8. **Student loan servicer.** "Student loan servicer" means any person, wherever
57.27 located, responsible for the servicing of any student loan to any borrower, including a
57.28 nonbank covered person, as defined in Code of Federal Regulations, title 12, section
57.29 1090.101, who is responsible for the servicing of any student loan to any borrower.

57.30 Sec. 13. **[58B.03] LICENSING OF STUDENT LOAN SERVICERS.**

57.31 Subdivision 1. **License required.** No person shall directly or indirectly act as a student
57.32 loan servicer without first obtaining a license from the commissioner.

58.1 Subd. 2. **Exempt persons.** The following persons are exempt from the requirements of
58.2 this chapter:

58.3 (1) a financial institution;

58.4 (2) a person servicing student loans made with the person's own funds, if no more than
58.5 three student loans are made in any 12-month period;

58.6 (3) an agency, instrumentality, or political subdivision of this state that makes, services,
58.7 or guarantees student loans;

58.8 (4) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a
58.9 specific order issued by a court of competent jurisdiction;

58.10 (5) the University of Minnesota; or

58.11 (6) a person exempted by order of the commissioner.

58.12 Subd. 3. **Application for licensure.** (a) Any person seeking to act within the state as a
58.13 student loan servicer must apply for a license in a form and manner specified by the
58.14 commissioner. At a minimum, the application must include:

58.15 (1) a financial statement prepared by a certified public accountant or a public accountant;

58.16 (2) the history of criminal convictions, excluding traffic violations, for persons in control
58.17 of the applicant;

58.18 (3) any information requested by the commissioner related to the history of criminal
58.19 convictions disclosed under clause (2);

58.20 (4) a nonrefundable license fee established by the commissioner; and

58.21 (5) a nonrefundable investigation fee established by the commissioner.

58.22 (b) The commissioner may conduct a state and national criminal history records check
58.23 of the applicant and of each person in control or employee of the applicant.

58.24 Subd. 4. **Issuance of a license.** (a) Upon receipt of a complete application for an initial
58.25 license and the payment of fees for a license and investigation, the commissioner must
58.26 investigate the financial condition and responsibility, character, financial and business
58.27 experience, and general fitness of the applicant. The commissioner may issue a license if
58.28 the commissioner finds:

58.29 (1) the applicant's financial condition is sound;

- 58.30 (2) the applicant's business will be conducted honestly, fairly, equitably, carefully, and
58.31 efficiently within the purposes and intent of this chapter;
- 59.1 (3) each person in control of the applicant is in all respects properly qualified and of
59.2 good character;
- 59.3 (4) no person, on behalf of the applicant, has knowingly made any incorrect statement
59.4 of a material fact in the application or in any report or statement made pursuant to this
59.5 section;
- 59.6 (5) no person, on behalf of the applicant, has knowingly omitted any information required
59.7 by the commissioner from an application, report, or statement made pursuant to this section;
- 59.8 (6) the applicant has paid the fees required under this section; and
- 59.9 (7) the application has met other similar requirements as determined by the commissioner.
- 59.10 (b) A license issued under this chapter is not transferable or assignable.
- 59.11 Subd. 5. **Notification of a change in status.** An applicant or student loan servicer must
59.12 notify the commissioner in writing of any change in the information provided in the initial
59.13 application for a license or the most recent renewal application for a license. The notification
59.14 must be received no later than ten business days after the date of an event that results in the
59.15 information becoming inaccurate.
- 59.16 Subd. 6. **Term of license.** Licenses issued under this chapter expire on December 31 of
59.17 each year and are renewable on January 1.
- 59.18 Subd. 7. **Exemption from application.** (a) A person is exempt from the application
59.19 procedures under subdivision 3 if the commissioner determines that the person is servicing
59.20 student loans in this state pursuant to a contract awarded by the United States Secretary of
59.21 Education under United States Code, title 20, section 1087f. Documentation of eligibility
59.22 for this exemption shall be in a form and manner determined by the commissioner.
- 59.23 (b) A person determined to be eligible for the exemption under paragraph (a) shall, upon
59.24 payment of the fees under subdivision 3, be issued a license and deemed to meet all of the
59.25 requirements of subdivision 4.
- 59.26 Subd. 8. **Notice.** (a) A person issued a license under subdivision 7 must provide the
59.27 commissioner with written notice no less than seven days after the date the person's contract
59.28 under United States Code, title 20, section 1087f, expires, is revoked, or is terminated.
- 59.29 (b) A person issued a license under subdivision 7 has 30 days from the date the
59.30 notification under paragraph (a) is provided to complete the requirements of subdivision 3.
59.31 If a person does not meet the requirements of subdivision 3 within this time period, the
59.32 commissioner shall immediately suspend the person's license under this chapter.

60.1 Sec. 14. **[58B.04] LICENSING MULTIPLE PLACES OF BUSINESS.**

60.2 A person licensed to act as a student loan servicer in this state is prohibited from servicing
60.3 student loans under any other name or at any other place of business than that named in the
60.4 license. Any time a student loan servicer changes the location of the servicer's place of
60.5 business, the servicer must provide prior written notice to the commissioner. A student loan
60.6 servicer may not maintain more than one place of business under the same license. The
60.7 commissioner may issue more than one license to the same student loan servicer, provided
60.8 that the servicer complies with the application procedures in section 58B.03 for each license.

60.9 Sec. 15. **[58B.05] LICENSE RENEWAL.**

60.10 Subdivision 1. **Term.** Licenses are renewable on January 1 of each year.

60.11 Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely filed
60.12 who has not received notice of denial of renewal is considered approved for renewal. The
60.13 person may continue to act as a student loan servicer whether or not the renewed license
60.14 has been received on or before January 1 of the renewal year. An application for renewal
60.15 of a license is considered timely filed if the application is received by the commissioner, or
60.16 mailed with proper postage and postmarked, by the December 15 before the renewal year.
60.17 An application for renewal is considered properly filed if the application is made upon forms
60.18 duly executed, accompanied by fees prescribed by this chapter, and containing any
60.19 information that the commissioner requires.

60.20 (b) A person who fails to make a timely application for renewal of a license and who
60.21 has not received the renewal license as of January 1 of the renewal year is unlicensed until
60.22 the renewal license has been issued by the commissioner and is received by the person.

60.23 Subd. 3. **Contents of renewal application.** An application for renewal of an existing
60.24 license must contain the information specified in section 58B.03, subdivision 3, except that
60.25 only the requested information having changed from the most recent prior application need
60.26 be submitted.

60.27 Subd. 4. **Cancellation.** A student loan servicer ceasing an activity or activities regulated
60.28 by this chapter and desiring to no longer be licensed shall inform the commissioner in writing
60.29 and, at the same time, surrender the license and all other symbols or indicia of licensure.
60.30 The licensee shall include a plan for the withdrawal from student loan servicing, including
60.31 a timetable for the disposition of the student loans being serviced.

60.32 Subd. 5. **Renewal fees.** The following fees must be paid to the commissioner for a
60.33 renewal license:

61.1 (1) a nonrefundable renewal license fee established by the commissioner; and

61.2 (2) a nonrefundable renewal investigation fee established by the commissioner.

61.3 Sec. 16. **[58B.06] DUTIES OF STUDENT LOAN SERVICERS.**

61.4 Subdivision 1. **Response requirements.** Upon receiving a written communication from
61.5 a borrower, a student loan servicer must:

61.6 (1) acknowledge receipt of the communication in less than ten days from the date the
61.7 communication is received; and

61.8 (2) provide information relating to the communication and, if applicable, the action the
61.9 student loan servicer will take to either (i) correct the borrower's issue or (ii) explain why
61.10 the issue cannot be corrected. The information must be provided less than 30 days after the
61.11 date the written communication was received by the student loan servicer.

61.12 Subd. 2. **Overpayments.** (a) A student loan servicer must ask a borrower in what manner
61.13 the borrower would like any overpayment to be applied to a student loan. A borrower's
61.14 instruction regarding the application of overpayments is effective for the term of the loan
61.15 or until the borrower provides a different instruction.

61.16 (b) For purposes of this subdivision, "overpayment" means a payment on a student loan
61.17 that exceeds the monthly amount due.

61.18 Subd. 3. **Partial payments.** (a) A student loan servicer must apply a partial payment in
61.19 a manner intended to minimize late fees and the negative impact on the borrower's credit
61.20 history. If a borrower has multiple student loans with the same student loan servicer, upon
61.21 receipt of a partial payment the servicer must apply the payments to satisfy as many
61.22 individual loan payments as possible.

61.23 (b) For purposes of this subdivision, "partial payment" means a payment on a student
61.24 loan that is less than the monthly amount due.

61.25 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
61.26 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
61.27 must:

61.28 (1) require the new student loan servicer to honor all benefits that were made available,
61.29 or which may have become available, to a borrower from the original student loan servicer;
61.30 and

62.1 (2) transfer to the new student loan servicer all information regarding the borrower, the
62.2 account of the borrower, and the borrower's student loan, including but not limited to the
62.3 repayment status of the student loan and the benefits described in clause (1).

62.4 (b) The student loan servicer must complete the transfer under paragraph (a), clause (2),
62.5 less than 45 days from the date of the sale, assignment, or transfer of the servicing.

62.6 (c) A sale, assignment, or transfer of the servicing must be completed no less than seven
62.7 days from the date the next payment is due on the student loan.

- 62.8 (d) A new student loan servicer must adopt policies and procedures to verify that the
62.9 original student loan servicer has met the requirements of paragraph (a).
- 62.10 Subd. 5. **Income-driven repayment.** A student loan servicer must evaluate a borrower
62.11 for eligibility for an income-driven repayment program before placing a borrower in
62.12 forbearance or default.
- 62.13 Subd. 6. **Records.** A student loan servicer must maintain adequate records of each student
62.14 loan for not less than two years following the final payment on the student loan or the sale,
62.15 assignment, or transfer of the servicing.
- 62.16 **EFFECTIVE DATE.** This section is effective July 1, 2021, and applies to student loan
62.17 contracts executed on or after that date.
- 62.18 Sec. 17. **[58B.07] PROHIBITED CONDUCT.**
- 62.19 Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or
62.20 indirectly attempt to mislead a borrower.
- 62.21 Subd. 2. **Misrepresentation.** A student loan servicer must not engage in any unfair or
62.22 deceptive practice or misrepresent or omit any material information in connection with the
62.23 servicing of a student loan, including but not limited to misrepresenting the amount, nature,
62.24 or terms of any fee or payment due or claimed to be due on a student loan, the terms and
62.25 conditions of the loan agreement, or the borrower's obligations under the loan.
- 62.26 Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or
62.27 negligently misapply student loan payments.
- 62.28 Subd. 4. **Inaccurate information.** A student loan servicer must not knowingly or
62.29 negligently provide inaccurate information to any consumer reporting agency.
- 62.30 Subd. 5. **Reporting of payment history.** A student loan servicer must not fail to report
62.31 both the favorable and unfavorable payment history of the borrower to a consumer reporting
63.1 agency at least annually, if the student loan servicer regularly reports payment history
63.2 information.
- 63.3 Subd. 6. **Refusal to communicate with a borrower's representative.** A student loan
63.4 servicer must not refuse to communicate with a representative of the borrower who provides
63.5 a written authorization signed by the borrower. The student loan servicer may adopt
63.6 procedures reasonably related to verifying that the representative is in fact authorized to act
63.7 on behalf of the borrower.
- 63.8 Subd. 7. **False statements and omissions.** A student loan servicer must not knowingly
63.9 or negligently make any false statement or omission of material fact in connection with any
63.10 application, information, or reports filed with the commissioner or any other federal, state,
63.11 or local government agency.

63.12 Subd. 8. **Noncompliance with applicable laws.** A student loan servicer must not violate
63.13 any other federal, state, or local laws, including those related to fraudulent, coercive, or
63.14 dishonest practices.

63.15 Subd. 9. **Incorrect information regarding student loan forgiveness.** A student loan
63.16 servicer must not misrepresent the availability of student loan forgiveness for which the
63.17 servicer has reason to know the borrower is eligible. This includes but is not limited to
63.18 student loan forgiveness programs specific to military borrowers, borrowers working in
63.19 public service, or borrowers with disabilities.

63.20 Subd. 10. **Compliance with servicer duties.** A student loan servicer must comply with
63.21 the duties and obligations under section 58B.06.

63.22 Sec. 18. **[58B.08] EXAMINATIONS.**

63.23 The commissioner has the same powers with respect to examinations of student loan
63.24 servicers under this chapter that the commissioner has under section 46.04.

63.25 Sec. 19. **[58B.09] DENIAL; SUSPENSION; REVOCATION OF LICENSES.**

63.26 Subdivision 1. **Powers of commissioner.** (a) The commissioner may by order take any
63.27 or all of the following actions:

63.28 (1) bar a person from engaging in student loan servicing;

63.29 (2) deny, suspend, or revoke a student loan servicer license;

63.30 (3) censure a student loan servicer;

63.31 (4) impose a civil penalty, as provided in section 45.027, subdivision 6;

64.1 (5) order restitution to the borrower, if applicable; or

64.2 (6) revoke an exemption.

64.3 (b) In order to take the action in paragraph (a), the commissioner must find:

64.4 (1) the order is in the public interest; and

64.5 (2) the student loan servicer, applicant, person in control, employee, or agent has:

64.6 (i) violated any provision of this chapter or a rule or order adopted or issued under this
64.7 chapter;

64.8 (ii) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or
64.9 dishonest act or practice, including but not limited to negligently making a false statement
64.10 or knowingly omitting a material fact, whether or not the act or practice involves student
64.11 loan servicing;

- 64.12 (iii) engaged in an act or practice that demonstrates untrustworthiness, financial
64.13 irresponsibility, or incompetence, whether or not the act or practice involves student loan
64.14 servicing;
- 64.15 (iv) pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor,
64.16 or misdemeanor;
- 64.17 (v) paid a civil penalty or been the subject of a disciplinary action by the commissioner,
64.18 order of suspension or revocation, cease and desist order, injunction order, or order barring
64.19 involvement in an industry or profession issued by the commissioner or any other federal,
64.20 state, or local government agency;
- 64.21 (vi) been found by a court of competent jurisdiction to have engaged in conduct
64.22 evidencing gross negligence, fraud, misrepresentation, or deceit;
- 64.23 (vii) refused to cooperate with an investigation or examination by the commissioner;
- 64.24 (viii) failed to pay any fee or assessment imposed by the commissioner; or
- 64.25 (ix) failed to comply with state and federal tax obligations.
- 64.26 Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the
64.27 commissioner shall issue an order requiring the subject of the proceeding to show cause
64.28 why action should not be taken against the person according to this section. The order must
64.29 be calculated to give reasonable notice of the time and place for the hearing and must state
64.30 the reasons for entry of the order. The commissioner may by order summarily suspend a
64.31 license or exemption or summarily bar a person from engaging in student loan servicing
65.1 pending a final determination of an order to show cause. If a license or exemption is
65.2 summarily suspended or if the person is summarily barred from any involvement in the
65.3 servicing of student loans pending final determination of an order to show cause, a hearing
65.4 on the merits must be held within 30 days of the issuance of the order of summary suspension
65.5 or bar. All hearings must be conducted under chapter 14. After the hearing, the commissioner
65.6 shall enter an order disposing of the matter as the facts require. If the subject of the order
65.7 fails to appear at a hearing after having been duly notified, the person is considered in default
65.8 and the proceeding may be determined against the subject of the order upon consideration
65.9 of the order to show cause, the allegations of which may be considered to be true.
- 65.10 Subd. 3. **Actions against lapsed license.** If a license or certificate of exemption lapses;
65.11 is surrendered, withdrawn, or terminated; or otherwise becomes ineffective, the commissioner
65.12 may (1) institute a proceeding under this subdivision within two years after the license or
65.13 certificate of exemption was last effective and enter a revocation or suspension order as of
65.14 the last date on which the license or certificate of exemption was in effect, and (2) impose
65.15 a civil penalty as provided for in this section or section 45.027, subdivision 6.

65.16 Sec. 20. **[58B.10] DATA PRACTICES.**

65.17 Subdivision 1. **Classification of data.** Data collected, created, received, maintained, or
65.18 disseminated by the Department of Commerce under this chapter are governed by section
65.19 46.07.

65.20 Subd. 2. **Data sharing.** To the extent data collected, created, received, maintained, or
65.21 disseminated under this chapter are not public data as defined by section 13.02, subdivision
65.22 8a, the data may, when necessary to accomplish the purpose of this chapter, be shared
65.23 between:

65.24 (1) the United States Department of Education;

65.25 (2) the Office of Higher Education;

65.26 (3) the Department of Commerce;

65.27 (4) the Office of the Attorney General; and

65.28 (5) any other local, state, and federal law enforcement agencies.

65.29 Sec. 21. Minnesota Statutes 2020, section 65B.15, subdivision 1, is amended to read:

65.30 Subdivision 1. **Grounds and notice.** No cancellation or reduction in the limits of liability
65.31 of coverage during the policy period of any policy shall be effective unless notice thereof
66.1 is given and unless based on one or more reasons stated in the policy which shall be limited
66.2 to the following:

66.3 1. nonpayment of premium; or

66.4 2. the policy was obtained through a material misrepresentation; or

66.5 3. any insured made a false or fraudulent claim or knowingly aided or abetted another
66.6 in the presentation of such a claim; or

66.7 4. the named insured failed to disclose fully motor vehicle accidents and moving traffic
66.8 violations of the named insured for the preceding 36 months if called for in the written
66.9 application; or

66.10 5. the named insured failed to disclose in the written application any requested information
66.11 necessary for the acceptance or proper rating of the risk; or

66.12 6. the named insured knowingly failed to give any required written notice of loss or
66.13 notice of lawsuit commenced against the named insured, or, when requested, refused to
66.14 cooperate in the investigation of a claim or defense of a lawsuit; or

66.15 7. the named insured or any other operator who either resides in the same household, or
66.16 customarily operates an automobile insured under such policy, unless the other operator is
66.17 identified as a named insured in another policy as an insured:

- 66.18 (a) has, within the 36 months prior to the notice of cancellation, had that person's driver's
66.19 license under suspension or revocation because the person committed a moving traffic
66.20 violation or because the person refused to be tested under section 169A.20, subdivision 1;
66.21 or
- 66.22 (b) is or becomes subject to epilepsy or heart attacks, and such individual does not
66.23 produce a written opinion from a physician testifying to that person's medical ability to
66.24 operate a motor vehicle safely, such opinion to be based upon a reasonable medical
66.25 probability; or
- 66.26 (c) has an accident record, conviction record (criminal or traffic), physical condition or
66.27 mental condition, any one or all of which are such that the person's operation of an automobile
66.28 might endanger the public safety; or
- 66.29 (d) has been convicted, or forfeited bail, during the 24 months immediately preceding
66.30 the notice of cancellation for criminal negligence in the use or operation of an automobile,
66.31 or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while
66.32 in an intoxicated condition or while under the influence of drugs; or leaving the scene of
67.1 an accident without stopping to report; or making false statements in an application for a
67.2 driver's license, or theft or unlawful taking of a motor vehicle; or
- 67.3 (e) has been convicted of, or forfeited bail for, one or more violations within the 18
67.4 months immediately preceding the notice of cancellation, of any law, ordinance, or rule
67.5 which justify a revocation of a driver's license; or
- 67.6 8. the insured automobile is:
- 67.7 (a) so mechanically defective that its operation might endanger public safety; or
- 67.8 (b) used in carrying passengers for hire or compensation, provided however that the use
67.9 of an automobile for a car pool or a private passenger vehicle used by a volunteer driver,
67.10 as defined under section 65B.472, subdivision 1, paragraph (h), shall not be considered use
67.11 of an automobile for hire or compensation; or
- 67.12 (c) used in the business of transportation of flammables or explosives; or
- 67.13 (d) an authorized emergency vehicle; or
- 67.14 (e) subject to an inspection law and has not been inspected or, if inspected, has failed
67.15 to qualify within the period specified under such inspection law; or
- 67.16 (f) substantially changed in type or condition during the policy period, increasing the
67.17 risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car
67.18 or so as to give clear evidence of a use other than the original use.
- 67.19 Sec. 22. Minnesota Statutes 2020, section 65B.43, subdivision 12, is amended to read:
- 67.20 Subd. 12. **Commercial vehicle.** "Commercial vehicle" means:

- 67.21 (a) any motor vehicle used as a common carrier,
- 67.22 (b) any motor vehicle, other than a passenger vehicle defined in section 168.002,
- 67.23 subdivision 24, which has a curb weight in excess of 5,500 pounds apart from cargo capacity,
- 67.24 or
- 67.25 (c) any motor vehicle while used in the for-hire transportation of property.
- 67.26 Commercial vehicle does not include a "commuter van," which for purposes of this
- 67.27 chapter ~~shall mean~~ means (1) a motor vehicle having a capacity of seven to 16 persons
- 67.28 which is used principally to provide prearranged transportation of persons to or from their
- 67.29 place of employment or to or from a transit stop authorized by a local transit authority which
- 67.30 vehicle is to be operated by a person who does not drive the vehicle as a principal occupation
- 67.31 but is driving it only to or from the principal place of employment, to or from a transit stop
- 68.1 authorized by a local transit authority or, for personal use as permitted by the owner of the
- 68.2 vehicle, or (2) a private passenger vehicle driven by a volunteer driver.
- 68.3 Sec. 23. Minnesota Statutes 2020, section 65B.472, subdivision 1, is amended to read:
- 68.4 Subdivision 1. **Definitions.** (a) Unless a different meaning is expressly made applicable,
- 68.5 the terms defined in paragraphs (b) through (g) have the meanings given them for the
- 68.6 purposes of this chapter.
- 68.7 (b) A "digital network" means any online-enabled application, software, website, or
- 68.8 system offered or utilized by a transportation network company that enables the
- 68.9 prearrangement of rides with transportation network company drivers.
- 68.10 (c) A "personal vehicle" means a vehicle that is used by a transportation network company
- 68.11 driver in connection with providing a prearranged ride and is:
- 68.12 (1) owned, leased, or otherwise authorized for use by the transportation network company
- 68.13 driver; and
- 68.14 (2) not a taxicab, limousine, ~~or~~ for-hire vehicle, or a private passenger vehicle driven
- 68.15 by a volunteer driver.
- 68.16 (d) A "prearranged ride" means the provision of transportation by a driver to a rider,
- 68.17 beginning when a driver accepts a ride requested by a rider through a digital network
- 68.18 controlled by a transportation network company, continuing while the driver transports a
- 68.19 requesting rider, and ending when the last requesting rider departs from the personal vehicle.
- 68.20 A prearranged ride does not include transportation provided using a taxicab, limousine, or
- 68.21 other for-hire vehicle.
- 68.22 (e) A "transportation network company" means a corporation, partnership, sole
- 68.23 proprietorship, or other entity that is operating in Minnesota that uses a digital network to
- 68.24 connect transportation network company riders to transportation network company drivers
- 68.25 who provide prearranged rides.

- 68.26 (f) A "transportation network company driver" or "driver" means an individual who:
- 68.27 (1) receives connections to potential riders and related services from a transportation
- 68.28 network company in exchange for payment of a fee to the transportation network company;
- 68.29 and
- 68.30 (2) uses a personal vehicle to provide a prearranged ride to riders upon connection
- 68.31 through a digital network controlled by a transportation network company in return for
- 68.32 compensation or payment of a fee.
- 69.1 (g) A "transportation network company rider" or "rider" means an individual or persons
- 69.2 who use a transportation network company's digital network to connect with a transportation
- 69.3 network driver who provides prearranged rides to the rider in the driver's personal vehicle
- 69.4 between points chosen by the rider.
- 69.5 (h) A "volunteer driver" means an individual who transports persons or goods on behalf
- 69.6 of a nonprofit entity or governmental unit in a private passenger vehicle and receives no
- 69.7 compensation for services provided other than the reimbursement of actual expenses.
- 69.8 Sec. 24. Minnesota Statutes 2020, section 174.29, subdivision 1, is amended to read:
- 69.9 Subdivision 1. **Definition.** For the purpose of sections 174.29 and 174.30 "special
- 69.10 transportation service" means motor vehicle transportation provided on a regular basis by
- 69.11 a public or private entity or person that is designed exclusively or primarily to serve
- 69.12 individuals who are elderly or disabled and who are unable to use regular means of
- 69.13 transportation but do not require ambulance service, as defined in section 144E.001,
- 69.14 subdivision 3. Special transportation service includes but is not limited to service provided
- 69.15 by specially equipped buses, vans, taxis, and volunteers driving private automobiles, as
- 69.16 defined in section 65B.472, subdivision 1, paragraph (h). Special transportation service also
- 69.17 means those nonemergency medical transportation services under section 256B.0625,
- 69.18 subdivision 17, that are subject to the operating standards for special transportation service
- 69.19 under sections 174.29 to 174.30 and Minnesota Rules, chapter 8840.
- 69.20 Sec. 25. Minnesota Statutes 2020, section 174.30, subdivision 1, is amended to read:
- 69.21 Subdivision 1. **Applicability.** (a) The operating standards for special transportation
- 69.22 service adopted under this section do not apply to special transportation provided by:
- 69.23 (1) a public transit provider receiving financial assistance under sections 174.24 or
- 69.24 473.371 to 473.449;
- 69.25 (2) a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph (h), using
- 69.26 a private automobile;
- 69.27 (3) a school bus as defined in section 169.011, subdivision 71; or
- 69.28 (4) an emergency ambulance regulated under chapter 144.

69.29 (b) The operating standards adopted under this section only apply to providers of special
69.30 transportation service who receive grants or other financial assistance from either the state
69.31 or the federal government, or both, to provide or assist in providing that service; except that
69.32 the operating standards adopted under this section do not apply to any nursing home licensed
70.1 under section 144A.02, to any board and care facility licensed under section 144.50, or to
70.2 any day training and habilitation services, day care, or group home facility licensed under
70.3 sections 245A.01 to 245A.19 unless the facility or program provides transportation to
70.4 nonresidents on a regular basis and the facility receives reimbursement, other than per diem
70.5 payments, for that service under rules promulgated by the commissioner of human services.

70.6 (c) Notwithstanding paragraph (b), the operating standards adopted under this section
70.7 do not apply to any vendor of services licensed under chapter 245D that provides
70.8 transportation services to consumers or residents of other vendors licensed under chapter
70.9 245D and transports 15 or fewer persons, including consumers or residents and the driver.

70.10 Sec. 26. Minnesota Statutes 2020, section 174.30, subdivision 10, is amended to read:

70.11 Subd. 10. **Background studies.** (a) Providers of special transportation service regulated
70.12 under this section must initiate background studies in accordance with chapter 245C on the
70.13 following individuals:

70.14 (1) each person with a direct or indirect ownership interest of five percent or higher in
70.15 the transportation service provider;

70.16 (2) each controlling individual as defined under section 245A.02;

70.17 (3) managerial officials as defined in section 245A.02;

70.18 (4) each driver employed by the transportation service provider;

70.19 (5) each individual employed by the transportation service provider to assist a passenger
70.20 during transport; and

70.21 (6) all employees of the transportation service agency who provide administrative support,
70.22 including those who:

70.23 (i) may have face-to-face contact with or access to passengers, their personal property,
70.24 or their private data;

70.25 (ii) perform any scheduling or dispatching tasks; or

70.26 (iii) perform any billing activities.

70.27 (b) The transportation service provider must initiate the background studies required
70.28 under paragraph (a) using the online NETStudy system operated by the commissioner of
70.29 human services.

- 71.1 (c) The transportation service provider shall not permit any individual to provide any
71.2 service or function listed in paragraph (a) until the transportation service provider has
71.3 received notification from the commissioner of human services indicating that the individual:
- 71.4 (1) is not disqualified under chapter 245C; or
- 71.5 (2) is disqualified, but has received a set-aside of that disqualification according to
71.6 sections 245C.22 and 245C.23 related to that transportation service provider.
- 71.7 (d) When a local or contracted agency is authorizing a ride under section 256B.0625,
71.8 subdivision 17, by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph
71.9 (h), and the agency authorizing the ride has reason to believe the volunteer driver has a
71.10 history that would disqualify the individual or that may pose a risk to the health or safety
71.11 of passengers, the agency may initiate a background study to be completed according to
71.12 chapter 245C using the commissioner of human services' online NETStudy system, or
71.13 through contacting the Department of Human Services background study division for
71.14 assistance. The agency that initiates the background study under this paragraph shall be
71.15 responsible for providing the volunteer driver with the privacy notice required under section
71.16 245C.05, subdivision 2c, and payment for the background study required under section
71.17 245C.10, subdivision 11, before the background study is completed.
- 71.18 Sec. 27. Minnesota Statutes 2020, section 221.031, subdivision 3b, is amended to read:
- 71.19 Subd. 3b. **Passenger transportation; exemptions.** (a) A person who transports
71.20 passengers for hire in intrastate commerce, who is not made subject to the rules adopted in
71.21 section 221.0314 by any other provision of this section, must comply with the rules for
71.22 hours of service of drivers while transporting employees of an employer who is directly or
71.23 indirectly paying the cost of the transportation.
- 71.24 (b) This subdivision does not apply to:
- 71.25 (1) a local transit commission;
- 71.26 (2) a transit authority created by law; or
- 71.27 (3) persons providing transportation:
- 71.28 (i) in a school bus as defined in section 169.011, subdivision 71;
- 71.29 (ii) in a Head Start bus as defined in section 169.011, subdivision 34;
- 71.30 (iii) in a commuter van;
- 71.31 (iv) in an authorized emergency vehicle as defined in section 169.011, subdivision 3;
- 72.1 (v) in special transportation service certified by the commissioner under section 174.30;
- 72.2 (vi) that is special transportation service as defined in section 174.29, subdivision 1,
72.3 when provided by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph
72.4 (h), operating a private passenger vehicle as defined in section 169.011, subdivision 52;

- 72.5 (vii) in a limousine the service of which is licensed by the commissioner under section
72.6 221.84; or
- 72.7 (viii) in a taxicab, if the fare for the transportation is determined by a meter inside the
72.8 taxicab that measures the distance traveled and displays the fare accumulated.
- 72.9 Sec. 28. Minnesota Statutes 2020, section 256B.0625, subdivision 17, is amended to read:
- 72.10 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"
72.11 means motor vehicle transportation provided by a public or private person that serves
72.12 Minnesota health care program beneficiaries who do not require emergency ambulance
72.13 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.
- 72.14 (b) Medical assistance covers medical transportation costs incurred solely for obtaining
72.15 emergency medical care or transportation costs incurred by eligible persons in obtaining
72.16 emergency or nonemergency medical care when paid directly to an ambulance company,
72.17 nonemergency medical transportation company, or other recognized providers of
72.18 transportation services. Medical transportation must be provided by:
- 72.19 (1) nonemergency medical transportation providers who meet the requirements of this
72.20 subdivision;
- 72.21 (2) ambulances, as defined in section 144E.001, subdivision 2;
- 72.22 (3) taxicabs that meet the requirements of this subdivision;
- 72.23 (4) public transit, as defined in section 174.22, subdivision 7; or
- 72.24 (5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472,
72.25 subdivision 1, paragraph (h).
- 72.26 (c) Medical assistance covers nonemergency medical transportation provided by
72.27 nonemergency medical transportation providers enrolled in the Minnesota health care
72.28 programs. All nonemergency medical transportation providers must comply with the
72.29 operating standards for special transportation service as defined in sections 174.29 to 174.30
72.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the
72.31 commissioner and reported on the claim as the individual who provided the service. All
72.32 nonemergency medical transportation providers shall bill for nonemergency medical
73.1 transportation services in accordance with Minnesota health care programs criteria. Publicly
73.2 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the
73.3 requirements outlined in this paragraph.
- 73.4 (d) An organization may be terminated, denied, or suspended from enrollment if:
- 73.5 (1) the provider has not initiated background studies on the individuals specified in
73.6 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or
- 73.7 (2) the provider has initiated background studies on the individuals specified in section
73.8 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

- 73.9 (i) the commissioner has sent the provider a notice that the individual has been
73.10 disqualified under section 245C.14; and
- 73.11 (ii) the individual has not received a disqualification set-aside specific to the special
73.12 transportation services provider under sections 245C.22 and 245C.23.
- 73.13 (e) The administrative agency of nonemergency medical transportation must:
- 73.14 (1) adhere to the policies defined by the commissioner in consultation with the
73.15 Nonemergency Medical Transportation Advisory Committee;
- 73.16 (2) pay nonemergency medical transportation providers for services provided to
73.17 Minnesota health care programs beneficiaries to obtain covered medical services;
- 73.18 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled
73.19 trips, and number of trips by mode; and
- 73.20 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single
73.21 administrative structure assessment tool that meets the technical requirements established
73.22 by the commissioner, reconciles trip information with claims being submitted by providers,
73.23 and ensures prompt payment for nonemergency medical transportation services.
- 73.24 (f) Until the commissioner implements the single administrative structure and delivery
73.25 system under subdivision 18e, clients shall obtain their level-of-service certificate from the
73.26 commissioner or an entity approved by the commissioner that does not dispatch rides for
73.27 clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).
- 73.28 (g) The commissioner may use an order by the recipient's attending physician, advanced
73.29 practice registered nurse, or a medical or mental health professional to certify that the
73.30 recipient requires nonemergency medical transportation services. Nonemergency medical
73.31 transportation providers shall perform driver-assisted services for eligible individuals, when
73.32 appropriate. Driver-assisted service includes passenger pickup at and return to the individual's
74.1 residence or place of business, assistance with admittance of the individual to the medical
74.2 facility, and assistance in passenger securement or in securing of wheelchairs, child seats,
74.3 or stretchers in the vehicle.
- 74.4 Nonemergency medical transportation providers must take clients to the health care
74.5 provider using the most direct route, and must not exceed 30 miles for a trip to a primary
74.6 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
74.7 authorization from the local agency.
- 74.8 Nonemergency medical transportation providers may not bill for separate base rates for
74.9 the continuation of a trip beyond the original destination. Nonemergency medical
74.10 transportation providers must maintain trip logs, which include pickup and drop-off times,
74.11 signed by the medical provider or client, whichever is deemed most appropriate, attesting
74.12 to mileage traveled to obtain covered medical services. Clients requesting client mileage
74.13 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical
74.14 services.

74.15 (h) The administrative agency shall use the level of service process established by the
74.16 commissioner in consultation with the Nonemergency Medical Transportation Advisory
74.17 Committee to determine the client's most appropriate mode of transportation. If public transit
74.18 or a certified transportation provider is not available to provide the appropriate service mode
74.19 for the client, the client may receive a onetime service upgrade.

74.20 (i) The covered modes of transportation are:

74.21 (1) client reimbursement, which includes client mileage reimbursement provided to
74.22 clients who have their own transportation, or to family or an acquaintance who provides
74.23 transportation to the client;

74.24 (2) volunteer transport, which includes transportation by volunteers using their own
74.25 vehicle;

74.26 (3) unassisted transport, which includes transportation provided to a client by a taxicab
74.27 or public transit. If a taxicab or public transit is not available, the client can receive
74.28 transportation from another nonemergency medical transportation provider;

74.29 (4) assisted transport, which includes transport provided to clients who require assistance
74.30 by a nonemergency medical transportation provider;

74.31 (5) lift-equipped/ramp transport, which includes transport provided to a client who is
74.32 dependent on a device and requires a nonemergency medical transportation provider with
74.33 a vehicle containing a lift or ramp;

75.1 (6) protected transport, which includes transport provided to a client who has received
75.2 a prescreening that has deemed other forms of transportation inappropriate and who requires
75.3 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety
75.4 locks, a video recorder, and a transparent thermoplastic partition between the passenger and
75.5 the vehicle driver; and (ii) who is certified as a protected transport provider; and

75.6 (7) stretcher transport, which includes transport for a client in a prone or supine position
75.7 and requires a nonemergency medical transportation provider with a vehicle that can transport
75.8 a client in a prone or supine position.

75.9 (j) The local agency shall be the single administrative agency and shall administer and
75.10 reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the
75.11 commissioner has developed, made available, and funded the web-based single administrative
75.12 structure, assessment tool, and level of need assessment under subdivision 18e. The local
75.13 agency's financial obligation is limited to funds provided by the state or federal government.

75.14 (k) The commissioner shall:

75.15 (1) in consultation with the Nonemergency Medical Transportation Advisory Committee,
75.16 verify that the mode and use of nonemergency medical transportation is appropriate;

75.17 (2) verify that the client is going to an approved medical appointment; and

75.18 (3) investigate all complaints and appeals.

75.19 (l) The administrative agency shall pay for the services provided in this subdivision and
75.20 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,
75.21 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary
75.22 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

75.23 (m) Payments for nonemergency medical transportation must be paid based on the client's
75.24 assessed mode under paragraph (h), not the type of vehicle used to provide the service. The
75.25 medical assistance reimbursement rates for nonemergency medical transportation services
75.26 that are payable by or on behalf of the commissioner for nonemergency medical
75.27 transportation services are:

75.28 (1) \$0.22 per mile for client reimbursement;

75.29 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer
75.30 transport;

76.1 (3) equivalent to the standard fare for unassisted transport when provided by public
76.2 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency
76.3 medical transportation provider;

76.4 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

76.5 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

76.6 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

76.7 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for
76.8 an additional attendant if deemed medically necessary.

76.9 (n) The base rate for nonemergency medical transportation services in areas defined
76.10 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in
76.11 paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation
76.12 services in areas defined under RUCA to be rural or super rural areas is:

76.13 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
76.14 rate in paragraph (m), clauses (1) to (7); and

76.15 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage
76.16 rate in paragraph (m), clauses (1) to (7).

76.17 (o) For purposes of reimbursement rates for nonemergency medical transportation
76.18 services under paragraphs (m) and (n), the zip code of the recipient's place of residence
76.19 shall determine whether the urban, rural, or super rural reimbursement rate applies.

76.20 (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means
76.21 a census-tract based classification system under which a geographical area is determined
76.22 to be urban, rural, or super rural.

76.23 (q) The commissioner, when determining reimbursement rates for nonemergency medical
76.24 transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed
76.25 under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

76.26 Sec. 29. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision
76.27 to read:

76.28 Subd. 2b. **Purchase of catalytic converters.** (a) Any person who purchases or receives
76.29 a catalytic converter must comply with this section.

76.30 (b) Every scrap metal dealer, including an agent, employee, or representative of the
76.31 dealer, must create a permanent record, written in English and using an electronic record
77.1 program, at the time of each catalytic converter purchase or acquisition. The record must
77.2 include:

77.3 (1) the vehicle identification number of the vehicle from which the catalytic converter
77.4 was removed; and

77.5 (2) the name of the person who removed the catalytic converter.

77.6 (c) A scrap metal dealer must make the information under paragraph (b) available for
77.7 examination by a law enforcement agency or a person who has reported theft of a catalytic
77.8 converter.

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

77.10 Sec. 30. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision
77.11 to read:

77.12 Subd. 2c. **Catalytic converter theft prevention pilot project.** (a) The catalytic converter
77.13 theft prevention pilot project is created to deter the theft of catalytic converters by marking
77.14 catalytic converters with vehicle identification numbers or other unique identifiers.

77.15 (b) The commissioner must establish a procedure to mark the catalytic converters of
77.16 vehicles most likely to be targeted for theft with unique identification numbers using labels,
77.17 engraving, theft deterrence paint, or other methods that permanently mark the catalytic
77.18 converter without damaging the catalytic converter's function.

77.19 (c) The commissioner must work with law enforcement agencies, insurance companies,
77.20 and scrap metal dealers to (1) identify vehicles that are most frequently targeted for catalytic
77.21 converter theft, and (2) establish the most effective methods for marking catalytic converters.

77.22 (d) Materials purchased under this program may be distributed to dealers, as defined in
77.23 section 168.002, subdivision 6, automobile repair shops and service centers, law enforcement
77.24 agencies, and community organizations to arrange the catalytic converters of vehicles most
77.25 likely to be targeted for theft to be marked at no cost to the vehicle owners.

- 77.26 (e) The commissioner may prioritize distribution of materials to areas experiencing the
77.27 highest rates of catalytic converter theft.
- 77.28 (f) The commissioner must make educational information resulting from the pilot program
77.29 available to law enforcement agencies and scrap metal dealers, and is encouraged to publicize
77.30 the program to the general public.
- 77.31 (g) The commissioner must include a report on the pilot project in the report required
77.32 under section 65B.84, subdivision 2. The report must describe the progress, results, and any
78.1 findings of the pilot project including the total number of catalytic converters marked under
78.2 the program, and, to the extent known, whether any catalytic converters marked under the
78.3 pilot project were stolen and the outcome of any criminal investigation into the thefts.
- 78.4 **Sec. 31. [325E.80] ABNORMAL MARKET DISRUPTIONS; UNCONSCIONABLY**
78.5 **EXCESSIVE PRICES.**
- 78.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision
78.7 have the meanings given.
- 78.8 (b) "Abnormal market disruption" means a change in the market resulting from a natural
78.9 or man-made disaster, a national or local emergency, a public health emergency, or an event
78.10 resulting in a declaration of a state of emergency by the governor; and occurs when
78.11 specifically declared by the governor. The governor's declaration of an abnormal market
78.12 disruption must note the geographic area to which this section applies. An abnormal market
78.13 disruption terminates no later than 30 days after the end of the state of emergency for which
78.14 the abnormal market disruption was activated.
- 78.15 (c) "Essential consumer good or service" means a good or service vital and necessary
78.16 for the health, safety, and welfare of the public, including without limitation: food; water;
78.17 fuel; gasoline; shelter; transportation; health care services; pharmaceuticals; and medical,
78.18 personal hygiene, sanitation, and cleaning supplies.
- 78.19 (d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of
78.20 goods or services.
- 78.21 (e) "Unconscionably excessive" means there is a gross disparity between the seller's
78.22 price of a good or service offered for sale or sold in the usual course of business during the
78.23 30 days immediately prior to the governor's declaration of an abnormal market disruption
78.24 and the seller's price of the same or similar good or service after the governor's declaration
78.25 of an abnormal market disruption, and the gross disparity is not substantially related to an
78.26 increase in the cost of obtaining or selling the good or of providing the service. A gross
78.27 disparity between the price of a good or service does not occur when the amount charged
78.28 after the abnormal market disruption increased the price 30 percent or less.

78.29 Subd. 2. **Prohibition.** If the governor declares an abnormal market disruption a person
78.30 is prohibited from selling or offering to sell an essential consumer good or service for an
78.31 amount that represents an unconscionably excessive price.

79.1 Subd. 3. **Civil penalty.** A person who is found to have violated this section is subject
79.2 to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum penalty
79.3 of \$10,000 per day.

79.4 Subd. 4. **Enforcement authority.** The attorney general may investigate an alleged
79.5 violation of this section. The authority of the attorney general under this section includes
79.6 but is not limited to the authority provided under section 8.31.

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

79.8 Sec. 32. Minnesota Statutes 2020, section 325F.171, is amended by adding a subdivision
79.9 to read:

79.10 Subd. 5. **Enforcement.** This section may be enforced as provided under sections 325F.10
79.11 to 325F.12, 325F.14 to 325F.16, and 45.027, subdivisions 1 to 6. The commissioner may
79.12 coordinate with the commissioner of the Pollution Control Agency and the commissioner
79.13 of health to enforce this section.

79.14 Sec. 33. Minnesota Statutes 2020, section 325F.172, is amended by adding a subdivision
79.15 to read:

79.16 Subd. 4. **Enforcement.** Sections 325F.173 to 325F.175 may be enforced as provided
79.17 under sections 325F.10 to 325F.12, 325F.14 to 325F.16, and 45.027, subdivisions 1 to 6.
79.18 The commissioner may coordinate with the commissioner of the Pollution Control Agency
79.19 and the commissioner of health to enforce this section.

79.20 Sec. 34. **[325F.179] ENFORCEMENT.**

79.21 Sections 325F.177 and 325F.178 may be enforced as provided under sections 325F.10
79.22 to 325F.12, 325F.14 to 325F.16, and 45.027, subdivisions 1 to 6. The commissioner may
79.23 coordinate with the commissioner of the Pollution Control Agency and the commissioner
79.24 of health to enforce this section.

79.25 Sec. 35. Minnesota Statutes 2020, section 514.972, subdivision 4, is amended to read:

79.26 Subd. 4. **Denial of access.** Upon default, the owner shall mail notice of default as provided
79.27 under section 514.974. The owner may deny the occupant access to the personal property
79.28 contained in the self-service storage facility after default, service of the notice of default,
79.29 expiration of the date stated for denial of access, and application of any security deposit to
79.30 unpaid rent. ~~The notice of default must state the date that the occupant will be denied access~~
79.31 ~~to the occupant's personal property in the self-service storage facility and that access will~~
80.1 ~~be denied until the owner's claim has been satisfied. The notice of default must state that~~
80.2 ~~any dispute regarding denial of access can be raised by the occupant beginning legal action~~

80.3 ~~in court. Notice of default must further state the rights of the occupant contained in~~
80.4 ~~subdivision 5.~~

80.5 Sec. 36. Minnesota Statutes 2020, section 514.972, subdivision 5, is amended to read:

80.6 Subd. 5. ~~Access to certain items. The occupant may remove from the self-service storage~~
80.7 ~~facility personal papers, health aids, personal clothing of the occupant and the occupant's~~
80.8 ~~dependents, and personal property that is necessary for the livelihood of the occupant, that~~
80.9 ~~has a market value of less than \$50 per item, if demand is made to any of the persons listed~~
80.10 ~~in section 514.976, subdivision 1. The occupant shall present a list of the items, and may~~
80.11 ~~remove them during the facility's ordinary business hours prior to the sale authorized by~~
80.12 ~~section 514.973. If the owner unjustifiably denies the occupant access for the purpose of~~
80.13 ~~removing the items specified in this subdivision, the occupant is entitled to an order allowing~~
80.14 ~~access to the storage unit for removal of the specified items. The self-service storage facility~~
80.15 ~~is liable to the occupant for the costs, disbursements and attorney fees expended by the~~
80.16 ~~occupant to obtain this order. (a) Any occupant may remove from the self-storage facility~~
80.17 ~~personal papers and health aids upon demand made to any of the persons listed in section~~
80.18 ~~514.976, subdivision 1.~~

80.19 (b) An occupant who provides documentation from a government or nonprofit agency
80.20 or legal aid office that the occupant is a recipient of relief based on need, is eligible for legal
80.21 aid services, or is a survivor of domestic violence or sexual assault may remove, in addition
80.22 to the items provided in paragraph (a), personal clothing of the occupant and the occupant's
80.23 dependents and tools of the trade that are necessary for the livelihood of the occupant that
80.24 has a market value not to exceed \$125 per item.

80.25 (c) The occupant shall present a list of the items and may remove the items during the
80.26 facility's ordinary business hours prior to the sale authorized by section 514.973. If the
80.27 owner unjustifiably denies the occupant access for the purpose of removing the items
80.28 specified in this subdivision, the occupant is entitled to request relief from the court for an
80.29 order allowing access to the storage space for removal of the specified items. The self-service
80.30 storage facility is liable to the occupant for the costs, disbursements, and attorney fees
80.31 expended by the occupant to obtain this order.

80.32 (d) For the purposes of this subdivision, "relief based on need" includes but is not limited
80.33 to receipt of a benefit from the Minnesota family investment program and diversionary
80.34 work program, medical assistance, general assistance, emergency general assistance,
81.1 Minnesota supplemental aid, Minnesota supplemental aid housing assistance, MinnesotaCare,
81.2 Supplemental Security Income, energy assistance, emergency assistance, Supplemental
81.3 Nutrition Assistance Program benefits, earned income tax credit, or Minnesota working
81.4 family tax credit. Relief based on need can also be proven by providing documentation from
81.5 a legal aid organization that the individual is receiving legal aid assistance, or by providing
81.6 documentation from a government agency, nonprofit, or housing assistance program that
81.7 the individual is receiving assistance due to domestic violence or sexual assault.

81.8 Sec. 37. Minnesota Statutes 2020, section 514.973, subdivision 3, is amended to read:

81.9 Subd. 3. **Contents of notice.** The notice must include:

81.10 (1) a statement of the amount owed for rent and other charges and demand for payment
81.11 within a specified time not less than 14 days after delivery of the notice;

81.12 (2) pursuant to section 514.972, subdivision 4, a notice of denial of access to the storage
81.13 space, if this denial is permitted under the terms of the rental agreement;

81.14 (3) the date that the occupant will be denied access to the occupant's personal property
81.15 in the self-service storage facility;

81.16 (4) a statement that access will be denied until the owner's claim has been satisfied;

81.17 (5) a statement that any dispute regarding denial of access can be raised by an occupant
81.18 beginning legal action in court;

81.19 ~~(6)~~ (6) the name, street address, and telephone number of the owner, or of the owner's
81.20 designated agent, whom the occupant may contact to respond to the notice;

81.21 ~~(7)~~ (7) a conspicuous statement that unless the claim is paid within the time stated in
81.22 the notice, the personal property will be advertised for sale. The notice must specify the
81.23 time and place of the sale; and

81.24 ~~(8)~~ (8) a conspicuous statement of the items that the occupant may remove without
81.25 charge pursuant to section 514.972, subdivision 5, if the occupant is denied general access
81.26 to the storage space.

81.27 Sec. 38. Minnesota Statutes 2020, section 514.973, subdivision 4, is amended to read:

81.28 Subd. 4. **Sale of property.** (a) A sale of personal property may take place no sooner
81.29 than 45 days after default or, if the personal property is a motor vehicle or watercraft, no
81.30 sooner than 60 days after default.

82.1 (b) After the expiration of the time given in the notice, the sale must be published once
82.2 a week for two weeks consecutively in a newspaper of general circulation where the sale
82.3 is to be held. The sale may take place no sooner than 15 days after the first publication. If
82.4 the lien is satisfied before the second publication occurs, the second publication is waived.
82.5 If there is no qualified newspaper under chapter 331A where the sale is to be held, the
82.6 advertisement may be posted on an independent, publicly accessible website that advertises
82.7 self-storage lien sales or public notices. The advertisement must include a general description
82.8 of the goods, the name of the person on whose account the goods are being held, and the
82.9 time and place of the sale.

82.10 (c) A sale of the personal property must conform to the terms of the notification.

82.11 (d) A sale of the personal property must be public and must be either:

82.12 (1) held via an online auction; or

- 82.13 (2) held at the storage facility, or at the nearest suitable place at which the personal
82.14 property is held or stored.
- 82.15 Owners shall require all bidders, including online bidders, to register and agree to the rules
82.16 of the sale.
- 82.17 (e) The sale must be conducted in a commercially reasonable manner. A sale is
82.18 commercially reasonable if the property is sold in conformity with the practices among
82.19 dealers in the property sold or sellers of similar distressed property sales.
- 82.20 Sec. 39. Minnesota Statutes 2020, section 514.974, is amended to read:
- 82.21 **514.974 ADDITIONAL NOTIFICATION REQUIREMENT.**
- 82.22 ~~Notification of the proposed sale of personal property must include a notice of denial~~
82.23 ~~of access to the personal property until the owner's claim has been satisfied.~~ Any notice the
82.24 owner is required to mail to the occupant under sections 514.970 to 514.979 shall be sent
82.25 to:
- 82.26 (1) the e-mail address, if consented to by the occupant, as provided in section 514.973,
82.27 subdivision 2;
- 82.28 (2) the mailing address and any alternate mailing address provided by the occupant in
82.29 the rental agreement; or
- 82.30 (3) the last known mailing address of the occupant, if the last known mailing address
82.31 differs from the mailing address listed by the occupant in the rental agreement and the owner
82.32 has reason to believe that the last known mailing address is more current.
- 83.1 Sec. 40. Minnesota Statutes 2020, section 514.977, is amended to read:
- 83.2 **514.977 ~~DEFAULT~~ ADDITIONAL REMEDIES.**
- 83.3 Subdivision 1. **Default; breach of rental agreement.** If an occupant defaults in the
83.4 payment of rent for the storage space or otherwise breaches the rental agreement, the owner
83.5 may commence an ~~eviction action under chapter 504B~~ to terminate the rental agreement,
83.6 recover possession of the storage space, remove the occupant, and dispose of the stored
83.7 personal property. The action shall be conducted in accordance with the Minnesota Rules
83.8 of Civil Procedure, except as provided in this section.
- 83.9 Subd. 2. **Service of summons.** The summons must be served at least seven days before
83.10 the date of the court appearance as provided in subdivision 3.
- 83.11 Subd. 3. **Appearance.** Except as provided in subdivision 4, in an action filed under this
83.12 section the appearance shall be not less than seven or more than 14 days from the day of
83.13 issuing the summons.
- 83.14 Subd. 4. **Expedited hearing.** If the owner files a motion and affidavit stating specific
83.15 facts and instances in support of an allegation that the occupant is causing a nuisance or

83.16 engaging in illegal or other behavior that seriously endangers the safety of others, others'
83.17 property, or the storage facility's property, the appearance shall be not less than three days
83.18 nor more than seven days from the date the summons is issued. The summons in an expedited
83.19 hearing shall be served upon the occupant within 24 hours of issuance unless the court
83.20 orders otherwise for good cause shown.

83.21 Subd. 5. **Answer; trial; continuance.** At the court appearance specified in the summons,
83.22 the defendant may answer the complaint, and the court shall hear and decide the action,
83.23 unless it grants a continuance of the trial, which may be for no longer than six days, unless
83.24 all parties consent to longer continuance.

83.25 Subd. 6. **Counterclaims.** The occupant is prohibited from bringing counterclaims in the
83.26 action that are unrelated to the possession of the storage space. Nothing in this section
83.27 prevents the occupant from bringing the claim in a separate action.

83.28 Subd. 7. **Judgment; writ.** Judgment in matters adjudicated under this section shall be
83.29 in accordance with section 504B.345, paragraph (a). Execution of a writ issued under this
83.30 section shall be in accordance with section 504B.365.

84.1 Sec. 41. **THIRD-PARTY FOOD DELIVERY FEES; LIMITATION.**

84.2 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
84.3 subdivision have the meanings given.

84.4 (b) "Delivery fee" means a fee charged by a third-party food delivery service to a food
84.5 and beverage establishment for a service that delivers food or beverages from the
84.6 establishment to customers. Delivery fee does not include (1) any other fee that may be
84.7 charged by a third-party food delivery service to a food and beverage establishment, including
84.8 but not limited to fees for marketing, listing, or advertising the food and beverage
84.9 establishment on the third-party food delivery service platform, or (2) fees related to
84.10 processing an online order.

84.11 (c) "Food and beverage establishment" or "establishment" means a retail business that
84.12 sells prepared food or beverages to the public.

84.13 (d) "Online order" means an order, including a telephone order, placed by a customer
84.14 through or with the assistance of a platform provided by a third-party food delivery service.

84.15 (e) "Purchase price" means the total price of the items contained in an online order that
84.16 are listed on the menu of the food and beverage establishment where the order is placed.
84.17 Purchase price does not include taxes, gratuities, or other fees that may make up the total
84.18 cost of a customer's online order.

84.19 (f) "Third-party food delivery service" means a platform offered through an
84.20 online-enabled application, software, website, or other Internet service that offers or arranges
84.21 for the sale of food and beverages prepared by, delivered by, or picked up from a food and
84.22 beverage establishment.

- 84.23 Subd. 2. **Limitation on food delivery fees.** (a) A third-party food delivery service is
84.24 prohibited from:
- 84.25 (1) charging a food and beverage establishment a delivery fee that totals more than ten
84.26 percent of an online order's purchase price;
- 84.27 (2) charging a food and beverage establishment any fee, other than the delivery fee
84.28 described in clause (1), to use the third-party delivery service that totals more than five
84.29 percent of an online order's purchase price;
- 84.30 (3) charging a customer a purchase price that is higher than the price set by the food and
84.31 beverage establishment or, if no price is set by the food and beverage establishment, the
84.32 price listed on the establishment's menu; or
- 85.1 (4) reducing the compensation rates paid to third-party food delivery service drivers as
85.2 a result of the limitations on fees instituted by this section.
- 85.3 (b) A food and beverage establishment may choose, but a third-party food delivery
85.4 service is prohibited from requiring, an exemption for marketing or advertising the food
85.5 and beverage establishment on the third-party food delivery service platform from the
85.6 limitations in paragraph (a).
- 85.7 Subd. 3. **Enforcement by attorney general.** (a) The attorney general must enforce this
85.8 section under Minnesota Statutes, section 8.31.
- 85.9 (b) In addition to the remedies otherwise provided by law, a person injured by a violation
85.10 of subdivision 2 may bring a civil action and recover damages, together with costs and
85.11 disbursements, including costs of investigation and reasonable attorney fees, and receive
85.12 other equitable relief as determined by the court.
- 85.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
85.14 expires 60 days after the peacetime emergency declared by the governor in an executive
85.15 order that relates to the infectious disease known as COVID-19 is terminated or rescinded.
- 85.16 **ARTICLE 5**
- 85.17 **COLLECTION AGENCIES AND DEBT BUYERS**
- 85.18 Section 1. Minnesota Statutes 2020, section 332.31, subdivision 3, is amended to read:
- 85.19 Subd. 3. **Collection agency.** "Collection agency" or "licensee" means ~~and includes any~~
85.20 (1) a person engaged in the business of collection for others any account, bill, or other
85.21 indebtedness, except as hereinafter provided; or (2) a debt buyer. It includes persons who
85.22 furnish collection systems carrying a name which simulates the name of a collection agency
85.23 and who supply forms or form letters to be used by the creditor, even though such forms
85.24 direct the debtor to make payments directly to the creditor rather than to such fictitious
85.25 agency.

85.26 Sec. 2. Minnesota Statutes 2020, section 332.31, subdivision 6, is amended to read:

85.27 Subd. 6. **Collector.** "Collector" is a person acting under the authority of a collection
85.28 agency under subdivision 3 or a debt buyer under subdivision 8, and on its behalf in the
85.29 business of collection for ~~others~~ an account, bill, or other indebtedness except as otherwise
85.30 provided in this chapter.

86.1 Sec. 3. Minnesota Statutes 2020, section 332.31, is amended by adding a subdivision to
86.2 read:

86.3 Subd. 8. **Debt buyer.** "Debt buyer" means a business engaged in the purchase of any
86.4 charged-off account, bill, or other indebtedness for collection purposes, whether the business
86.5 collects the account, bill, or other indebtedness, hires a third party for collection, or hires
86.6 an attorney for litigation related to the collection.

86.7 Sec. 4. Minnesota Statutes 2020, section 332.31, is amended by adding a subdivision to
86.8 read:

86.9 Subd. 9. **Affiliated company.** "Affiliated company" means a company that: (1) directly
86.10 or indirectly controls, is controlled by, or is under common control with another company
86.11 or companies; (2) has the same executive management team or owner that exerts control
86.12 over the business operations of the company; (3) maintains a uniform network of corporate
86.13 and compliance policies and procedures; and (4) does not engage in active collection of
86.14 debts.

86.15 Sec. 5. Minnesota Statutes 2020, section 332.311, is amended to read:

86.16 **332.311 TRANSFER OF ADMINISTRATIVE FUNCTIONS.**

86.17 The powers, duties, and responsibilities of the consumer services section under sections
86.18 332.31 to 332.44 relating to collection agencies and debt buyers are hereby transferred to
86.19 and imposed upon the commissioner of commerce.

86.20 Sec. 6. Minnesota Statutes 2020, section 332.32, is amended to read:

86.21 **332.32 EXCLUSIONS.**

86.22 (a) The term "collection agency" ~~shall~~ does not include persons whose collection activities
86.23 ~~are confined to and are directly related to the operation of a business other than that of a~~
86.24 ~~collection agency such as, but not limited to~~ banks when collecting accounts owed to the
86.25 banks and when the bank will sustain any loss arising from uncollectible accounts, abstract
86.26 companies doing an escrow business, real estate brokers, public officers, persons acting
86.27 under order of a court, lawyers, trust companies, insurance companies, credit unions, savings
86.28 associations, loan or finance companies unless they are engaged in asserting, enforcing or
86.29 prosecuting unsecured claims which have been purchased from any person, firm, or
86.30 association when there is recourse to the seller for all or part of the claim if the claim is not
86.31 collected.

87.1 (b) The term "collection agency" shall not include a trade association performing services
87.2 authorized by section 604.15, subdivision 4a, but the trade association in performing the
87.3 services may not engage in any conduct that would be prohibited for a collection agency
87.4 under section 332.37.

87.5 Sec. 7. Minnesota Statutes 2020, section 332.33, subdivision 1, is amended to read:

87.6 Subdivision 1. **Requirement.** Except as otherwise provided in this chapter, no person
87.7 shall conduct ~~within this state a collection agency or engage within this state in the business~~
87.8 ~~of collecting claims for others~~ business in Minnesota as a collection agency or debt buyer,
87.9 as defined in sections 332.31 to 332.44, without having first applied for and obtained a
87.10 collection agency license. A person acting under the authority of a collection agency, debt
87.11 buyer, or as a collector; must first register with the commissioner under this section. A
87.12 registered collector may use one additional assumed name only if the assumed name is
87.13 registered with and approved by the commissioner. A business that operates as a debt buyer
87.14 must submit a completed license application no later than January 1, 2022. A debt buyer
87.15 who has filed an application with the commissioner for a collection agency license prior to
87.16 January 1, 2022, and whose application remains pending with the commissioner thereafter,
87.17 may continue to operate without a license until the commissioner approves or denies the
87.18 application.

87.19 Sec. 8. Minnesota Statutes 2020, section 332.33, subdivision 2, is amended to read:

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

87.25 Sec. 9. Minnesota Statutes 2020, section 332.33, subdivision 5, is amended to read:

87.26 Subd. 5. ~~Collection agency~~ **License rejection.** On finding that an applicant for a
87.27 ~~collection agency~~ license is not qualified under sections 332.31 to 332.44, the commissioner
87.28 shall reject the application and shall give the applicant written notice of the rejection and
87.29 the reasons for the rejection.

88.1 Sec. 10. Minnesota Statutes 2020, section 332.33, subdivision 5a, is amended to read:

88.2 Subd. 5a. **Individual collector registration.** A ~~licensed collection agency licensee,~~ on
88.3 behalf of an individual collector, must register with the state all individuals in the ~~collection~~
88.4 ~~agency's licensee's~~ employ who are performing the duties of a collector as defined in sections
88.5 332.31 to 332.44. The ~~collection agency licensee~~ must apply for an individual collection
88.6 registration in a form prescribed by the commissioner. The ~~collection agency licensee~~ shall
88.7 verify on the form that the applicant has confirmed that the applicant meets the requirements
88.8 to perform the duties of a collector as defined in sections 332.31 to 332.44. Upon submission
88.9 of the application to the department, the individual may begin to perform the duties of a

88.10 collector and may continue to do so unless the ~~licensed collection agency licensee~~ is informed
88.11 by the commissioner that the individual is ineligible.

88.12 Sec. 11. Minnesota Statutes 2020, section 332.33, subdivision 7, is amended to read:

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

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

88.23 Sec. 12. Minnesota Statutes 2020, section 332.33, subdivision 8, is amended to read:

88.24 Subd. 8. **Screening process requirement.** (a) Each ~~licensed collection agency licensee~~
88.25 must establish procedures to follow when screening an individual collector applicant prior
88.26 to submitting an applicant to the commissioner for initial registration and at renewal.

88.27 (b) The screening process for initial registration must be done at the time of hiring. The
88.28 process must include a national criminal history record search, an attorney licensing search,
88.29 and a county criminal history search for all counties where the applicant has resided within
88.30 the five years immediately preceding the initial registration, to determine whether the
88.31 applicant is eligible to be registered under section 332.35. Each ~~licensed collection agency~~
88.32 licensee shall use a vendor that is a member of the National Association of Professional
89.1 Background Screeners, or an equivalent vendor, to conduct this background screening
89.2 process.

89.3 (c) Screening for renewal of individual collector registration must include a national
89.4 criminal history record search and a county criminal history search for all counties where
89.5 the individual has resided during the immediate preceding year. Screening for renewal of
89.6 individual collector registrations must take place no more than 60 days before the license
89.7 expiration or renewal date. A renewal screening is not required if an individual collector
89.8 has been subjected to an initial background screening within 12 months of the first registration
89.9 renewal date. A renewal screening is required for all subsequent annual registration renewals.

89.10 (d) The commissioner may review the procedures to ensure the integrity of the screening
89.11 process. Failure by a ~~licensed collection agency licensee~~ to establish these procedures is
89.12 subject to action under section 332.40.

89.13 Sec. 13. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to
89.14 read:

89.15 Subd. 9. **Affiliated companies.** The commissioner must permit affiliated companies to
89.16 operate under a single license and be subject to a single examination, provided that all of
89.17 the affiliated company names are listed on the license.

89.18 Sec. 14. Minnesota Statutes 2020, section 332.34, is amended to read:

89.19 **332.34 BOND.**

89.20 The commissioner of commerce shall require each ~~collection agency~~ licensee to file and
89.21 maintain in force a corporate surety bond, in a form to be prescribed by, and acceptable to,
89.22 the commissioner, and in a sum of at least \$50,000 plus an additional \$5,000 for each
89.23 \$100,000 received by the collection agency from debtors located in Minnesota during the
89.24 previous calendar year, less commissions earned by the collection agency on those collections
89.25 for the previous calendar year. The total amount of the bond shall not exceed \$100,000. A
89.26 ~~collection agency~~ licensee may deposit cash in and with a depository acceptable to the
89.27 commissioner in an amount and in the manner prescribed and approved by the commissioner
89.28 in lieu of a bond.

90.1 Sec. 15. Minnesota Statutes 2020, section 332.345, is amended to read:

90.2 **332.345 SEGREGATED ACCOUNTS.**

90.3 A payment collected by a collector or collection agency on behalf of a customer shall
90.4 be held by the collector or collection agency in a separate trust account clearly designated
90.5 for customer funds. The account must be in a bank or other depository institution authorized
90.6 or chartered under the laws of any state or of the United States. This section does not apply
90.7 to a debt buyer, except to the extent the debt buyer engages in third-party debt collection
90.8 for others.

90.9 Sec. 16. Minnesota Statutes 2020, section 332.355, is amended to read:

90.10 **332.355 AGENCY RESPONSIBILITY FOR COLLECTORS.**

90.11 The commissioner may take action against a ~~collection agency~~ licensee for any violations
90.12 of debt collection laws by its debt collectors. The commissioner may also take action against
90.13 the debt collectors themselves for these same violations.

90.14 Sec. 17. Minnesota Statutes 2020, section 332.37, is amended to read:

90.15 **332.37 PROHIBITED PRACTICES.**

90.16 (a) No collection agency, debt buyer, or collector shall:

90.17 (1) in collection letters or publications, or in any communication, oral or written threaten
90.18 wage garnishment or legal suit by a particular lawyer, unless it has actually retained the
90.19 lawyer;

- 90.20 (2) use or employ sheriffs or any other officer authorized to serve legal papers in
90.21 connection with the collection of a claim, except when performing their legally authorized
90.22 duties;
- 90.23 (3) use or threaten to use methods of collection which violate Minnesota law;
- 90.24 (4) furnish legal advice or otherwise engage in the practice of law or represent that it is
90.25 competent to do so;
- 90.26 (5) communicate with debtors in a misleading or deceptive manner by using the stationery
90.27 of a lawyer, forms or instruments which only lawyers are authorized to prepare, or
90.28 instruments which simulate the form and appearance of judicial process;
- 90.29 (6) exercise authority on behalf of a creditor client to employ the services of lawyers
90.30 unless the creditor client has specifically authorized the agency in writing to do so and the
91.1 agency's course of conduct is at all times consistent with a true relationship of attorney and
91.2 client between the lawyer and the creditor client;
- 91.3 (7) publish or cause to be published any list of debtors except for credit reporting
91.4 purposes, use shame cards or shame automobiles, advertise or threaten to advertise for sale
91.5 any claim as a means of forcing payment thereof, or use similar devices or methods of
91.6 intimidation;
- 91.7 (8) refuse to return any claim or claims and all valuable papers deposited with a claim
91.8 or claims upon written request of the creditor client, claimant or forwarder after tender of
91.9 the amounts due and owing to ~~the~~ a collection agency within 30 days after the request;
91.10 refuse or intentionally fail to account to its clients for all money collected within 30 days
91.11 from the last day of the month in which the same is collected; or, refuse or fail to furnish
91.12 at intervals of not less than 90 days upon written request of the claimant or forwarder, a
91.13 written report upon claims received from the claimant or forwarder;
- 91.14 (9) operate under a name or in a manner which implies that the collection agency or debt
91.15 buyer is a branch of or associated with any department of federal, state, county or local
91.16 government or an agency thereof;
- 91.17 (10) commingle money collected for a customer with the collection agency's operating
91.18 funds or use any part of a customer's money in the conduct of the collection agency's
91.19 business;
- 91.20 (11) transact business or hold itself out as a debt ~~prorater~~ settlement company, debt
91.21 management company, debt adjuster, or any person who settles, adjusts, prorates, pools,
91.22 liquidates or pays the indebtedness of a debtor, unless there is no charge to the debtor, or
91.23 the pooling or liquidation is done pursuant to court order or under the supervision of a
91.24 creditor's committee;
- 91.25 (12) violate any of the provisions of the Fair Debt Collection Practices Act of 1977,
91.26 Public Law 95-109, while attempting to collect on any account, bill or other indebtedness;

91.27 (13) communicate with a debtor by use of a recorded message utilizing an automatic
91.28 dialing announcing device ~~unless the recorded message is immediately preceded by a live~~
91.29 ~~operator who discloses prior to the message the name of the collection agency and the fact~~
91.30 ~~the message intends to solicit payment and the operator obtains the consent of the debtor~~
91.31 ~~to hearing the message after the debtor expressly informs the agency or collector to cease~~
91.32 communication utilizing an automatic dialing announcing device;

92.1 (14) in collection letters or publications, or in any communication, oral or written, imply
92.2 or suggest that health care services will be withheld in an emergency situation;

92.3 (15) when a debtor has a listed telephone number, enlist the aid of a neighbor or third
92.4 party to request that the debtor contact the licensee or collector, except a person who resides
92.5 with the debtor or a third party with whom the debtor has authorized the licensee or collector
92.6 to place the request. This clause does not apply to a call back message left at the debtor's
92.7 place of employment which is limited to the licensee's or collector's telephone number and
92.8 name;

92.9 (16) when attempting to collect a debt, fail to provide the debtor with the full name of
92.10 the collection agency or debt buyer as it appears on its license or as listed on any "doing
92.11 business as" or "d/b/a" registered with the Department of Commerce;

92.12 (17) collect any money from a debtor that is not reported to a ~~creditor or client~~;

92.13 (18) fail to return any amount of overpayment from a debtor to the debtor or to the state
92.14 of Minnesota pursuant to the requirements of chapter 345;

92.15 ~~(18)~~ (19) accept currency or coin as payment for a debt without issuing an original receipt
92.16 to the debtor and maintaining a duplicate receipt in the debtor's payment records;

92.17 ~~(19)~~ (20) attempt to collect any amount ~~of money, including any interest, fee, charge,~~
92.18 ~~or expense incidental to the charge-off obligation, from a debtor or unless the amount is~~
92.19 expressly authorized by the agreement creating the debt or is otherwise permitted by law;

92.20 (21) charge a fee to a ~~creditor client~~ that is not authorized by agreement with the client;

92.21 ~~(20)~~ (22) falsify any collection agency documents with the intent to deceive a debtor,
92.22 creditor, or governmental agency;

92.23 ~~(21)~~ (23) when initially contacting a Minnesota debtor by mail, fail to include a disclosure
92.24 on the contact notice, in a type size or font which is equal to or larger than the largest other
92.25 type of type size or font used in the text of the notice. The disclosure must state: "This
92.26 collection agency is licensed by the Minnesota Department of Commerce" or "This debt
92.27 buyer is licensed by the Minnesota Department of Commerce" as applicable; or

92.28 ~~(22)~~ (24) commence legal action to collect a debt outside the limitations period set forth
92.29 in section 541.053.

92.30 (b) Paragraph (a), clauses (6), (8), (10), (17), and (21), do not apply to debt buyers except
92.31 to the extent the debt buyer engages in third-party debt collection for others.

93.1 Sec. 18. Minnesota Statutes 2020, section 332.385, is amended to read:

93.2 **332.385 NOTIFICATION TO COMMISSIONER.**

93.3 The collection agency or debt buyer licensee shall notify the commissioner of any
93.4 employee termination within ten days of the termination if ~~it~~ the termination is based in
93.5 whole or in part ~~based~~ on a violation of this chapter.

93.6 Sec. 19. Minnesota Statutes 2020, section 332.40, subdivision 3, is amended to read:

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

93.16 (b) In the event that the collection agency, debt buyer, or collector refuses to obey the
93.17 subpoena, or should the commissioner, upon completion of the examination of the collection
93.18 agency, debt buyer, or collector, reasonably conclude that a violation has occurred, the
93.19 commissioner may examine additional witnesses, including third parties, as may be necessary
93.20 to complete the investigation.

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

93.23 Sec. 20. Minnesota Statutes 2020, section 332.42, subdivision 1, is amended to read:

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

93.29 Sec. 21. Minnesota Statutes 2020, section 332.42, subdivision 2, is amended to read:

93.30 Subd. 2. **Record keeping.** The commissioner shall require the collection agency or debt
93.31 buyer licensee to keep such books and records in the licensee's place of business in this
94.1 state as will enable the commissioner to determine whether there has been compliance with
94.2 the provisions of sections 332.31 to 332.44, unless the agency is a foreign corporation duly
94.3 authorized, admitted, and licensed to do business in this state and complies with all the
94.4 requirements of chapter 303 and with all other requirements of sections 332.31 to 332.44.

94.5 Every collection agency licensee shall preserve the records of final entry used in such
94.6 business for a period of five years after final remittance is made on any amount placed with
94.7 the licensee for collection or after any account has been returned to the claimant on which
94.8 one or more payments have been made. Every debt buyer licensee must preserve the records
94.9 of final entry used in the business for a period of five years after final collection of any
94.10 purchased account.

94.11 Sec. 22. **GARNISHMENT PROHIBITIONS ON COVID-19 GOVERNMENT**
94.12 **ASSISTANCE.**

94.13 (a) Federal, state, local, and tribal governmental payments issued to relieve the adverse
94.14 economic impact caused by the COVID-19 pandemic are exempt from all claims for
94.15 garnishments and levies of consumer debtors of debt primarily for personal, family, or
94.16 household purposes governed by Minnesota Statutes, chapters 550, 551, and 571.

94.17 (b) Paragraph (a) does not apply to domestic support orders and obligations, including
94.18 child support and spousal maintenance obligations, including but not limited to orders and
94.19 obligations under Minnesota Statutes, chapters 518 and 518A.

94.20 (c) This section expires on December 31, 2022.

94.21 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
94.22 final enactment and applies to government assistance provided on or after March 13, 2020.

ARTICLE 6

COMMERCE MISCELLANEOUS

94.24
94.25 Section 1. Minnesota Statutes 2020, section 45.305, subdivision 1, is amended to read:

94.26 Subdivision 1. ~~Appraiser and Insurance Internet prelicense courses.~~ The design and
94.27 delivery of ~~an appraiser prelicense education course or an insurance prelicense education~~
94.28 course must be approved by the International Distance Education Certification Center
94.29 (IDECC) before the course is submitted for the commissioner's approval.

95.1 Sec. 2. Minnesota Statutes 2020, section 45.305, is amended by adding a subdivision to
95.2 read:

95.3 Subd. 1a. **Appraiser Internet prelicense courses.** The requirements for the design and
95.4 delivery of an appraiser prelicense education course are the requirements established by the
95.5 Appraiser Qualifications Board of the Appraisal Foundation and published in the most
95.6 recent version of the Real Property Appraiser Qualification Criteria.

95.7 Sec. 3. Minnesota Statutes 2020, section 45.306, is amended by adding a subdivision to
95.8 read:

95.9 Subd. 1a. **Appraiser Internet continuing education courses.** The requirements for the
95.10 design and delivery of an appraiser continuing education course are the requirements

- 95.11 established by the Appraiser Qualifications Board of the Appraisal Foundation and published
95.12 in the most recent version of the Real Property Appraiser Qualification Criteria.
- 95.13 Sec. 4. Minnesota Statutes 2020, section 45.33, subdivision 1, is amended to read:
- 95.14 Subdivision 1. **Prohibitions.** In connection with an approved course, coordinators and
95.15 instructors must not:
- 95.16 (1) recommend or promote the services or practices of a particular business;
- 95.17 (2) encourage or recruit individuals to engage the services of, or become associated with,
95.18 a particular business;
- 95.19 (3) use materials, clothing, or other evidences of affiliation with a particular entity,
95.20 except as provided under subdivision 3;
- 95.21 (4) require students to participate in other programs or services offered by the instructor,
95.22 coordinator, or education provider;
- 95.23 (5) attempt, either directly or indirectly, to discover questions or answers on an
95.24 examination for a license;
- 95.25 (6) disseminate to any other person specific questions, problems, or information known
95.26 or believed to be included in licensing examinations;
- 95.27 (7) misrepresent any information submitted to the commissioner;
- 95.28 (8) fail to cover, or ensure coverage of, all points, issues, and concepts contained in the
95.29 course outline approved by the commissioner during the approved instruction; and
- 95.30 (9) issue inaccurate course completion certificates.
- 96.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 96.2 Sec. 5. Minnesota Statutes 2020, section 45.33, is amended by adding a subdivision to
96.3 read:
- 96.4 Subd. 3. **Exceptions.** In connection with an approved course, coordinators and instructors
96.5 may:
- 96.6 (1) display a company or course provider's logo or branding;
- 96.7 (2) establish a trade-show or conference booth outside the classroom where the
96.8 educational content is being delivered that is separate from a registration location used to
96.9 track or facilitate student attendance;
- 96.10 (3) display the logo or branding associated with a particular entity to thank the entity as
96.11 an organizational partner of the course provider during a scheduled and approved break in
96.12 the delivery of course content. The display must be separate from a registration location
96.13 used to track or facilitate student attendance; and

96.14 (4) display a third-party logo, promotion, advertisement, or affiliation with a particular
96.15 entity as part of a course program or advertising for an approved course. For purposes of
96.16 this subdivision, course program means digital or paper literature describing the schedule
96.17 of the events, presenters, duration, or background information of the approved course or
96.18 courses. A course program may be made available in the classroom or at a registration
96.19 location used to track or facilitate student attendance.

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

96.21 Sec. 6. Minnesota Statutes 2020, section 60A.71, subdivision 7, is amended to read:

96.22 Subd. 7. **Duration; fees.** (a) Each applicant for a reinsurance intermediary license shall
96.23 pay to the commissioner a fee of \$200 for an initial two-year license and a fee of \$150 for
96.24 each renewal. Applications shall be submitted on forms prescribed by the commissioner.

96.25 (b) Initial licenses issued under this chapter are valid for a period not to exceed 24 months
96.26 and expire on October 31 of the renewal year assigned by the commissioner. Each renewal
96.27 reinsurance intermediary license is valid for a period of 24 months. ~~Licenses who submit~~
96.28 ~~renewal applications postmarked or delivered on or before October 15 of the renewal year~~
96.29 ~~may continue to transact business whether or not the renewal license has been received by~~
96.30 ~~November 1. Licenses who submit applications postmarked or delivered after October 15~~
96.31 ~~of the renewal year must not transact business after the expiration date of the license until~~
96.32 ~~the renewal license has been received.~~

97.1 (c) All fees are nonreturnable, except that an overpayment of any fee may be refunded
97.2 upon proper application.

97.3 Sec. 7. Minnesota Statutes 2020, section 79.55, subdivision 10, is amended to read:

97.4 Subd. 10. **Duties of commissioner; report.** ~~The commissioner shall issue a report by~~
97.5 ~~March 1 of each year, comparing the average rates charged by workers' compensation~~
97.6 ~~insurers in the state to the pure premium base rates filed by the association, as reviewed by~~
97.7 ~~the Rate Oversight Commission. The Rate Oversight Commission shall review the~~
97.8 ~~commissioner's report and if the experience indicates that rates have not reasonably reflected~~
97.9 ~~changes in pure premiums, the rate oversight commission shall recommend to the legislature~~
97.10 ~~appropriate legislative changes to this chapter.~~

97.11 (a) By March 1 of each year, the commissioner must issue a report that evaluates the
97.12 competitiveness of the workers' compensation market in Minnesota in order to evaluate
97.13 whether the competitive rating law is working.

97.14 (b) The report under this subdivision must: (1) compare the average rates charged by
97.15 workers' compensation insurers in Minnesota with the pure premium base rates filed by the
97.16 association; and (2) provide market information, including but not limited to the number of
97.17 carriers, market shares, the loss-cost multipliers used by companies, and the residual market
97.18 and self-insurance.

97.19 (c) The commissioner must provide the report to the Rate Oversight Commission for
97.20 review. If after reviewing the report the Rate Oversight Commission concludes that concerns
97.21 exist regarding the competitiveness of the workers' compensation market in Minnesota, the
97.22 Rate Oversight Commission must recommend to the legislature appropriate modifications
97.23 to this chapter.

97.24 Sec. 8. Minnesota Statutes 2020, section 80G.06, subdivision 1, is amended to read:

97.25 Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current,
97.26 valid surety bond issued by a surety company admitted to do business in Minnesota in an
97.27 amount based on the transactions conducted with Minnesota consumers (purchases from
97.28 and sales to consumers at retail) during the 12-month period prior to registration, or renewal,
97.29 whichever is applicable.

97.30 (b) The amount of the surety bond shall be as specified in the table below:

97.31 Transaction Amount in Preceding	Surety Bond Required
97.32 12-month Period	
97.33 \$25,000 \$0 to \$200,000	\$25,000
98.1 \$200,000.01 to \$500,000	\$50,000
98.2 \$500,000.01 to \$1,000,000	\$100,000
98.3 \$1,000,000.01 to \$2,000,000	\$150,000
98.4 Over \$2,000,000	\$200,000

98.5 Sec. 9. **[80G.11] NOTIFICATION TO COMMISSIONER.**

98.6 A dealer must notify the commissioner of any dealer representative termination within
98.7 ten days of the termination if the termination is based in whole or in part on a violation of
98.8 this chapter.

98.9 Sec. 10. Minnesota Statutes 2020, section 82.57, subdivision 1, is amended to read:

98.10 Subdivision 1. **Amounts.** The following fees shall be paid to the commissioner:

98.11 (a) a fee of \$150 for each initial individual broker's license, and a fee of \$100 for each
98.12 renewal thereof;

98.13 (b) a fee of \$70 for each initial salesperson's license, and a fee of \$40 for each renewal
98.14 thereof;

98.15 (c) a fee of \$85 for each initial real estate closing agent license, and a fee of \$60 for each
98.16 renewal thereof;

- 98.17 (d) a fee of \$150 for each initial corporate, limited liability company, or partnership
98.18 license, and a fee of \$100 for each renewal thereof;
- 98.19 (e) a fee for payment to the education, research and recovery fund in accordance with
98.20 section 82.86;
- 98.21 (f) a fee of \$20 for each transfer;
- 98.22 ~~(g) a fee of \$50 for license reinstatement;~~
- 98.23 ~~(h)~~ (g) a fee of \$20 for reactivating a corporate, limited liability company, or partnership
98.24 license; and
- 98.25 ~~(i)~~ (h) in addition to the fees required under this subdivision, individual licensees under
98.26 clauses (a) and (b) shall pay, for each initial license and renewal, a technology surcharge
98.27 of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge as
98.28 permitted under that section.
- 99.1 Sec. 11. Minnesota Statutes 2020, section 82.57, subdivision 5, is amended to read:
- 99.2 Subd. 5. **Initial license expiration; fee reduction.** ~~If an initial license issued under~~
99.3 ~~subdivision 1, paragraph (a), (b), (c), or (d) expires less than 12 months after issuance, the~~
99.4 ~~license fee shall be reduced by an amount equal to one-half the fee for a renewal of the~~
99.5 ~~license. An initial license issued under this chapter expires in the year that results in the~~
99.6 ~~term of the license being at least 12 months, but no more than 24 months.~~
- 99.7 Sec. 12. Minnesota Statutes 2020, section 82.62, subdivision 3, is amended to read:
- 99.8 Subd. 3. **Timely renewals.** A person ~~whose application for a license renewal has not~~
99.9 ~~been timely submitted and~~ who has not received notice of approval of renewal may not
99.10 continue to transact business either as a real estate broker, salesperson, or closing agent
99.11 after June 30 of the renewal year until approval of renewal is received. Application for
99.12 renewal of a license is timely submitted if: all requirements for renewal, including continuing
99.13 education requirements, have been completed and reported pursuant to section 45.43,
99.14 subdivision 1.
- 99.15 ~~(1) all requirements for renewal, including continuing education requirements, have~~
99.16 ~~been completed by June 15 of the renewal year; and~~
- 99.17 ~~(2) the application is submitted before the renewal deadline in the manner prescribed~~
99.18 ~~by the commissioner, duly executed and sworn to, accompanied by fees prescribed by this~~
99.19 ~~chapter, and containing any information the commissioner requires.~~
- 99.20 Sec. 13. Minnesota Statutes 2020, section 82.81, subdivision 12, is amended to read:
- 99.21 Subd. 12. **Fraudulent, deceptive, and dishonest practices.** (a) **Prohibitions.** For the
99.22 purposes of section 82.82, subdivision 1, clause (b), the following acts and practices constitute
99.23 fraudulent, deceptive, or dishonest practices:

- 99.24 (1) act on behalf of more than one party to a transaction without the knowledge and
99.25 consent of all parties;
- 99.26 (2) act in the dual capacity of licensee and undisclosed principal in any transaction;
- 99.27 (3) receive funds while acting as principal which funds would constitute trust funds if
99.28 received by a licensee acting as an agent, unless the funds are placed in a trust account.
99.29 Funds need not be placed in a trust account if a written agreement signed by all parties to
99.30 the transaction specifies a different disposition of the funds, in accordance with section
99.31 82.82, subdivision 1;
- 100.1 (4) violate any state or federal law concerning discrimination intended to protect the
100.2 rights of purchasers or renters of real estate;
- 100.3 (5) make a material misstatement in an application for a license or in any information
100.4 furnished to the commissioner;
- 100.5 (6) procure or attempt to procure a real estate license for ~~himself or herself~~ the procuring
100.6 individual or any person by fraud, misrepresentation, or deceit;
- 100.7 (7) represent membership in any real estate-related organization in which the licensee
100.8 is not a member;
- 100.9 (8) advertise in any manner that is misleading or inaccurate with respect to properties,
100.10 terms, values, policies, or services conducted by the licensee;
- 100.11 (9) make any material misrepresentation or permit or allow another to make any material
100.12 misrepresentation;
- 100.13 (10) make any false or misleading statements, or permit or allow another to make any
100.14 false or misleading statements, of a character likely to influence, persuade, or induce the
100.15 consummation of a transaction contemplated by this chapter;
- 100.16 (11) fail within a reasonable time to account for or remit any money coming into the
100.17 licensee's possession which belongs to another;
- 100.18 (12) commingle with ~~his or her~~ the individual's own money or property trust funds or
100.19 any other money or property of another held by the licensee;
- 100.20 (13) a demand from a seller for a commission ~~to~~ or compensation ~~to~~ which the licensee
100.21 is not entitled, knowing that ~~he or she~~ the individual is not entitled to the commission or
100.22 compensation;
- 100.23 (14) pay or give money or goods of value to an unlicensed person for any assistance or
100.24 information relating to the procurement by a licensee of a listing of a property or of a
100.25 prospective buyer of a property (this item does not apply to money or goods paid or given
100.26 to the parties to the transaction);
- 100.27 (15) fail to maintain a trust account at all times, as provided by law;

- 100.28 (16) engage, with respect to the offer, sale, or rental of real estate, in an anticompetitive
100.29 activity;
- 100.30 (17) represent on advertisements, cards, signs, circulars, letterheads, or in any other
100.31 manner, that ~~he or she~~ the individual is engaged in the business of financial planning unless
100.32 ~~he or she~~ the individual provides a disclosure document to the client. The document must
101.1 be signed by the client and a copy must be left with the client. The disclosure document
101.2 must contain the following:
- 101.3 (i) the basis of fees, commissions, or other compensation received by ~~him or her~~ an
101.4 individual in connection with rendering of financial planning services or financial counseling
101.5 or advice in the following language:
- 101.6 "My compensation may be based on the following:
- 101.7 (a) ... commissions generated from the products I sell you;
- 101.8 (b) ... fees; or
- 101.9 (c) ... a combination of (a) and (b). [Comments]";
- 101.10 (ii) the name and address of any company or firm that supplies the financial services or
101.11 products offered or sold by ~~him or her~~ an individual in the following language:
- 101.12 "I am authorized to offer or sell products and/or services issued by or through the
101.13 following firm(s):
- 101.14 [List]
- 101.15 The products will be traded, distributed, or placed through the clearing/trading firm(s)
101.16 of:
- 101.17 [List]";
- 101.18 (iii) the license(s) held by the person under this chapter or chapter 60A or 80A in the
101.19 following language:
- 101.20 "I am licensed in Minnesota as a(n):
- 101.21 (a) ... insurance agent;
- 101.22 (b) ... securities agent or broker/dealer;
- 101.23 (c) ... real estate broker or salesperson;
- 101.24 (d) ... investment adviser"; and
- 101.25 (iv) the specific identity of any financial products or services, by category, for example
101.26 mutual funds, stocks, or limited partnerships, the person is authorized to offer or sell in the
101.27 following language:

- 101.28 "The license(s) entitles me to offer and sell the following products and/or services:
- 101.29 (a) ... securities, specifically the following: [List];
- 102.1 (b) ... real property;
- 102.2 (c) ... insurance; and
- 102.3 (d) ... other: [List]."
- 102.4 (b) **Determining violation.** A licensee shall be deemed to have violated this section if
- 102.5 the licensee has been found to have violated sections 325D.49 to 325D.66, by a final decision
- 102.6 or order of a court of competent jurisdiction.
- 102.7 (c) **Commissioner's authority.** Nothing in this section limits the authority of the
- 102.8 commissioner to take actions against a licensee for fraudulent, deceptive, or dishonest
- 102.9 practices not specifically described in this section.
- 102.10 Sec. 14. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision
- 102.11 to read:
- 102.12 Subd. 14a. **Evaluation.** "Evaluation" means an estimate of the value of real property,
- 102.13 made in accordance with the Interagency Appraisal and Evaluation Guidelines provided to
- 102.14 an entity regulated by a federal financial institution's regulatory agency, for use in a real
- 102.15 estate-related financial transaction for which an appraisal is not required by federal law.
- 102.16 Sec. 15. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision
- 102.17 to read:
- 102.18 Subd. 16a. **Interagency Appraisal and Evaluation Guidelines.** "Interagency Appraisal
- 102.19 and Evaluation Guidelines" means the appraisal and evaluation guidelines provided by a
- 102.20 federal financial institution's regulatory agency, as provided by Federal Register, volume
- 102.21 75, page 77450 (2010), as amended.
- 102.22 Sec. 16. Minnesota Statutes 2020, section 82B.021, subdivision 18, is amended to read:
- 102.23 Subd. 18. **Licensed real property appraiser.** "Licensed real property appraiser" means
- 102.24 an individual licensed under this chapter to perform appraisals on noncomplex one-family
- 102.25 to four-family residential units or agricultural property having a transactional value of less
- 102.26 than \$1,000,000 and complex one-family to four-family residential units or agricultural
- 102.27 property having a transactional value of less than ~~\$250,000~~ \$400,000.
- 103.1 Sec. 17. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to
- 103.2 read:
- 103.3 Subd. 3. **Evaluation.** A licensed real estate appraiser may provide an evaluation. When
- 103.4 providing an evaluation, a licensed real estate appraiser is not engaged in real estate appraisal

- 103.5 activity and is not subject to this chapter. An evaluation by a licensed real estate appraiser
103.6 under this subdivision must contain a disclosure that the evaluation is not an appraisal.
- 103.7 Sec. 18. Minnesota Statutes 2020, section 82B.11, subdivision 3, is amended to read:
- 103.8 Subd. 3. **Licensed residential real property appraiser.** A licensed residential real
103.9 property appraiser may appraise noncomplex residential property or agricultural property
103.10 having a transaction value less than \$1,000,000 and complex residential or agricultural
103.11 property having a transaction value less than ~~\$250,000~~ \$400,000.
- 103.12 Sec. 19. Minnesota Statutes 2020, section 82B.195, is amended by adding a subdivision
103.13 to read:
- 103.14 Subd. 5. **Evaluation.** When providing an evaluation, a licensed real estate appraiser is
103.15 not required to comply with the Uniform Standards of Professional Appraisal Practice.
- 103.16 Sec. 20. **[82B.25] VALUATION BIAS.**
- 103.17 Subdivision 1. **Definition.** For the purposes of this section, "valuation bias" means to
103.18 explicitly, implicitly, or structurally select data and apply that data to an appraisal
103.19 methodology or technique in a biased manner that harms a protected class, as defined by
103.20 the Fair Housing Act of 1968, as amended.
- 103.21 Subd. 2. **Education.** Within two years of receiving a license under this chapter, and as
103.22 required by the Appraiser Qualifications Board, a real property appraiser shall provide to
103.23 the commissioner evidence of satisfactory completion of a continuing education course on
103.24 the valuation bias of real property.
- 103.25 **EFFECTIVE DATE.** This section is effective September 1, 2021. A real property
103.26 appraiser who has received their license prior to the effective date of this section must
103.27 complete the course required by this section by August 31, 2023.
- 104.1 Sec. 21. Minnesota Statutes 2020, section 115C.094, is amended to read:
- 104.2 **115C.094 ABANDONED UNDERGROUND STORAGE TANKS.**
- 104.3 (a) As used in this section, an abandoned underground petroleum storage tank means
104.4 an underground petroleum storage tank that was:
- 104.5 (1) taken out of service prior to December 22, 1988; ~~or~~
- 104.6 (2) taken out of service on or after December 22, 1988, if the current property owner
104.7 did not know of the existence of the underground petroleum storage tank and could not have
104.8 reasonably been expected to have known of the tank's existence at the time the owner first
104.9 acquired right, title, or interest in the tank; or
- 104.10 (3) taken out of service and is located on property that is being held by the state in trust
104.11 for local taxing districts under section 281.25.
- 104.12 (b) The board may contract for:

- 104.13 (1) a statewide assessment in order to determine the quantity, location, cost, and feasibility
104.14 of removing abandoned underground petroleum storage tanks;
- 104.15 (2) the removal of an abandoned underground petroleum storage tank; and
- 104.16 (3) the removal and disposal of petroleum-contaminated soil if the removal is required
104.17 by the commissioner at the time of tank removal.
- 104.18 (c) Before the board may contract for removal of an abandoned petroleum storage tank,
104.19 the tank owner must provide the board with written access to the property and release the
104.20 board from any potential liability for the work performed.
- 104.21 (d) If at the time of the forfeiture of property identified under paragraph (a), clause (3),
104.22 the property owner or the owner's heirs, devisees, or representatives, or any person to whom
104.23 the right to pay taxes was granted by statute, mortgage, or other agreement, repurchases the
104.24 property under section 282.241, the board's contracted costs for the underground storage
104.25 tank removal project must be included as a special assessment included in the repurchase
104.26 price, as provided under section 282.251, and must be returned to the board upon the sale
104.27 of the property.
- 104.28 ~~(c)~~ (e) Money in the fund is appropriated to the board for the purposes of this section.
- 104.29 Sec. 22. Minnesota Statutes 2020, section 308A.201, subdivision 12, is amended to read:
- 104.30 Subd. 12. **Electric cooperative powers.** (a) An electric cooperative has the power and
104.31 authority to:
- 105.1 (1) make loans to its members;
- 105.2 (2) prerefund debt;
- 105.3 (3) obtain funds through negotiated financing or public sale;
- 105.4 (4) borrow money and issue its bonds, debentures, notes, or other evidence of
105.5 indebtedness;
- 105.6 (5) mortgage, pledge, or otherwise hypothecate its assets as may be necessary;
- 105.7 (6) invest its resources;
- 105.8 (7) deposit money in state and national banks and trust companies authorized to receive
105.9 deposits; and
- 105.10 (8) exercise all other powers and authorities granted to cooperatives.
- 105.11 (b) A cooperative organized to provide rural electric power may enter agreements and
105.12 contracts with other electric power cooperatives or with a cooperative constituted of electric
105.13 power cooperatives to share losses and risk of losses to their transmission and distribution
105.14 lines, transformers, substations, and related appurtenances from storm, sleet, hail, tornado,
105.15 cyclone, hurricane, or windstorm. An agreement or contract or a cooperative formed to

105.16 share losses under this paragraph is not subject to the laws of this state relating to insurance
105.17 and insurance companies.

105.18 (c) An electric cooperative, an affiliate of the cooperative formed to provide broadband,
105.19 or another entity pursuant to an agreement with the cooperative or the cooperative's affiliate
105.20 may use the cooperative, affiliate, or entity's existing or subsequently acquired electric
105.21 transmission or distribution easements for broadband infrastructure and to provide broadband
105.22 service, which may include an agreement to lease fiber capacity. To exercise rights granted
105.23 under this paragraph, the cooperative must provide to the property owner on which the
105.24 easement is located two written notices, at least two months apart, that the cooperative
105.25 intends to use the easement for broadband purposes. The use of the easement for broadband
105.26 services vests and runs with the land beginning six months after the first notice is provided
105.27 under paragraph (d) unless a court action challenging the use of the easement for broadband
105.28 purposes has been filed before that time by the property owner as provided under paragraph
105.29 (e). The cooperative must also file evidence of the notices for recording with the county
105.30 recorder.

105.31 (d) The cooperative's notices under paragraph (c) must be sent by first class mail to the
105.32 last known address of the owner of the property on which the easement is located or by
105.33 printed insertion in the property owner's utility bill. The notice must include the following:

106.1 (1) the name and mailing address of the cooperative;

106.2 (2) a narrative describing the nature and purpose of the intended easement use;

106.3 (3) a description of any trenching or other underground work expected to result from
106.4 the intended use, including the anticipated time frame for the work;

106.5 (4) a phone number of a cooperative employee to contact regarding the easement; and

106.6 (5) the following statement, in bold red lettering: "It is important to make any challenge
106.7 by the deadline to preserve any legal rights you may have."

106.8 (e) A property owner, within six months after receiving notice under paragraph (d), may
106.9 commence an action seeking to recover damages for an electric cooperative's use of an
106.10 electric transmission or distribution easement for broadband service purposes. If the claim
106.11 for damages is under \$15,000, the claim may be brought in conciliation court.
106.12 Notwithstanding any other law to the contrary, the procedures and substantive matters set
106.13 forth in this subdivision govern an action under this paragraph and are the exclusive means
106.14 to bring a claim for compensation with respect to a notice of intent to use a cooperative
106.15 transmission or distribution easement for broadband purposes. To commence an action
106.16 under this paragraph, the property owner must serve a complaint upon the electric cooperative
106.17 as in a civil action and file the complaint with the district court for the county in which the
106.18 easement is located. The complaint must state whether the property owner (1) is challenging
106.19 the electric cooperative's right to use the easement for broadband services or infrastructure

- 106.20 as authorized under paragraph (c), (2) is seeking damages as provided under paragraph (f),
106.21 or (3) both.
- 106.22 (f) If the property owner is seeking damages, the electric cooperative may, at any time
106.23 after answering the complaint, (1) deposit with the court administrator an amount equal to
106.24 the cooperative's estimate of damages, up to \$5,000, and (2) after making the deposit, use
106.25 the electric transmission or service line easements for broadband purposes, conditioned on
106.26 an obligation to pay the amount of damages determined by the court. If the property owner
106.27 is challenging the electric cooperative's right to use the easement for broadband services or
106.28 infrastructure as authorized under paragraph (c), after the electric cooperative answers the
106.29 complaint the district court must promptly hold a hearing on the property owner's challenge.
106.30 If the district court denies the property owner's challenge, the electric cooperative may
106.31 proceed to make a deposit and make use of the easement for broadband service purposes,
106.32 as provided under clause (2).
- 106.33 (g) In an action involving a property owner's claim for damages, the landowner has the
106.34 burden to prove the existence and amount of any net reduction in the fair market value of
107.1 the property, considering the existence, installation, construction, maintenance, modification,
107.2 operation, repair, replacement, or removal of broadband infrastructure in the easement, as
107.3 well as any benefit to the property from access to broadband service. Consequential or
107.4 special damages must not be awarded. Evidence of revenue, profits, fees, income, or similar
107.5 benefits to the electric cooperative, the cooperative's affiliate, or a third party is inadmissible.
107.6 Any fees or costs incurred as a result of an action under this subdivision must be paid by
107.7 the party that incurred the fees or costs.
- 107.8 (h) Nothing in this section limits in any way an electric cooperative's existing easement
107.9 rights, including but not limited to rights an electric cooperative has or may acquire to
107.10 transmit communications for electric system operations or otherwise.
- 107.11 (i) Placement of broadband infrastructure for use in providing broadband service under
107.12 paragraphs (c) to (h) in any portion of an electric transmission or distribution easement
107.13 located in the public right-of-way is subject to local government permitting and right-of-way
107.14 management authority under section 237.163, and the placement must be coordinated with
107.15 the relevant local government unit to minimize potential future relocations. The cooperative
107.16 must notify a local government unit prior to placing infrastructure for broadband service in
107.17 an easement that is in or adjacent to the local government unit's public right-of-way.
- 107.18 (j) For purposes of this subdivision:
- 107.19 (1) "broadband infrastructure" has the meaning given in section 116J.394; and
- 107.20 (2) "broadband service" means broadband infrastructure and any services provided over
107.21 the infrastructure that offer advanced telecommunications capability and Internet access.
- 107.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

107.23 Sec. 23. [332.61] INFORMATIVE DISCLOSURE.

107.24 A lead generator must prominently make the following disclosure on all print, electronic,
107.25 and nonprint solicitations, including advertising on websites, radio, or television: "This
107.26 company does not actually provide any of the credit services you are seeking. We ONLY
107.27 refer you to companies that want to provide some or all of those services."

108.1 Sec. 24. Minnesota Statutes 2020, section 349.11, is amended to read:

108.2 **349.11 PURPOSE.**

108.3 The purpose of sections 349.11 to 349.22 is to regulate lawful gambling, to insure
108.4 integrity of operations, ~~and~~ to provide for the use of net profits only for lawful purposes,
108.5 and to authorize only those games or game features discussed in this chapter.

108.6 **EFFECTIVE DATE.** This section is effective September 6, 2022.

108.7 Sec. 25. Minnesota Statutes 2020, section 349.12, subdivision 12a, is amended to read:

108.8 Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means a handheld and
108.9 portable electronic device that:

108.10 (1) is used by a bingo player to:

108.11 (i) monitor bingo paper sheets or a facsimile of a bingo paper sheet purchased and played
108.12 at the time and place of an organization's bingo occasion, or to play an electronic bingo
108.13 game that is linked with other permitted premises;

108.14 (ii) activate numbers announced or displayed, and to compare the numbers to the bingo
108.15 faces previously stored in the memory of the device;

108.16 (iii) identify a winning bingo pattern or game requirement; and

108.17 (iv) play against other bingo players;

108.18 (2) limits the play of bingo faces to 36 faces per game;

108.19 (3) requires coded entry to activate play but does not allow the use of a coin, currency,
108.20 or tokens to be inserted to activate play;

108.21 (4) may only be used for play against other bingo players in a bingo game;

108.22 (5) may only display the results of the electronic bingo game in a manner typically
108.23 associated with bingo played in a paper format, may only display the grid of numbers and
108.24 letters typically associated with paper bingo, and may not display or simulate any other
108.25 form of gambling, entertainment, slot machines, electronic video lotteries, or video games
108.26 of chance;

108.27 (6) has no spinning reels or other representations that mimic a slot machine, including
108.28 but not limited to nonstraight win line graphics, nonstraight pay line graphics, open all
108.29 features, single button press reveals, hold and spin features, delayed reveals, cascading or

- 108.30 tumbling reveals, bonus games, bonus wheels, free play, free spins, or screens or game
109.1 features that are triggered after the initial symbols are revealed that display the results of
109.2 the game;
- 109.3 ~~(5)~~ (7) has no additional function as an amusement or gambling device other than as an
109.4 electronic pull-tab game defined under section 349.12, subdivision 12c;
- 109.5 ~~(6)~~ (8) has the capability to ensure adequate levels of security internal controls;
- 109.6 ~~(7)~~ (9) has the capability to permit the board to electronically monitor the operation of
109.7 the device and the internal accounting systems; and
- 109.8 ~~(8)~~ (10) has the capability to allow use by a player who is visually impaired.
- 109.9 **EFFECTIVE DATE.** This section is effective September 6, 2022.
- 109.10 Sec. 26. Minnesota Statutes 2020, section 349.12, subdivision 12b, is amended to read:
- 109.11 Subd. 12b. **Electronic pull-tab device.** "Electronic pull-tab device" means a handheld
109.12 and portable electronic device that:
- 109.13 (1) is used to play one or more electronic pull-tab games;
- 109.14 (2) requires coded entry to activate play but does not allow the use of coin, currency, or
109.15 tokens to be inserted to activate play;
- 109.16 (3) requires that a player must manually activate or open each electronic pull-tab ticket
109.17 and also manually activate or open each individual line, row, or column of each electronic
109.18 pull-tab ticket symbols on each electronic pull-tab ticket with a separate push of a button,
109.19 and must display the underlying symbols in a given line, row, or column immediately after
109.20 the player manually activates or opens the applicable line, row, or column of symbols;
- 109.21 (4) maintains information pertaining to accumulated win credits that may be applied to
109.22 games in play or redeemed upon termination of play;
- 109.23 (5) may only display the results of the electronic pull-tab game in a manner typically
109.24 associated with paper pull-tabs tickets, may only display symbols typically associated with
109.25 paper pull-tab tickets, may not include continuation play, bonus games, or additional screens
109.26 or game features that display the results of the game after the initial symbols are revealed,
109.27 and may not display or simulate any other form of gambling, entertainment, slot machines,
109.28 electronic video lotteries, or video games of chance;
- 109.29 ~~(5)~~ (6) has no spinning reels or other representations that mimic a video slot machine,
109.30 including but not limited to nonstraight win line graphics, nonstraight pay line graphics,
109.31 open all features, single button press reveals, hold and spin features, delayed reveals,
110.1 cascading or tumbling reveals, bonus games, bonus wheels, free play, free spins, progressive
110.2 prizes or jackpots, or screens or game features that are triggered after the initial symbols
110.3 are revealed that display the results of the game;

- 110.4 ~~(6)~~ (7) has no additional function as a gambling device other than as an electronic-linked
110.5 bingo game played on a device defined under section 349.12, subdivision 12a;
- 110.6 ~~(7)~~ (8) may incorporate an amusement game feature as part of the pull-tab game but
110.7 may not require additional consideration for that feature or award any prize, or other benefit
110.8 for that feature;
- 110.9 ~~(8)~~ (9) may have auditory or visual enhancements to promote or provide information
110.10 about the game being played, provided the component does not affect the outcome of a
110.11 game or display the results of a game;
- 110.12 ~~(9)~~ (10) maintains, on nonresettable meters, a printable, permanent record of all
110.13 transactions involving each device and electronic pull-tab games played on the device;
- 110.14 ~~(10)~~ (11) is not a pull-tab dispensing device as defined under subdivision 32a; and
110.15 ~~(11)~~ (12) has the capability to allow use by a player who is visually impaired.
- 110.16 **EFFECTIVE DATE.** This section is effective September 6, 2022.
- 110.17 Sec. 27. Minnesota Statutes 2020, section 349.12, subdivision 12c, is amended to read:
- 110.18 Subd. 12c. **Electronic pull-tab game.** "Electronic pull-tab game" means a pull-tab game
110.19 containing:
- 110.20 (1) facsimiles of pull-tab tickets that are played on an electronic pull-tab device, provided
110.21 that any game with multiple lines, rows, or columns of symbols requires a separate push of
110.22 a button to reveal the symbols underneath the applicable line, row, or column and results
110.23 are displayed pursuant to subdivision 12b;
- 110.24 (2) a predetermined, finite number of winning and losing tickets, not to exceed 7,500
110.25 tickets;
- 110.26 (3) the same price for each ticket in the game;
- 110.27 (4) a price paid by the player of not less than 25 cents per ticket;
- 110.28 (5) tickets that are in conformance with applicable board rules for pull-tabs;
- 110.29 (6) winning tickets that comply with prize limits under section 349.211;
- 110.30 (7) a unique serial number that may not be regenerated;
- 111.1 (8) an electronic flare that displays the game name; form number; predetermined, finite
111.2 number of tickets in the game; and prize tier; and
- 111.3 (9) no spinning reels or other representations that mimic a video slot machine as provided
111.4 in subdivision 12b, clause (6).
- 111.5 **EFFECTIVE DATE.** This section is effective September 6, 2022.

111.6 Sec. 28. Minnesota Statutes 2020, section 386.375, subdivision 3, is amended to read:

111.7 Subd. 3. **Consumer education information.** (a) A person other than the mortgagor or
111.8 fee owner who transfers or offers to transfer an abstract of title shall present to the mortgagor
111.9 or fee owner basic information in plain English about abstracts of title. This information
111.10 must be sent in a form prepared and approved by the commissioner of commerce and must
111.11 contain at least the following items:

111.12 (1) a definition and description of abstracts of title;

111.13 (2) an explanation that holders of abstracts of title must maintain it with reasonable care;

111.14 (3) an approximate cost or range of costs to replace a lost or damaged abstract of title;

111.15 and

111.16 ~~(4) an explanation that abstracts of title may be required to sell, finance, or refinance~~
111.17 ~~real estate; and~~

111.18 ~~(5)~~ (4) an explanation of options for storage of abstracts.

111.19 (b) The commissioner shall prepare the form for use under this subdivision as soon as
111.20 possible. This subdivision does not apply until 60 days after the form is approved by the
111.21 commissioner.

111.22 (c) A person violating this subdivision is subject to a penalty of \$200 for each violation.

111.23 Sec. 29. **APPRAISER INTERNET COURSE REQUIREMENTS.**

111.24 Notwithstanding Minnesota Statutes, sections 45.305, subdivision 1a, and 45.306,
111.25 subdivision 1a, education providers may submit to the commissioner of commerce for
111.26 approval a classroom course under Minnesota Statutes, section 45.25, subdivision 2a, clause
111.27 (3), or a distance learning course, as defined in Minnesota Statutes, section 45.25, subdivision
111.28 5a, that has not been approved by the International Distance Education Certification Center.

111.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and
111.30 expires after the peacetime emergency declared by the governor in an executive order that
112.1 relates to the infectious disease known as COVID-19 is terminated or rescinded or December
112.2 31, 2021, whichever is later.

112.3 Sec. 30. **MINNESOTA COUNCIL ON ECONOMIC EDUCATION.**

112.4 (a) The Minnesota Council on Economic Education, with funds made available through
112.5 grants from the commissioner of education in fiscal years 2022 and 2023, must:

112.6 (1) provide professional development to Minnesota's kindergarten through grade 12
112.7 teachers implementing state graduation standards in learning areas related to economic
112.8 education;

- 112.9 (2) support the direct-to-student ancillary economic and personal finance programs that
112.10 Minnesota teachers supervise and coach; and
- 112.11 (3) provide support to geographically diverse affiliated higher education-based centers
112.12 for economic education, including those based at Minnesota State University Mankato,
112.13 Minnesota State University Moorhead, St. Cloud State University, St. Catherine University,
112.14 and the University of St. Thomas, as the centers' work relates to activities in clauses (1) and
112.15 (2).
- 112.16 (b) By February 15 of each year following the receipt of a grant, the Minnesota Council
112.17 on Economic Education must report to the commissioner of education on the number and
112.18 type of in-person and online teacher professional development opportunities provided by
112.19 the Minnesota Council on Economic Education or affiliated state centers. The report must
112.20 include a description of the content, length, and location of the programs; the number of
112.21 preservice and licensed teachers receiving professional development through each of these
112.22 opportunities; and a summary of evaluations of professional opportunities for teachers.
- 112.23 (c) On August 15, 2021, the Department of Education must pay the full amount of the
112.24 grant for fiscal year 2022 to the Minnesota Council on Economic Education. On August
112.25 15, 2022, the Department of Education must pay the full amount of the grant for fiscal year
112.26 2023 to the Minnesota Council on Economic Education. The Minnesota Council on Economic
112.27 Education must submit its fiscal reporting in the form and manner specified by the
112.28 commissioner. The commissioner may request additional information as necessary.
- 112.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 113.1 **Sec. 31. CONSUMER DEBT COLLECTION LANGUAGE BARRIER WORKING**
113.2 **GROUP.**
- 113.3 **Subdivision 1. Establishment.** The commissioner of commerce shall convene a working
113.4 group to review language barriers and the effect on creditors, debt collectors, and limited
113.5 English proficient communities.
- 113.6 **Subd. 2. Membership.** The working group consists of the following members:
- 113.7 (1) the commissioner of commerce or a designee;
- 113.8 (2) one member appointed by the Attorney General's Office;
- 113.9 (3) two members of the public representing creditors or debt collectors, appointed by
113.10 the industry and subject to approval by the commissioner of commerce;
- 113.11 (4) two members of the public representing consumer rights, appointed by consumer
113.12 rights advocate organizations and subject to approval by the commissioner of commerce;
- 113.13 (5) one member appointed by the Council for Minnesotans of African Heritage;
- 113.14 (6) one member appointed by the Minnesota Council on Latino Affairs;

113.15 (7) one member appointed by the Council on Asian-Pacific Minnesotans;

113.16 (8) two members appointed by the Indian Affairs Council; and

113.17 (9) one member appointed by Mid-Minnesota Legal Aid.

113.18 Subd. 3. **Report.** (a) By January 1, 2022, the commissioner of commerce shall report
113.19 to the chairs and ranking minority members of the house of representatives and senate
113.20 committees with jurisdiction over commerce with the working group's recommendations
113.21 to address language barriers between creditors, debt collectors, and consumers.

113.22 (b) The working group shall examine:

113.23 (1) current practices for communicating with consumers in the consumer's preferred
113.24 language when attempting to collect a debt or enforce a lien;

113.25 (2) the availability of translation services or a written glossary of financial terms for
113.26 consumers whose primary language is not English; and

113.27 (3) state and federal laws involving issues under clauses (1) and (2).

113.28 **Sec. 32. COLLECTION AGENCY EMPLOYEES; WORK FROM HOME.**

113.29 An employee of a collection agency licensed under Minnesota Statutes, chapter 332,
113.30 may work from a location other than the licensee's business location if the licensee and
114.1 employee comply with all the requirements of Minnesota Statutes, section 332.33, that
114.2 would apply if the employee were working at the business location. The fee for a collector
114.3 registration or renewal under Minnesota Statutes, section 332.33, subdivision 3, entitles the
114.4 individual collector to work at a licensee's business location or a location otherwise acceptable
114.5 under this section. An additional branch license is not required for a location used under
114.6 this section. This section expires May 31, 2022.

114.7 **Sec. 33. REPEALER.**

114.8 Minnesota Statutes 2020, sections 45.017; 45.306, subdivision 1; and 115C.13, are
114.9 repealed.