

1.1 moves to amend H.F. No. 3607 as follows:

1.2 Delete everything after the enacting clause and insert:

"ARTICLE 1

SUPPLEMENTAL APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. If an appropriation in this act is enacted more than once in the 2022 legislative session, the appropriation must be given effect only once. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment. The appropriations made under this article supplement, and do not supersede or replace, the appropriations made under Laws 2021, First Special Session chapter 4, article 1.

	<u>APPROPRIATIONS</u>	<u>Available for the Year</u>	<u>Ending June 30</u>	<u>2022</u>	<u>2023</u>
--	-----------------------	-------------------------------	-----------------------	-------------	-------------

Sec. 2. DEPARTMENT OF COMMERCE

1.22	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u>	<u>\$</u>	<u>5,667,000</u>
------	---	----	------------	-----------	-------------------------

Appropriations by Fund

	<u>2022</u>	<u>2023</u>	
1.25	<u>General</u>	<u>-0-</u>	<u>6,037,000</u>
1.26	<u>Special Revenue</u>	<u>-0-</u>	<u>500,000</u>

2.1	<u>The amounts that may be spent for each</u>		
2.2	<u>purpose are specified in the following</u>		
2.3	<u>subdivisions.</u>		
2.4	<u>Subd. 2. Administrative Services</u>	<u>-0-</u>	<u>301,000</u>
2.5	<u>\$301,000 in fiscal year 2023 is for the senior</u>		
2.6	<u>fraud prevention program.</u>		
2.7	<u>Subd. 3. Financial Services</u>	<u>-0-</u>	<u>533,000</u>
2.8	<u>\$300,000 in fiscal year 2023 is for additional</u>		
2.9	<u>securities staff.</u>		
2.10	<u>\$233,000 in fiscal year 2023 is to establish</u>		
2.11	<u>and operate a student loan advocate under</u>		
2.12	<u>Minnesota Statutes, section 58B.011.</u>		
2.13	<u>Subd. 4. Insurance</u>	<u>-0-</u>	<u>633,000</u>
2.14	<u>\$108,000 in fiscal year 2023 is for a study and</u>		
2.15	<u>report on disparities in geographic rating areas</u>		
2.16	<u>in individual and small group market health</u>		
2.17	<u>insurance under article 3, section 36. This is</u>		
2.18	<u>a onetime appropriation.</u>		
2.19	<u>\$525,000 in fiscal year 2023 is for additional</u>		
2.20	<u>staff in the insurance division. The additional</u>		
2.21	<u>staff must focus on property- and</u>		
2.22	<u>casualty-related insurance products.</u>		
2.23	<u>Subd. 5. Enforcement</u>	<u>-0-</u>	<u>4,200,000</u>
2.24	<u>\$3,700,000 in fiscal year 2023 is for the</u>		
2.25	<u>automobile theft prevention program under</u>		
2.26	<u>Minnesota Statutes, section 65B.84. This is a</u>		
2.27	<u>onetime appropriation.</u>		
2.28	<u>\$500,000 in fiscal year 2023 is appropriated</u>		
2.29	<u>from the auto theft prevention account in the</u>		
2.30	<u>special revenue fund to the commissioner of</u>		
2.31	<u>commerce to reimburse law enforcement</u>		
2.32	<u>agencies for investigation and enforcement</u>		
2.33	<u>activities to combat automobile theft. This</u>		

- 3.1 appropriation does not cancel and remains
- 3.2 available until expended. This is a onetime
- 3.3 appropriation.

Sec. 3. COMMERCE FRAUD BUREAU; TRANSFER.

3.5 \$870,000 in fiscal year 2023 is transferred from the general fund to the insurance fraud prevention account for five additional peace officers in the Commerce Fraud Bureau.

ARTICLE 2

COMMERCE POLICY

3.9 Section 1. Minnesota Statutes 2020, section 45.0135, subdivision 2a, is amended to read:

3.10 Subd. 2a. **Authorization.** (a) The commissioner may appoint peace officers, as defined
3.11 in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as
3.12 defined in section 626.84, subdivision 1, paragraph (f), known as the Commerce Fraud
3.13 Bureau, to conduct investigations, and to make arrests under sections 629.30 and 629.34.
3.14 The primary jurisdiction of the law enforcement agency is limited to offenses ~~related to~~
3.15 ~~insurance~~ with a nexus to insurance-related crimes or investment fraud.

3.16 (b) Upon request and at the commissioner's discretion, the Commerce Fraud Bureau
3.17 may respond to a law enforcement agency's request to exercise law enforcement duties in
3.18 cooperation with the law enforcement agency that has jurisdiction over the particular matter.

3.19 Sec. 2. Minnesota Statutes 2020, section 45.0135, subdivision 2b, is amended to read:

3.20 Subd. 2b. **Duties.** The Commerce Fraud Bureau shall:

3.21 (1) review notices and reports of insurance fraud within the Commerce Fraud Bureau's
3.22 primary jurisdiction submitted by authorized insurers, their employees, and agents or
3.23 producers;

3.24 (2) respond to notifications or complaints of suspected insurance fraud within the
3.25 Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies,
3.26 state or federal governmental units, or any other person;

3.27 (3) initiate inquiries and conduct investigations when the bureau has reason to believe
3.28 that ~~insurance fraud~~ an offense within the Commerce Fraud Bureau's primary jurisdiction
3.29 has been or is being committed; and

4.1 (4) report ~~incidents of alleged insurance fraud crimes~~ disclosed by ~~its~~ the Commerce
4.2 Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not
4.3 limited to, the attorney general, county attorneys, or any other appropriate law enforcement
4.4 or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist
4.5 any law enforcement authority having jurisdiction.

4.6 Sec. 3. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to
4.7 read:

4.8 Subd. 9a. **Live course.** "Live course" means any learning experience that is actively led
4.9 by an instructor, either online or in a classroom setting, that offers person-to-person, real-time
4.10 feedback. A live course offered online must:

4.11 (1) specify the minimum system requirements;

4.12 (2) provide encryption that ensures that all personal information, including the student's
4.13 name, address, and credit card number, cannot be read as it passes across the Internet;

4.14 (3) include technology to guarantee seat time;

4.15 (4) include the ability for the student to get technical support within a reasonable amount
4.16 of time;

4.17 (5) include a statement that the student's information will not be sold or distributed to
4.18 any third party without the prior written consent of the student. Taking the course does not
4.19 constitute consent; and

4.20 (6) include a process to authenticate the student's identity.

4.21 Sec. 4. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to
4.22 read:

4.23 Subd. 9b. **On-demand course.** "On-demand course" means an online learning experience
4.24 that enables a student to review learning material at a time and location that is convenient
4.25 for the student. On-demand course includes but is not limited to asynchronous online courses,
4.26 text-based courses, and other courses not offered live that include prerecorded videos, class
4.27 recordings, documents, or other learning activities.

4.28 Sec. 5. Minnesota Statutes 2020, section 45.25, subdivision 12, is amended to read:

4.29 Subd. 12. **Proctor.** (a) "Proctor" means a ~~disinterested third party with no conflict of~~
4.30 ~~interest~~ person who (1) verifies a student's identity, and (2) processes an affidavit testifying
4.31 that the student received no outside assistance with the course or examination.

5.1 (b) A proctor must be 18 years of age or older. A proctor must not have a financial or
5.2 other conflict of interest with respect to a student's successful completion of the course or
5.3 the examination. A proctor must not be:

- 5.4 (1) a relative of the student;
5.5 (2) the student's supervisor at work;
5.6 (3) a person the student supervises at work; or
5.7 (4) a student who is completing the same course.

5.8 Sec. 6. Minnesota Statutes 2020, section 45.25, subdivision 13, is amended to read:

5.9 Subd. 13. **Professional designation.** "Professional designation" means ~~a written,~~
5.10 ~~proctored, and graded examination, the passage of which leads to a bona fide an~~
5.11 ~~industry-recognized~~ professional designation used by ~~licensees~~ a licensee after completing
5.12 a series of courses and passing a graded, proctored examination.

5.13 Sec. 7. **[45.301] ON-DEMAND CONTINUING EDUCATION; REQUIREMENTS.**

5.14 Subdivision 1. **On-demand course requirements.** An on-demand continuing education
5.15 course offered online must:

- 5.16 (1) specify the minimum system requirements;
5.17 (2) provide encryption that ensures that all personal information, including the student's
5.18 name, address, and credit card number, cannot be read as it passes across the Internet;
5.19 (3) include technology to guarantee seat time;
5.20 (4) include a high level of interactivity;
5.21 (5) include graphics that reinforce the content;
5.22 (6) include the ability for the student to contact an instructor within a reasonable amount
5.23 of time;
5.24 (7) include the ability for the student to get technical support within a reasonable amount
5.25 of time;
5.26 (8) include a statement that the student's information will not be sold or distributed to
5.27 any third party without prior written consent of the student. Taking the course does not
5.28 constitute consent;

- 6.1 (9) be available 24 hours a day, seven days a week, excluding minimal down time for
6.2 updating and administration;
- 6.3 (10) provide viewing access to the online course at all times to the commissioner,
6.4 excluding minimal down time for updating and administration;
- 6.5 (11) include a process to authenticate the student's identity;
- 6.6 (12) inform the student and the commissioner how long a course is accessible after the
6.7 course is purchased;
- 6.8 (13) inform the student that license education credit is not awarded for taking the course
6.9 after the course loses status as an approved course;
- 6.10 (14) provide clear instructions on how to navigate through the course;
- 6.11 (15) provide automatic bookmarking at any point in the course;
- 6.12 (16) provide questions after each unit or chapter that must be answered before the student
6.13 can proceed to the next unit or chapter;
- 6.14 (17) include a reinforcement response when a quiz question is answered correctly;
- 6.15 (18) include a response when a quiz question is answered incorrectly;
- 6.16 (19) include a final examination;
- 6.17 (20) allow the student to return to and review any unit at any time, except during the
6.18 final examination;
- 6.19 (21) provide a course evaluation at the end of the course. At a minimum, the evaluation
6.20 must ask the student to report any difficulties caused by the online education delivery
6.21 method; and
- 6.22 (22) provide a completion certificate when the course and exam have been completed
6.23 and the provider has verified the completion. Electronic certificates are sufficient.
- 6.24 Subd. 2. **Final examination.** The final examination must be either an encrypted online
6.25 examination or a paper examination that is monitored by a proctor who certifies that the
6.26 student took the examination. The student must not be allowed to review the course content
6.27 once the examination has begun.
- 6.28 Sec. 8. Minnesota Statutes 2020, section 45.31, subdivision 2, is amended to read:
- 6.29 Subd. 2. **Approval.** (a) ~~The commissioner must approve as a coordinator a person~~
6.30 ~~meeting one or more of the following criteria: at least three years of full-time experience~~

7.1 ~~in the administration of an education program during the five year period immediately~~
7.2 ~~before the date of application, or a degree in education plus two years experience during~~
7.3 ~~the immediately preceding five year period in one of the regulated industries for which~~
7.4 ~~courses are being approved, or a minimum of five years experience within the previous six~~
7.5 ~~years in the regulated industry for which courses are held.~~ A person applying for approval
7.6 as a course coordinator must:

7.7 (1) be qualified or have experience in the applicable subject matter of courses offered
7.8 by the education provider or have experience administering an education program; and

7.9 (2) make available upon request such records and data required by the commissioner to
7.10 administer the provisions and further the purposes of this chapter.

7.11 (b) Coordinator approval may not be transferred to an individual who has not already
7.12 been approved as an additional coordinator for the applicable license type for the providership
7.13 in question. An individual must be approved as a coordinator by the commissioner before
7.14 acting on behalf of an approved education provider.

7.15 Sec. 9. Minnesota Statutes 2020, section 45.31, subdivision 3, is amended to read:

7.16 Subd. 3. **Responsibilities.** ~~A~~coordinator An education provider is responsible for:

7.17 (1) assuring compliance with all laws and rules relating to educational offerings governed
7.18 by the commissioner;

7.19 (2) assuring that students are provided with current and accurate information relating to
7.20 the laws and rules governing their licensed activity;

7.21 (3) supervising and evaluating courses and instructors. Supervision includes assuring,
7.22 especially when a course will be taught by more than one instructor, that all areas of the
7.23 curriculum are addressed without redundancy and that continuity is present throughout the
7.24 entire course;

7.25 (4) ensuring that instructors are qualified to teach the course offering;

7.26 (5) furnishing the commissioner, upon request, with copies of course and instructor
7.27 evaluations and qualifications of instructors. Evaluations must be completed by students
7.28 and coordinators;

7.29 (6) investigating complaints related to course offerings and instructors and forwarding
7.30 a copy of the written complaints to the Department of Commerce;

7.31 (7) maintaining accurate records relating to course offerings, instructors, tests taken by
7.32 students, and student attendance for a period of three years from the date on which the

8.1 course was completed. These records must be made available to the commissioner upon
8.2 request. In the event that an education provider ceases operation for any reason, the
8.3 coordinator is responsible for maintaining the records or providing a custodian for the
8.4 records acceptable to the commissioner. The coordinator must notify the commissioner of
8.5 the name and address of that person. In order to be acceptable to the commissioner, custodians
8.6 must agree to make copies of acknowledgments available to students at a reasonable fee.
8.7 Under no circumstances will the commissioner act as custodian of the records;

8.8 (8) ensuring that the coordinator is available to instructors and students throughout course
8.9 offerings and providing to the students and instructor the name of the coordinator and a
8.10 telephone number at which the coordinator can be reached;

8.11 (9) attending workshops or instructional programs as reasonably required by the
8.12 commissioner;

8.13 (10) providing course completion certificates within ten days of, but not before,
8.14 completion of the entire course. Course completion certificates must be completed in their
8.15 entirety. It is not necessary to provide a written course completion certificate if the course
8.16 completion certificate has been electronically delivered to the department or its designated
8.17 licensing contractor. A coordinator may require payment of the course tuition as a condition
8.18 for receiving the course completion certificate;

8.19 (11) notifying the commissioner immediately of any change in an application for the
8.20 course, coordinator, or instructor approval application; and

8.21 (12) in conjunction with the instructor, assuring and certifying attendance of students
8.22 enrolled in courses.

8.23 Sec. 10. Minnesota Statutes 2020, section 46.131, subdivision 2, is amended to read:

8.24 Subd. 2. **Assessment authority.** Each ~~bank, trust company, savings bank, savings~~
8.25 ~~association, regulated lender, industrial loan and thrift company, credit union, motor vehicle~~
8.26 ~~sales finance company, debt management services provider, debt settlement services provider,~~
8.27 ~~insurance premium finance company, and residential PACE administrator, as defined in~~
8.28 ~~section 216C.435, subdivision 10a, financial institution governed by chapters 46 to 59A,~~
8.29 ~~216C, and 332 to 332B that is organized under the laws of this state or required to be~~
8.30 ~~administered by the commissioner of commerce shall pay into the state treasury its~~
8.31 ~~proportionate share of the cost of maintaining the Department of Commerce. This subdivision~~
8.32 ~~does not apply to student loan servicers or collection agencies.~~

9.1 Sec. 11. Minnesota Statutes 2020, section 46.131, subdivision 4, is amended to read:

9.2 Subd. 4. **General assessment basis.** (a) Assessments shall be made by the commissioner
9.3 against each institution within the industry on an equitable basis, according to the total assets
9.4 or business volume of each institution as of the end of the previous calendar year.

9.5 (b) Assessments against residential PACE administrators, as defined in section 216C.435,
9.6 subdivision 10a, must be made by the commissioner according to the total business volume
9.7 as of the end of the previous calendar year.

9.8 Sec. 12. Minnesota Statutes 2020, section 46.131, subdivision 11, is amended to read:

9.9 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
9.10 account is created as a separate account in the special revenue fund. Earnings, including
9.11 interest, dividends, and any other earnings arising from account assets, must be credited to
9.12 the account.

9.13 (b) The account consists of funds received from assessments under subdivision 7,
9.14 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and
9.15 the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54,
9.16 subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph
9.17 (b); 49.36, subdivision 1; 52.203; 53B.09; 53B.11, subdivision 1; 53C.02; 56.02; 58.10;
9.18 58A.045, subdivision 2; and 59A.03; 216C.437, subdivision 12; 332A.04; and 332B.04.

9.19 (c) Funds in the account are annually appropriated to the commissioner of commerce
9.20 for activities under this section.

9.21 Sec. 13. Minnesota Statutes 2020, section 47.08, is amended to read:

9.22 **47.08 ARTICLES OF INCORPORATION FILED WITH COMMISSIONER.**

9.23 All persons proposing to incorporate and organize any financial institution, whether
9.24 defined or described as such by the laws of the state, shall, before doing any business in the
9.25 state as a corporation, ~~and before filing their articles of incorporation with the secretary of~~
9.26 ~~state or with any other officer with whom the law requires such articles to be filed or~~
9.27 ~~recorded, file a copy of such the proposed articles of incorporation with the commissioner~~
9.28 of commerce.

9.29 Sec. 14. Minnesota Statutes 2020, section 47.16, subdivision 1, is amended to read:

9.30 Subdivision 1. **Filing.** The certificate of a corporation must be filed for record with the
9.31 ~~secretary of state commissioner of commerce. If the secretary of state commissioner of~~

10.1 commerce finds that it conforms to law and that the required fee has been paid, the ~~secretary~~
10.2 ~~of state~~ ~~commissioner of commerce~~ must record it and certify that fact on it. ~~The secretary~~
10.3 ~~of state may not accept a certificate for filing unless the certificate also contains the~~
10.4 ~~endorsement of the commissioner of commerce.~~

10.5 Sec. 15. Minnesota Statutes 2020, section 47.16, subdivision 2, is amended to read:

10.6 Subd. 2. **Certificate of authority.** If the commissioner of commerce is satisfied that the
10.7 corporation has been organized for legitimate purposes, and under such conditions as to
10.8 merit and have public confidence, and that all provisions of law applicable to every branch
10.9 of business in which, by the terms of its certificate, it is authorized to engage, have been
10.10 complied with, the commissioner shall so certify. When the original ~~certificate and the~~
10.11 certificate of incorporation ~~from the secretary of state~~ is filed with the commissioner of
10.12 commerce, the commissioner shall, within 60 days thereafter, execute and deliver to it a
10.13 certificate of authority.

10.14 Sec. 16. Minnesota Statutes 2020, section 47.172, subdivision 2, is amended to read:

10.15 Subd. 2. **Effect.** The certificate to be filed to accomplish a restated certificate of
10.16 incorporation must be entitled "restated certificate of incorporation of (name of financial
10.17 corporation)" and must contain a statement that the restated certificate supersedes and takes
10.18 the place of the existing certificate of incorporation and all amendments to it. The restated
10.19 certificate of incorporation when executed, filed and recorded in the manner prescribed for
10.20 certificate of amendment supersedes and takes the place of an existing certificate of
10.21 incorporation and amendments to it. ~~The secretary of state upon request must certify the~~
10.22 ~~restated certificate of incorporation.~~

10.23 Sec. 17. Minnesota Statutes 2020, section 47.28, subdivision 3, is amended to read:

10.24 Subd. 3. **Recording.** Upon receipt of the fees required for filing and recording amended
10.25 articles of incorporation of savings banks, the ~~secretary of state~~ ~~commissioner of commerce~~
10.26 shall record the amended articles of incorporation and certify that fact thereon, whereupon
10.27 the conversion of such savings bank into a savings association shall become final and
10.28 complete and thereafter said corporation shall have the powers and be subject to the duties
10.29 and obligations prescribed by the laws of this state applicable to savings associations.

11.1 Sec. 18. Minnesota Statutes 2020, section 47.30, subdivision 5, is amended to read:

11.2 Subd. 5. **Recording.** Upon receipt of the fees required for filing and recording amended
11.3 articles of incorporation of savings associations, the ~~secretary of state~~ commissioner of
11.4 commerce shall record the amended articles of incorporation and certify that fact thereon,
11.5 whereupon the conversion of such savings association into a savings bank shall become
11.6 final and complete and thereafter the signers of said amended articles and their successors
11.7 shall be a corporation, and have the powers and be subject to the duties and obligations
11.8 prescribed by the laws of this state applicable to savings banks.

11.9 Sec. 19. Minnesota Statutes 2020, section 48A.15, subdivision 1, is amended to read:

11.10 Subdivision 1. **Authorization.** (a) A trust company organized under the laws of this
11.11 state or a state bank and trust may, after completing the notification procedure required by
11.12 this subdivision, establish and maintain a trust service office at any office in this state or of
11.13 any other state or national bank. A state bank may, after completing the notification procedure
11.14 required by this subdivision, permit a trust company organized under the laws of this state
11.15 or a state bank and trust or a national bank in this state that is authorized to exercise trust
11.16 powers to establish and maintain a trust service office at any of its banking offices.

11.17 (b) The trust company or state bank and trust and a state bank at which a trust service
11.18 office is to be established according to this section shall jointly file, on forms provided by
11.19 the commissioner, a notification of intent to establish a trust service office. The notification
11.20 must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited
11.21 in the ~~general fund of the state~~ financial institutions account under section 46.131, subdivision
11.22 11. No trust service office shall be established according to this section if disallowed by
11.23 order of the commissioner within 30 days of the filing of a complete and acceptable
11.24 notification of intent to establish a trust service office. An order of the commissioner to
11.25 disallow the establishment of a trust service office under this section is subject to judicial
11.26 review under sections 14.63 to 14.69.

11.27 Sec. 20. Minnesota Statutes 2020, section 53.03, subdivision 1, is amended to read:

11.28 Subdivision 1. **Application, fee, notice.** Any corporation hereafter organized as an
11.29 industrial loan and thrift company, shall, after compliance with the requirements set forth
11.30 in sections 53.01 and 53.02, file a written application with the Department of Commerce
11.31 for a certificate of authorization. A corporation that will not sell or issue thrift certificates
11.32 for investment as permitted by this chapter need not comply with subdivision 2b. The
11.33 application must be in the form prescribed by the Department of Commerce. The application

12.1 must be made in the name of the corporation, executed and acknowledged by an officer
12.2 designated by the board of directors of the corporation, requesting a certificate authorizing
12.3 the corporation to transact business as an industrial loan and thrift company, at the place
12.4 and in the name stated in the application. At the time of filing the application the applicant
12.5 shall pay \$1,500 filing fee if the corporation will not sell or issue thrift certificates for
12.6 investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates
12.7 for investment. The fees must be turned over by the commissioner to the commissioner of
12.8 management and budget and credited to the general fund collected by the commissioner
12.9 and deposited in the financial institutions account under section 46.131, subdivision 11.
12.10 The applicant shall also submit a copy of the bylaws of the corporation, its articles of
12.11 incorporation and all amendments thereto at that time. An application for powers under
12.12 subdivision 2b must also require that a notice of the filing of the application must be
12.13 published once within 30 days of the receipt of the form prescribed by the Department of
12.14 Commerce, at the expense of the applicant, in a qualified newspaper published in the
12.15 municipality in which the proposed industrial loan and thrift company is to be located, or,
12.16 if there be none, in a qualified newspaper likely to give notice in the municipality in which
12.17 the company is proposed to be located. If the Department of Commerce receives a written
12.18 objection to the application from any person within 15 days of the notice having been fully
12.19 published, the commissioner shall proceed in the same manner as required under section
12.20 46.041, subdivisions 3 and 4, relating to state banks.

12.21 Sec. 21. Minnesota Statutes 2020, section 53.03, subdivision 5, is amended to read:

12.22 Subd. 5. **Place of business.** Not more than one place of business may be maintained
12.23 under any certificate of authorization issued subsequent to the enactment of Laws 1943,
12.24 chapter 67, pursuant to the provisions of this chapter, but the Department of Commerce
12.25 may issue more than one certificate of authorization to the same corporation upon compliance
12.26 with all the provisions of this chapter governing an original issuance of a certificate of
12.27 authorization. To the extent that previously filed applicable information remains unchanged,
12.28 the applicant need not refile this information, unless requested. The filing fee for a branch
12.29 application shall be \$500 and the investigation fee \$250. An industrial loan and thrift
12.30 corporation with deposit liabilities may change one or more of its locations upon the written
12.31 approval of the commissioner of commerce. A fee of \$100 must accompany each application
12.32 to the commissioner for approval to change the location of an established office. An industrial
12.33 loan and thrift corporation that does not sell and issue thrift certificates for investment may
12.34 change one or more locations by giving 30 days' written notice to the Department of
12.35 Commerce which shall promptly amend the certificate of authorization accordingly. No

13.1 change in place of business of a company to a location outside of its current trade area or
13.2 more than 25 miles from its present location, whichever distance is greater, shall be permitted
13.3 under the same certificate unless all of the applicable requirements of this section have been
13.4 met. All money collected by the commissioner under this chapter must be deposited into
13.5 the financial institutions account under section 46.131, subdivision 11.

13.6 Sec. 22. Minnesota Statutes 2020, section 53C.02, is amended to read:

53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.

13.8 (a) No person shall engage in the business of a sales finance company in this state without
13.9 a license therefor as provided in sections 53C.01 to 53C.14 provided, however, that no bank,
13.10 trust company, savings bank, savings association, or credit union, whether state or federally
13.11 chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated
13.12 Loan Act authorized to do business in this state shall be required to obtain a license under
13.13 sections 53C.01 to 53C.14.

13.14 (b) The application for a license shall be in writing, under oath and in the form prescribed
13.15 by the commissioner. The application shall contain the name of the applicant; date of
13.16 incorporation, if incorporated; the address where the business is or is to be conducted and
13.17 similar information as to any branch office of the applicant; the name and resident address
13.18 of the owner or partners, or, if a corporation or association, of the directors, trustees and
13.19 principal officers, and other pertinent information the commissioner requires.

13.20 (c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the
13.21 following year, or any part thereof shall be the sum of \$250 for the principal place of business
13.22 of the licensee, and the sum of \$125 for each branch of the licensee. Any licensee who
13.23 proves to the satisfaction of the commissioner, by affidavit or other proof satisfactory to
13.24 the commissioner, that during the 12 calendar months of the immediately preceding fiscal
13.25 year, for which the license has been paid that the licensee has not held retail installment
13.26 contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each
13.27 license fee paid in excess of \$25. The commissioner shall certify ~~to the commissioner of~~
13.28 ~~management and budget~~ that the licensee is entitled to a refund, and payment ~~thereof of the~~
13.29 refund shall be made by the commissioner ~~ef management and budget~~. The amount necessary
13.30 to pay for the refundment of the license fee is appropriated ~~out of the general fund from the~~
13.31 financial institutions account under section 46.131, subdivision 11. All license fees received
13.32 by the commissioner under sections 53C.01 to 53C.14 shall be deposited with the
13.33 commissioner of management and budget.

14.1 (d) Each license shall specify the location of the office or branch and must be
14.2 conspicuously displayed there. In case the location be changed, the commissioner shall
14.3 endorse the change of location on the license.

14.4 (e) Upon the filing of such application, and the payment of the fee, the commissioner
14.5 shall issue a license to the applicant to engage in the business of a sales finance company
14.6 under and in accordance with the provisions of sections 53C.01 to 53C.14 for a period which
14.7 shall expire the last day of June next following the date of its issuance. The license shall
14.8 not be transferable or assignable. No licensee shall transact any business provided for by
14.9 sections 53C.01 to 53C.14 under any other name.

14.10 (f) Section 58A.04, subdivisions 2 and 3, apply to this section.

14.11 Sec. 23. Minnesota Statutes 2020, section 55.10, subdivision 1, is amended to read:

14.12 **Subdivision 1. Permitting access, removal, or delivery.** When a safe deposit box shall
14.13 have been hired from any licensed safe deposit company in the name of two or more persons,
14.14 including ~~husband and wife~~ a married couple, with the right of access being given to either,
14.15 or with access to either or the survivor or survivors of the person, or property is held for
14.16 safekeeping by any licensed safe deposit company for two or more persons, including
14.17 ~~husband and wife~~ a married couple, with the right of delivery being given to either, or with
14.18 the right of delivery to either of the survivor or survivors of these persons, any one or more
14.19 of these persons, whether the other or others be living or not, shall have the right of access
14.20 to the safe deposit box and the right to remove all, or any part, of the contents thereof, or
14.21 to have delivered to all or any one of them, or any part of the valuable personal property so
14.22 held for safekeeping; and, in case of this access, removal, or delivery, the safe deposit
14.23 company shall be exempt from any liability for permitting the access, removal, or delivery.

14.24 Sec. 24. Minnesota Statutes 2020, section 56.02, is amended to read:

14.25 **56.02 APPLICATION FEE.**

14.26 (a) Application for license shall be in writing, under oath, and in the form prescribed by
14.27 the commissioner, and contain the name and the address, both of the residence and place
14.28 of business, of the applicant and, if the applicant is a copartnership or association, of every
14.29 member thereof, and if a corporation, of each officer and director thereof; also the county
14.30 and municipality, with street and number, if any, where the business is to be conducted, and
14.31 such further information as the commissioner may require. The applicant at the time of
14.32 making application, shall pay to the commissioner the sum of \$500 as a fee for investigating
14.33 the application, and the additional sum of \$250 as an annual license fee for a period

15.1 terminating on the last day of the current calendar year. In addition to the annual license
15.2 fee, every licensee hereunder shall pay to the commissioner the actual costs of each
15.3 examination, as provided for in section 56.10. All ~~moneys~~ money collected by the
15.4 commissioner under this chapter shall be ~~turned over to the commissioner of management~~
15.5 ~~and budget and credited by the commissioner of management and budget to the general~~
15.6 ~~fund of the state deposited in the financial institutions account under section 46.131,~~
15.7 subdivision 11.

15.8 (b) Every applicant shall also prove, in form satisfactory to the commissioner, that the
15.9 applicant has available for the operation of the business at the location specified in the
15.10 application, liquid assets of at least \$50,000.

15.11 (c) Section 58A.04, subdivisions 2 and 3, apply to this section.

15.12 Sec. 25. Minnesota Statutes 2020, section 65B.84, subdivision 2, is amended to read:

15.13 Subd. 2. **Annual report.** By ~~January 15 or September 30~~ each year, the commissioner
15.14 shall report to the governor and the chairs and ranking minority members of the house of
15.15 representatives and senate committees having jurisdiction over the Departments of Commerce
15.16 and Public Safety on the activities and expenditures in the preceding year.

15.17 Sec. 26. Minnesota Statutes 2020, section 80A.61, is amended to read:

15.18 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,
15.19 FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER
15.20 REPRESENTATIVE.**

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

15.27 (1) the information or record required for the filing of a uniform application; and
15.28 (2) upon request by the administrator, any other financial or other information or record
15.29 that the administrator determines is appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17.17 Sec. 27. Minnesota Statutes 2020, section 80C.05, subdivision 2, is amended to read:

17.18 **Subd. 2. Commissioner's powers.** The commissioner shall have power to place such
17.19 conditions, limitations, and restrictions on any registration as may be necessary to carry out
17.20 the purposes of sections 80C.01 to 80C.22. Upon compliance with the provisions of sections
17.21 80C.01 to 80C.22 and other requirements of the commissioner, and if the commissioner
17.22 finds no ground for denial of the registration, the commissioner shall register the franchise.
17.23 Registration shall be by entry in a book called Register of Franchises, which entry shall
17.24 show the franchise registered and for whom registered, and shall specify the conditions,
17.25 limitations, and restrictions upon such registration, if any, or shall make proper reference
17.26 to a formal order of the commissioner on file showing such conditions, limitations, and
17.27 restrictions. The registration shall become effective upon issuance by the commissioner of
17.28 an order for registration.

17.29 Sec. 28. Minnesota Statutes 2020, section 80C.08, subdivision 1, is amended to read:

17.30 **Subdivision 1. Filing; fee.** Within 120 days after the fiscal year end of the registrant,
17.31 the registrant shall A registration is effective for 12 months from the date the commissioner's
17.32 order is issued. A registrant must file a report in the form prescribed by rule of the

18.1 commissioner before the end of the registration effective period. A fee of \$200 shall
18.2 accompany the annual report.

18.3 **EFFECTIVE DATE; APPLICABILITY.** This section is effective January 1, 2023,
18.4 and applies to initial registrations filed on or after that date.

18.5 Sec. 29. Minnesota Statutes 2020, section 80G.01, subdivision 3, is amended to read:

18.6 Subd. 3. **Dealer.** (a) Subject to the exceptions in paragraph (b), a "dealer" means any
18.7 person who buys, sells, solicits, or markets bullion products or investments in bullion
18.8 products to consumers and: conducts Minnesota transactions.

18.9 (1) ~~is incorporated, registered, domiciled, or otherwise located in this state;~~

18.10 (2) ~~has a dealer representative located in this state; or~~

18.11 (3) ~~does business with a consumer at a location in this state, or delivers or ships a bullion~~
18.12 ~~product or makes a payment to a consumer at an address in this state, unless the transaction~~
18.13 ~~occurs when the consumer is at a business location outside of this state.~~

18.14 (b) A dealer does not include any of the following persons:

18.15 (1) a person who engages only in wholesale bullion product transactions with other
18.16 persons who engage only in wholesale bullion product transactions or with dealers who buy
18.17 or sell at retail and are properly registered under this chapter;

18.18 (2) a person who engages only in transactions at occasional garage or yard sales held at
18.19 the seller's residence, farm auctions held at the seller's residence, or estate sales held at the
18.20 decedent's residence;

18.21 (3) a person who is properly registered pursuant to chapter 80A, or the federal Securities
18.22 Exchange Act of 1934 and rules promulgated thereunder as a securities broker dealer or
18.23 broker dealer agent;

18.24 (4) an auctioneer who auctions bullion products on behalf of an owner, if the auctioneer
18.25 does not take title or ownership of the bullion products, or the operator of an Internet website
18.26 that allows users to offer the sale of bullion products through that website, does not set the
18.27 price, is not the seller of record, and does not take possession of any bullion products to be
18.28 offered; or

18.29 (5) ~~a person who engages only in transactions at no more than 12 trade shows per year~~
18.30 ~~in this state where the consumer is present and the transaction is made at the trade show;~~
18.31 ~~or~~

19.1 ~~(6)~~ (5) a federally or state-chartered bank, bank and trust, savings bank, savings
19.2 association, or credit union or any operating subsidiary of them.

19.3 Sec. 30. Minnesota Statutes 2020, section 80G.01, is amended by adding a subdivision to
19.4 read:

19.5 Subd. 5a. Minnesota transaction. "Minnesota transaction" means a bullion product
19.6 transaction conducted:

19.7 (1) by a dealer that is incorporated, registered, domiciled, or otherwise located in
19.8 Minnesota;

19.9 (2) by a dealer representative at a location in Minnesota;

19.10 (3) between a dealer and a consumer who lives in Minnesota; or

19.11 (4) between a dealer and a Minnesota consumer when the transaction involves:

19.12 (i) delivering or shipping a bullion product to an address in Minnesota;

19.13 (ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota
19.14 resident; or

19.15 (iii) making payment to a consumer or receiving a payment from a consumer at an
19.16 address in Minnesota, unless the transaction occurs when the consumer is at a business
19.17 location outside of Minnesota.

19.18 Sec. 31. Minnesota Statutes 2020, section 80G.02, subdivision 1, is amended to read:

19.19 **Subdivision 1. Registration required.** It is unlawful for a dealer or dealer representative
19.20 to ~~solicit, market, buy, sell, or deliver bullion products or investments in bullion products~~
19.21 ~~to a consumer~~ conduct a Minnesota transaction without being registered by the commissioner
19.22 as provided for in this chapter. A dealer must submit an application to register itself and
19.23 each of its dealer representatives within 45 days of reaching \$25,000 in the aggregate of
19.24 ~~bullion product transactions with consumers~~ Minnesota transactions between July 1 and
19.25 June 30 of any year, as determined by the transactions' sale or purchase prices. Once a dealer
19.26 is required to register itself and its dealer representatives, the dealer must thereafter renew
19.27 its registration and the registration of each of its dealer representatives in accordance with
19.28 this chapter, ~~regardless of the aggregate annual amount of transactions~~, unless the person
19.29 ceases to be a dealer. A dealer representative may not buy, sell, solicit, or market bullion
19.30 products or investments in bullion products on behalf of a dealer unless the dealer is properly
19.31 registered with the commissioner under this section.

20.1 Sec. 32. Minnesota Statutes 2020, section 80G.02, subdivision 4, is amended to read:

20.2 **Subd. 4. Notice of change in registration information.** A registered dealer must provide
20.3 the commissioner written notice of a change in the dealer's name, assumed names, doing
20.4 business as names, business addresses, including all business addresses at which it or its
20.5 dealer representatives conduct business, owners, e-mail addresses, website domain names,
20.6 or primary telephone number used by it or its dealer representatives to buy, sell, solicit, or
20.7 market to consumers bullion products or investments in bullion products no later than 30
20.8 days after the change occurs.

20.9 Sec. 33. Minnesota Statutes 2020, section 80G.03, subdivision 2, is amended to read:

20.10 **Subd. 2. Dealer responsibility for actions of dealer representatives.** The commissioner
20.11 may take action against a dealer for any violations of this chapter by its dealer representatives
20.12 conducting activities Minnesota transactions on behalf of or at the direction of the dealer.
20.13 The commissioner may also take action against the dealer representative.

20.14 Sec. 34. Minnesota Statutes 2020, section 80G.04, subdivision 1, is amended to read:

20.15 **Subdivision 1. Dealer registration precluded.** The commissioner must deny an
20.16 application for registration or renewal of a dealer, or revoke such registration, if the bullion
20.17 ~~ein~~ product dealer or its owners or officers have within the last ten years been convicted
20.18 in any court of any financial crime or other crime involving fraud or theft.

20.19 Sec. 35. Minnesota Statutes 2020, section 80G.05, subdivision 1, is amended to read:

20.20 **Subdivision 1. Screening process required.** Each registered dealer must establish
20.21 procedures to screen each of its owners and officers and each of its dealer representatives
20.22 prior to submitting the application to the commissioner for initial registration and at each
20.23 renewal. The results of such screenings shall be kept on file by the dealer and, if requested
20.24 by the commissioner, provided to the commissioner as part of the initial registration and all
20.25 renewal registrations.

20.26 Sec. 36. Minnesota Statutes 2021 Supplement, section 80G.06, subdivision 1, is amended
20.27 to read:

20.28 **Subdivision 1. Surety bond requirement.** (a) Every dealer shall maintain a current,
20.29 valid surety bond issued by a surety company admitted to do business in Minnesota in an
20.30 amount based on the Minnesota transactions conducted with Minnesota consumers (purchases

21.1 ~~from and sales to consumers at retail~~) during the 12-month period prior to registration, or
 21.2 renewal, whichever is applicable.

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

21.4 Transaction Amount in Preceding 21.5 12-month Period	21.4 Surety Bond Required
21.6 \$0 <u>\$25,000</u> to \$200,000	\$25,000
21.7 \$200,000.01 to \$500,000	\$50,000
21.8 \$500,000.01 to \$1,000,000	\$100,000
21.9 \$1,000,000.01 to \$2,000,000	\$150,000
21.10 Over \$2,000,000	\$200,000

21.11 Sec. 37. Minnesota Statutes 2020, section 80G.06, subdivision 2, is amended to read:

21.12 Subd. 2. **Action on bond permitted.** A consumer involved in a Minnesota transaction
 21.13 who is injured in money or property by a dealer's or dealer representative's failure to provide
 21.14 ~~bullion products that the consumer has paid for or failure to remit money or goods owed to~~
 21.15 ~~the consumer in connection with the consumer's sale of bullion products comply with this~~
 21.16 ~~chapter~~ may file a claim with the surety and if the claim is not paid, is authorized to bring
 21.17 an action based on the bond and recover against the surety. The commissioner or attorney
 21.18 general may also file a claim and bring an action on the bond and recover against the surety
 21.19 on behalf of a consumer so injured.

21.20 Sec. 38. Minnesota Statutes 2020, section 80G.07, subdivision 1, is amended to read:

21.21 Subdivision 1. **Sales practices.** ~~No~~ When conducting a Minnesota transaction, a dealer
 21.22 or dealer representative shall must not:

21.23 (1) prior to a transaction regarding bullion products, or concurrent with the delivery
 21.24 thereof, fail to provide to the consumer an invoice, which, in a clear and conspicuous manner,
 21.25 discloses the dealer's registration number, the Department of Commerce's e-mail address
 21.26 and telephone number, the sale or purchase price, the quantity of the bullion products, and
 21.27 specifically identifies and describes the bullion products, as well as their precious metal
 21.28 content, but only if it differs from the precious metal content specified by a government
 21.29 mint issuing the product and struck on the product, or if the product is not issued by a
 21.30 government mint;

21.31 (2) fail to investigate any consumer complaint and retain records of all consumer
 21.32 complaints, the results of its investigations, and the dealer's response and resolution of the
 21.33 complaint;

- 22.1 (3) fail to deliver by common carrier bullion products to a consumer within the time
22.2 agreed upon with the consumer or, if no such agreement exists, within 30 days after the
22.3 consumer has paid for the bullion products;
- 22.4 (4) fail to pay a consumer for purchased bullion products within the time agreed upon
22.5 with the consumer or, if no such agreement exists, within 30 days after the consumer has
22.6 provided the bullion products;
- 22.7 (5) misrepresent the delivery date of bullion products or payment for bullion products,
22.8 or the dealer or representative's professional qualifications, affiliations, or registration;
- 22.9 (6) misrepresent any material aspect of a bullion product, including its performance,
22.10 efficacy, nature, investment value, central characteristics, liquidity, earnings potential, or
22.11 profitability;
- 22.12 (7) misrepresent the manner in which any bullion products a consumer provides will be
22.13 stored or otherwise handled once received;
- 22.14 (8) renegotiate the terms of a sale or purchase after receiving a consumer's payment or
22.15 bullion products without first obtaining the consumer's agreement to renegotiate and offering
22.16 the consumer the option to have the payment fully refunded or the entirety of the bullion
22.17 products returned;
- 22.18 (9) fail to respond within three business days to a consumer inquiry about the delivery
22.19 status of bullion products that the consumer has paid for but not yet received or the status
22.20 of a payment for bullion products that the consumer has already provided;
- 22.21 (10) telephone or solicit a consumer, or sell or provide the consumer's name to any other
22.22 dealer or dealer representative, after the consumer requests not to be contacted;
- 22.23 (11) violate a subpoena or order of the commissioner or a court;
- 22.24 (12) make any communication to a potential buyer or seller of bullion products that
22.25 misrepresents the relationship, if any, between the dealer or dealer representative and any
22.26 government agency or mint;
- 22.27 (13) improperly withhold, misappropriate, or convert any money or properties received
22.28 in the course of buying, selling, soliciting, or marketing bullion products or investments in
22.29 bullion products to consumers;
- 22.30 (14) misrepresent the terms of an actual or proposed purchase or sale of bullion products
22.31 or investment in bullion products to a consumer; or

23.1 (15) violate any other federal, state, or local law or rule related to selling, purchasing,
23.2 soliciting, or marketing of bullion products, investments in bullion products, or precious
23.3 metals, or any federal, state, or local law related to fraudulent, coercive, or dishonest
23.4 practices, or federal, state, or local law related to taxation or labor standards.

23.5 Sec. 39. Minnesota Statutes 2021 Supplement, section 80G.11, is amended to read:

23.6 **80G.11 NOTIFICATION TO COMMISSIONER.**

23.7 A registered dealer must notify the commissioner of any dealer representative termination
23.8 within ten days of the termination if the termination is based in whole or in part on a violation
23.9 of this chapter.

23.10 Sec. 40. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to
23.11 read:

23.12 Subd. 4. Minimum damage acquisition report. A real estate appraiser may provide a
23.13 minimum damage acquisition report for purposes of section 117.036. When providing a
23.14 minimum damage acquisition report, a real estate appraiser is not engaged in real estate
23.15 appraisal activity and is not subject to this chapter.

23.16 **EFFECTIVE DATE.** This section is effective September 1, 2022.

23.17 Sec. 41. Minnesota Statutes 2020, section 82B.19, is amended by adding a subdivision to
23.18 read:

23.19 Subd. 5. Out-of-state continuing education credit. (a) For purposes of this subdivision,
23.20 the following terms have the meanings given:

23.21 (1) "asynchronous educational offering" has the meaning given in the most recent version
23.22 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
23.23 Qualifications Board; and

23.24 (2) "synchronous educational offering" has the meaning given in the most recent version
23.25 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
23.26 Qualifications Board, and includes an educational process based on live or real-time
23.27 instruction where there is no geographic separation of instructor and student.

23.28 (b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser may
23.29 submit, in a form prescribed by the commissioner, an application for continuing education
23.30 credit for a synchronous educational offering that has not been submitted for prior approval

24.1 in Minnesota. The commissioner must grant a real estate appraiser continuing education
24.2 credit if:

24.3 (1) the application is submitted on or before August 1 of the year in which the real estate
24.4 appraiser license is due for renewal;

24.5 (2) the synchronous educational offering has been approved for continuing education
24.6 credit by the regulator of real estate appraisers in at least one other state or United States
24.7 territory; and

24.8 (3) an application is submitted by the real estate appraiser to the commissioner within
24.9 30 days of successful completion of the synchronous education offering.

24.10 (c) The application must include a certificate of successful completion from the
24.11 synchronous education offering provider. The commissioner must grant a real estate appraiser
24.12 the same number of continuing education credits for the successful completion of the
24.13 synchronous educational offering as was approved for the offering by the out-of-state real
24.14 estate appraiser regulatory authority. The commissioner must grant a real estate appraiser
24.15 continuing education credit within 60 days of the submission of the completed application
24.16 for out-of-state continuing education credit.

24.17 (d) The commissioner may charge a fee to a real estate appraiser, in an amount determined
24.18 by the commissioner, to submit an application under this subdivision.

24.19 (e) This subdivision does not apply to asynchronous educational offerings.

24.20 **EFFECTIVE DATE.** This section is effective September 1, 2022.

24.21 Sec. 42. Minnesota Statutes 2021 Supplement, section 82B.25, subdivision 2, is amended
24.22 to read:

24.23 Subd. 2. Education. Within two years of receiving a license under this chapter and as
24.24 required by the Appraiser Qualifications Board, A real property appraiser shall provide to
24.25 the commissioner evidence of satisfactory completion of a continuing education course on
24.26 the valuation bias of real property. An appraiser licensed after September 1, 2021, must
24.27 complete the course required by this section prior to the appraiser's first license renewal.

24.28 **EFFECTIVE DATE.** This section is effective September 1, 2022.

24.29 Sec. 43. Minnesota Statutes 2020, section 82C.17, subdivision 2, is amended to read:

24.30 Subd. 2. Evidence. (a) An appraisal management company can evidence that the fees
24.31 paid to an appraiser were reasonable and customary through:

25.1 (1) objective third-party information, including, but not limited to, government agency
25.2 fee schedules or academic studies. An academic study used must exclude appraisal
25.3 assignments ordered by an appraisal management company. ~~The commissioner may establish~~
25.4 ~~a fee scheduled for use by an appraisal management company~~; or

25.5 (2) reviewing each of the following factors and making adjustments to recent fees paid
25.6 for appraisal services performed in the market area:

- 25.7 (i) the type of property appraised;
- 25.8 (ii) the scope of the appraisal work;
- 25.9 (iii) the time in which the appraisal service must be performed;
- 25.10 (iv) appraiser qualifications;
- 25.11 (v) appraiser experience and professional record; and
- 25.12 (vi) appraiser work quality.

25.13 (b) The fees paid for a complex appraisal assignment shall reflect the increased time,
25.14 difficulty, and scope of work required.

25.15 (c) An appraisal management company shall maintain written documentation describing
25.16 and substantiating all methods and information used to determine the customary and
25.17 reasonable fees required by this section.

25.18 **EFFECTIVE DATE.** This section is effective September 1, 2022.

25.19 Sec. 44. **[214.035] LICENSING DISQUALIFICATIONS; PRELIMINARY**
25.20 **APPLICATIONS; REPORTS.**

25.21 Subdivision 1. Definition. As used in this section, "state licensor" or "licensor" means
25.22 any state agency or examining and licensing board, including each health-related licensing
25.23 board and non-health-related licensing board, that issues occupational or professional
25.24 licenses, registrations, or certificates.

25.25 Subd. 2. Preliminary applications. (a) Notwithstanding any law to the contrary, all
25.26 state licensors shall permit a person to submit a preliminary application for a determination
25.27 pursuant to this section as to whether a criminal conviction or any other record of alleged
25.28 misconduct that may be considered by the state licensor under state law would make the
25.29 person ineligible to receive an occupational or professional license, registration, or certificate
25.30 issued by the state licensor.

26.1 (b) An applicant shall submit a preliminary application and any other supporting
26.2 documents to the appropriate state licensor in a form and manner approved by the licensor.
26.3 The state licensor may require that the applicant provide a copy of the applicant's criminal
26.4 record or complete a background check or background study if required by statute in the
26.5 form and manner approved by the licensor to obtain a professional or occupational license,
26.6 registration, or certificate from the licensor.

26.7 (c) A state licensor may charge a fee to cover any expenses incurred in connection with
26.8 processing a preliminary application, provided the fee does not exceed the actual cost to
26.9 the state licensor of processing the application or the initial fee for the applicable license,
26.10 registration, or certificate. If the applicant subsequently applies for the license, registration,
26.11 or certificate, the amount of the preliminary application fee paid by the applicant must be
26.12 credited toward the applicant's initial fee for the license, registration, or certificate. An
26.13 applicant may request a waiver of this fee. A fee collected under this paragraph for the
26.14 expenses incurred by the state licensor shall be deposited in the fund in the state treasury
26.15 in which the state licensor deposits fees collected for issuing occupational or professional
26.16 licenses, registrations, or certificates. If the state licensor does not collect a fee for issuing
26.17 occupational or professional licenses, registrations, or certificates, any fee collected under
26.18 this paragraph shall be deposited pursuant to section 214.06, subdivision 1.

26.19 (d) Upon receipt of a completed preliminary application and any necessary supporting
26.20 documents, the state licensor must determine under state law whether a criminal conviction
26.21 or other record of alleged misconduct that may be considered under state law would make
26.22 the applicant ineligible to receive a professional or occupational license, registration, or
26.23 certificate from the licensor. The state licensor must issue a written decision within 60 days
26.24 of receiving a completed preliminary application. If the state licensor determines that a
26.25 criminal conviction or other record of alleged misconduct would make the applicant ineligible
26.26 to receive a professional or occupational license, registration, or certificate, the written
26.27 decision must:

26.28 (1) state all reasons the professional or occupational license, registration, or certificate
26.29 would be denied, including the standard used to make the decision;

26.30 (2) notify the applicant of the right to appeal the decision or seek reconsideration of the
26.31 results of a background check or background study, if applicable; and

26.32 (3) inform the applicant of any action or additional steps the applicant could take to
26.33 qualify for a professional or occupational license, registration, or certificate.

27.1 (e) If a state licensor determines that no criminal convictions or other records of alleged
27.2 misconduct would make the applicant ineligible to receive a professional or occupational
27.3 license, registration, or certificate, that decision is binding on the licensor unless the applicant:

27.4 (1) is convicted of a crime or commits any other disqualifying act that may be considered
27.5 by the state licensor under state law after submission of the preliminary application;

27.6 (2) provided incomplete information in the preliminary application; or

27.7 (3) provided inaccurate or fraudulent information in the preliminary application.

27.8 Subd. 3. **Reports.** (a) By January 15 of each year, every state licensor shall report to the
27.9 Department of Employment and Economic Development on:

27.10 (1) the number of individuals who applied for a professional or occupational license,
27.11 registration, or certificate from the licensor;

27.12 (2) the number of individuals described in clause (1) who were found to be ineligible
27.13 due to a criminal conviction or other record of alleged misconduct;

27.14 (3) the number of individuals who submitted a preliminary application under this section;
27.15 and

27.16 (4) the number of individuals described in clause (3) who were found to be ineligible
27.17 due to a criminal conviction or other record of alleged misconduct.

27.18 (b) On or before February 15 of each year, the commissioner of employment and
27.19 economic development shall compile the reports received under paragraph (a) and provide
27.20 the compiled reports to the chairs and ranking minority members of the house of
27.21 representatives and senate committees and divisions with jurisdiction over employment.
27.22 The commissioner of employment and economic development must make the report readily
27.23 available on the department's public website.

27.24 Sec. 45. Minnesota Statutes 2020, section 239.761, subdivision 3, is amended to read:

27.25 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
27.26 with water or other impurities and must comply with ASTM specification D4814-11b.
27.27 Gasoline that is not blended with biofuel must also comply with the volatility requirements
27.28 in Code of Federal Regulations, title 40, part 80 1090.

27.29 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
27.30 a person responsible for the product:

28.1 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
28.2 4;
28.3 (2) shall not blend the gasoline with any oxygenate other than biofuel;
28.4 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
28.5 biofuel;
28.6 (4) shall not blend the gasoline with products commonly and commercially known as
28.7 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
28.8 gasoline; and
28.9 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
28.10 designed to replace tetra-ethyl lead, that is registered by the EPA.

28.11 Sec. 46. Minnesota Statutes 2020, section 239.761, subdivision 4, is amended to read:

28.12 **Subd. 4. Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
28.13 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
28.14 5.

28.15 (b) A gasoline-ethanol blend must:

28.16 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
28.17 80 1090;

28.18 (2) comply with ASTM specification D4814-11b, or the gasoline base stock from which
28.19 a gasoline-ethanol blend was produced must comply with ASTM specification D4814-11b;
28.20 and

28.21 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
28.22 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
28.23 or otherwise removed from a refinery or terminal.

28.24 Sec. 47. Minnesota Statutes 2020, section 239.791, subdivision 2a, is amended to read:

28.25 **Subd. 2a. Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted by
28.26 the United States Environmental Protection Agency under United States Code, title 42,
28.27 section 7545, may alter the minimum content level required by subdivision 1, paragraph
28.28 (a), clause (1), item (ii), the waiver must:

28.29 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and

29.1 (2) allow for special regulatory treatment of Reid vapor pressure under Code of Federal
29.2 Regulations, title 40, ~~section 80.27 part 1090.215~~, paragraph (d)(b), for blends of gasoline
29.3 and ethanol up to the maximum percent of denatured ethanol by volume authorized under
29.4 the waiver.

29.5 (b) The minimum biofuel requirement in subdivision 1, paragraph (a), clause (1), item
29.6 (ii), shall, upon the grant of the federal waiver, be effective the day after the commissioner
29.7 of commerce publishes notice in the State Register. In making this determination, the
29.8 commissioner shall consider the amount of time required by refiners, retailers, pipeline and
29.9 distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the
29.10 operational and logistical changes required to supply fuel in compliance with the minimum
29.11 biofuel requirement.

29.12 Sec. 48. Minnesota Statutes 2020, section 296A.01, subdivision 23, is amended to read:

29.13 Subd. 23. **Gasoline.** (a) "Gasoline" means:

29.14 (1) all products commonly or commercially known or sold as gasoline regardless of
29.15 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
29.16 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
29.17 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
29.18 removed from a refinery or terminal; and

29.19 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
29.20 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
29.21 tested by the Weights and Measures Division meets the specifications in ASTM specification
29.22 D4814-11b.

29.23 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
29.24 other impurities and must comply with both ASTM specification D4814-11b and the volatility
29.25 requirements in Code of Federal Regulations, title 40, part 80 1090.

29.26 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
29.27 a person responsible for the product:

29.28 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
29.29 24;

29.30 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
29.31 derived ethanol;

30.1 (3) must not blend the gasoline with other petroleum products that are not gasoline or
30.2 denatured, agriculturally derived ethanol;

30.3 (4) must not blend the gasoline with products commonly and commercially known as
30.4 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
30.5 gasoline; and

30.6 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
30.7 designed to replace tetra-ethyl lead, that is registered by the EPA.

30.8 Sec. 49. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:

30.9 **Subd. 3. Term.** Licenses issued or renewed and registrations received by the
30.10 commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each
30.11 collection agency license shall plainly state the name and business address of the licensee,
30.12 and shall be posted in a conspicuous place in the office where the business is transacted.
30.13 The fee for each collection agency license is \$500, and renewal is \$400. The fee for each
30.14 collector registration and renewal is \$10, which entitles the individual collector to work at
30.15 a licensee's business location or in another location as provided under subdivision 5b. An
30.16 additional branch license is not required for a location used under subdivision 5b. A collection
30.17 agency licensee who desires to carry on business in more than one place shall procure a
30.18 license for each place where the business is to be conducted.

30.19 **EFFECTIVE DATE.** This section is effective June 1, 2022.

30.20 Sec. 50. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to
30.21 read:

30.22 **Subd. 5b. Work from home.** An employee of a licensed collection agency may work
30.23 from a location other than the licensee's business location if the licensee and employee
30.24 comply with all requirements under this section that would apply if the employee were
30.25 working at the business location.

30.26 **EFFECTIVE DATE.** This section is effective June 1, 2022.

30.27 Sec. 51. Minnesota Statutes 2020, section 336.9-510, is amended to read:

30.28 **336.9-510 EFFECTIVENESS OF FILED RECORD.**

30.29 **(a) Filed record effective if authorized.** A filed record is effective only to the extent
30.30 that it was filed by a person that may file it under section 336.9-509 or by the filing office
30.31 under section 336.9-5135.

31.1 **(b) Authorization by one secured party of record.** A record authorized by one secured

31.2 party of record does not affect the financing statement with respect to another secured party
31.3 of record.

31.4 **(c) Continuation statement not timely filed.** A continuation statement that is not filed

31.5 within the six-month period prescribed by section 336.9-515(d) is ineffective.

31.6 Sec. 52. [336.9-5135] TERMINATION OF WRONGFULLY FILED FINANCING
31.7 STATEMENT; REINSTATEMENT.

31.8 **(a) Intent to harass.** "Intent to harass" means that from the totality of the information

31.9 provided in the record, it appears obvious to the filing office that there is no valid basis for
31.10 the filing of the record.

31.11 **(b) Affidavit of wrongful filing.** A person identified as the debtor in a filed financing

31.12 statement may deliver to the filing office a notarized affidavit that identifies the financing
31.13 statement by file number, indicates the person's mailing address, and states that the person

31.14 believes the filed record identifying the person as the debtor was not authorized to be filed
31.15 and was communicated or caused to be communicated to the office with the intent to harass

31.16 or defraud the person identified as the debtor. The office may reject an affidavit that is
31.17 incomplete or that the office believes was delivered with the intent to harass or defraud the

31.18 secured party. The secretary of state must provide a form of affidavit for use under this
31.19 section.

31.20 **(c) Termination statement by filing office.** If an affidavit is delivered to the filing

31.21 office under subsection (b) and is not rejected under subsection (b), the office must promptly
31.22 file a termination statement with respect to the financing statement identified in the affidavit.

31.23 The termination statement must identify by its file number the initial financing statement
31.24 it relates to and must indicate that it was filed pursuant to this section. A termination

31.25 statement filed under this subsection is not effective until 20 days after the date it is filed.

31.26 **(d) No fee charged or refunded.** The filing office must not charge a fee to file an

31.27 affidavit under subsection (b) or a termination statement under subsection (c). The office
31.28 must not return any fee paid to file the financing statement identified in the affidavit, whether

31.29 or not the financing statement is reinstated under subsection (g).

31.30 **(e) Notice of termination statement.** Within two business days of the date a filing office

31.31 files a termination statement under subsection (c), it must send to the secured party of record
31.32 for the financing statement the termination statement relates to a notice stating the termination

31.33 statement has been filed and becomes effective 20 days after the date the termination

32.1 statement was filed. The notice must be sent by certified mail, return receipt requested, to
32.2 the address provided for the secured party of record in the financing statement, with a copy
32.3 sent by e-mail to the e-mail address provided by the secured party of record, if any.

32.4 **(f) Administrative review; action for reinstatement.** If a secured party believes in
32.5 good faith the filed record identified in an affidavit and delivered to the filing office under
32.6 subsection (b) was authorized to be filed and was not communicated or caused to be
32.7 communicated to the filing office with the intent to harass or defraud, the secured party may
32.8 do the following:

32.9 (1) before the termination statement takes effect, request that the filing office conduct
32.10 an expedited review of the filed record and any documentation provided by the secured
32.11 party. The filing office may, as a result of the review, remove from the record the termination
32.12 statement the filing office filed under subsection (c) before the termination statement takes
32.13 effect; or

32.14 (2) at any time, commence an action against the filing office seeking reinstatement of
32.15 the financing statement the filed record relates to. The action must be commenced before
32.16 the expiration of six months after the date the termination statement was filed under
32.17 subsection (c) becomes effective. If the person identified as the debtor is not named as a
32.18 defendant in the action, the secured party must send a copy of the complaint to the person
32.19 identified as the debtor at the address indicated in the affidavit. The exclusive venue for the
32.20 action is the district court for the county where the filing office in which the financing
32.21 statement was filed is located. The action must be considered by the court on an expedited
32.22 basis.

32.23 **(g) Office to file notice of action for reinstatement.** Within ten days after the date the
32.24 filing office is served with process in an action under subsection (f), the filing office must
32.25 file in the central filing system a notice indicating the action has been commenced. The
32.26 notice must indicate the file number of the initial financing statement it relates to.

32.27 **(h) Action for reinstatement successful.** In an action under subsection (f), if the court
32.28 determines the financing statement was authorized to be filed and was not communicated
32.29 or caused to be communicated to the filing office with the intent to harass or defraud the
32.30 person identified as the debtor, the court must order that the financing statement is reinstated.
32.31 If a reinstatement order is issued by the court, the filing office must promptly file a record
32.32 that identifies by its file number the initial financing statement the record relates to and
32.33 indicates the financing statement has been reinstated.

33.1 **(i) Effect of reinstatement.** Upon the filing of a record reinstating a financing statement
33.2 under subsection (h), the effectiveness of the financing statement is reinstated and the
33.3 financing statement is considered to never have been terminated under this section. A
33.4 continuation statement filed under section 336.9-515(d) after the effective date of a
33.5 termination statement filed under subsection (c) becomes effective if the financing statement
33.6 is reinstated.

33.7 **(j) Liability for wrongful filing.** In an action under subsection (f), if the court determines
33.8 the filed record identified in an affidavit delivered to the filing office under subsection (b)
33.9 was not authorized to be filed and was communicated or caused to be communicated to the
33.10 filing office with the intent to harass or defraud the person identified as the debtor, the filing
33.11 office and the person identified as the debtor may recover from the secured party that filed
33.12 the action the costs and expenses, including reasonable attorney fees, that the filing office
33.13 and the person identified as the debtor incurred in the action. The recovery is under this
33.14 subsection in addition to any recovery the person identified as the debtor is entitled to under
33.15 section 336.9-625.

33.16 Sec. 53. Minnesota Statutes 2020, section 336.9-516, is amended to read:

336.9-516 WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.

33.18 **(a) What constitutes filing.** Except as otherwise provided in subsection (b),
33.19 communication of a record to a filing office and tender of the filing fee or acceptance of
33.20 the record by the filing office constitutes filing.

33.21 **(b) Refusal to accept record; filing does not occur.** Filing does not occur with respect
33.22 to a record that a filing office refuses to accept because:

33.23 (1) the record is not communicated by a method or medium of communication authorized
33.24 by the filing office. For purposes of filing office authorization, transmission of records using
33.25 the Extensible Markup Language (XML) format is authorized by the filing office after the
33.26 later of July 1, 2007, or the determination of the secretary of state that the central filing
33.27 system is capable of receiving and processing these records;

33.28 (2) an amount equal to or greater than the applicable filing fee is not tendered;

33.29 (3) the filing office is unable to index the record because:

33.30 (A) in the case of an initial financing statement, the record does not provide a name for
33.31 the debtor;

33.32 (B) in the case of an amendment or information statement, the record:

- 34.1 (i) does not identify the initial financing statement as required by section 336.9-512 or
34.2 336.9-518, as applicable; or
- 34.3 (ii) identifies an initial financing statement whose effectiveness has lapsed under section
34.4 336.9-515;
- 34.5 (C) in the case of an initial financing statement that provides the name of a debtor
34.6 identified as an individual or an amendment that provides a name of a debtor identified as
34.7 an individual which was not previously provided in the financing statement to which the
34.8 record relates, the record does not identify the debtor's surname; or
- 34.9 (D) in the case of a record filed or recorded in the filing office described in section
34.10 336.9-501 (a)(1), the record does not provide a sufficient description of the real property
34.11 to which it relates;
- 34.12 (4) in the case of an initial financing statement or an amendment that adds a secured
34.13 party of record, the record does not provide a name and mailing address for the secured
34.14 party of record;
- 34.15 (5) in the case of an initial financing statement or an amendment that provides a name
34.16 of a debtor which was not previously provided in the financing statement to which the
34.17 amendment relates, the record does not:
- 34.18 (A) provide a mailing address for the debtor; or
- 34.19 (B) indicate whether the name provided as the name of the debtor is the name of an
34.20 individual or an organization;
- 34.21 (6) in the case of an assignment reflected in an initial financing statement under section
34.22 336.9-514 (a) or an amendment filed under section 336.9-514 (b), the record does not provide
34.23 a name and mailing address for the assignee; ~~or~~
- 34.24 (7) in the case of a continuation statement, the record is not filed within the six-month
34.25 period prescribed by section 336.9-515 (d); or
- 34.26 (8) in the case of an initial financing statement or an amendment that provides a name
34.27 of a debtor not previously provided in the financing statement to which the amendment
34.28 relates, the office reasonably believes the record was communicated or caused to be
34.29 communicated (i) with the intent to harass or defraud the person identified as the debtor, or
34.30 (ii) for another unlawful purpose. The office has no duty to form a belief as to whether a
34.31 record was communicated or caused to be communicated with the intent to harass or defraud
34.32 the person identified as the debtor or for another unlawful purpose, and has no duty to

35.1 investigate or ascertain facts relevant to whether the intent or purpose was present. The
35.2 secretary of state is not required to return an image of a filing rejected under this clause.

35.3 **(c) Rules applicable to subsection (b).** For purposes of subsection (b):

35.4 (1) a record does not provide information if the filing office is unable to read or decipher
35.5 the information; and

35.6 (2) a record that does not indicate that it is an amendment or identify an initial financing
35.7 statement to which it relates, as required by section 336.9-512, 336.9-514, or 336.9-518, is
35.8 an initial financing statement.

35.9 **(d) Refusal to accept record; record effective as filed record.** A record that is
35.10 communicated to the filing office with tender of the filing fee, but which the filing office
35.11 refuses to accept for a reason other than one set forth in subsection (b), is effective as a filed
35.12 record except as against a purchaser of the collateral which gives value in reasonable reliance
35.13 upon the absence of the record from the files.

35.14 **(e) Effectiveness of record; purchaser in good faith.** A record that the filing office
35.15 initially refuses to accept under subsection (b)(8) but later accepts after receiving additional
35.16 information is effective as if the office had not initially refused to accept the record, except
35.17 as against a purchaser of the collateral that gives value in reasonable reliance upon the
35.18 absence of the record from the files.

35.19 Sec. 54. Minnesota Statutes 2020, section 515B.3-102, is amended to read:

35.20 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

35.21 (a) Except as provided in subsections (b), (c), (d), and (e), (f), (g), and (h) and subject
35.22 to the provisions of the declaration or bylaws, the association shall have the power to:

35.23 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
35.24 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
35.25 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
35.26 jeopardize the health, safety or welfare of other occupants, which involves noise or other
35.27 disturbing activity, or which may damage the common elements or other units; (iii) regulating
35.28 or prohibiting animals; (iv) regulating changes in the appearance of the common elements
35.29 and conduct which may damage the common interest community; (v) regulating the exterior
35.30 appearance of the common interest community, including, for example, balconies and patios,
35.31 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)
35.32 implementing the articles of incorporation, declaration and bylaws, and exercising the

- 36.1 powers granted by this section; and (vii) otherwise facilitating the operation of the common
36.2 interest community;
- 36.3 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
36.4 collect assessments for common expenses from unit owners;
- 36.5 (3) hire and discharge managing agents and other employees, agents, and independent
36.6 contractors;
- 36.7 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its
36.8 own name on behalf of itself or two or more unit owners on matters affecting the common
36.9 elements or other matters affecting the common interest community or, (ii) with the consent
36.10 of the owners of the affected units on matters affecting only those units;
- 36.11 (5) make contracts and incur liabilities;
- 36.12 (6) regulate the use, maintenance, repair, replacement, and modification of the common
36.13 elements and the units;
- 36.14 (7) cause improvements to be made as a part of the common elements, and, in the case
36.15 of a cooperative, the units;
- 36.16 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
36.17 real estate or personal property, but (i) common elements in a condominium or planned
36.18 community may be conveyed or subjected to a security interest only pursuant to section
36.19 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
36.20 may be subjected to a security interest, only pursuant to section 515B.3-112;
- 36.21 (9) grant or amend easements for public utilities, public rights-of-way or other public
36.22 purposes, and cable television or other communications, through, over or under the common
36.23 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
36.24 by the declaration; and, subject to approval by a vote of unit owners other than declarant
36.25 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
36.26 the common elements;
- 36.27 (10) impose and receive any payments, fees, or charges for the use, rental, or operation
36.28 of the common elements, other than limited common elements, and for services provided
36.29 to unit owners;
- 36.30 (11) impose interest and late charges for late payment of assessments and, after notice
36.31 and an opportunity to be heard before the board or a committee appointed by it, levy
36.32 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the
36.33 association;

37.1 (12) impose reasonable charges for the review, preparation and recordation of
37.2 amendments to the declaration, resale certificates required by section 515B.4-107, statements
37.3 of unpaid assessments, or furnishing copies of association records;

37.4 (13) provide for the indemnification of its officers and directors, and maintain directors'
37.5 and officers' liability insurance;

37.6 (14) provide for reasonable procedures governing the conduct of meetings and election
37.7 of directors;

37.8 (15) exercise any other powers conferred by law, or by the declaration, articles of
37.9 incorporation or bylaws; and

37.10 (16) exercise any other powers necessary and proper for the governance and operation
37.11 of the association.

37.12 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
37.13 on the power of the association to deal with the declarant which are more restrictive than
37.14 the limitations imposed on the power of the association to deal with other persons.

37.15 (c) No less than 15 days before levying a fine pursuant to subsection (a)(11), levying a
37.16 limited assessment, or initiating a foreclosure, an association must provide written notice
37.17 to a unit owner that:

37.18 (1) indicates the amount, date, and reason for the levy or foreclosure;

37.19 (2) identifies the violation for which a fine is being levied and the specific section of
37.20 the declaration, bylaws, or rules and regulations allegedly violated;

37.21 (3) states that all unpaid fines and assessments are liens which, if not satisfied, could
37.22 lead to foreclosure of the unit;

37.23 (4) describes the right of the unit owner to be heard by the board or a committee appointed
37.24 by the board;

37.25 (5) states that if the assessment, fees, charges, or fine is not paid, the amount owed may
37.26 increase as a result of the imposition of attorney fees and other costs of collection; and

37.27 (6) informs the unit owner that foreclosure prevention and other homeownership
37.28 assistance is available from, and includes the contact information for, the Minnesota
37.29 Homeownership Center.

37.30 (d) No attorney fees are chargeable on the unit owner for the 15-day period and, if
37.31 applicable, any period up to and including the time a decision is rendered by the board, or
37.32 a committee appointed by the board, after a hearing.

38.1 (e) For the purposes of this section "limited assessment" means an assessment for an
38.2 expense other than common expenses or special assessments that is limited to a particular
38.3 unit owner.

38.4 (f) Notwithstanding subsection (a), powers exercised under this section must comply
38.5 with section 500.215.

38.6 (g) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
38.7 association, before instituting litigation or arbitration involving construction defect claims
38.8 against a development party, shall:

38.9 (1) mail or deliver written notice of the anticipated commencement of the action to each
38.10 unit owner at the addresses, if any, established for notices to owners in the declaration and,
38.11 if the declaration does not state how notices are to be given to owners, to the owner's last
38.12 known address. The notice shall specify the nature of the construction defect claims to be
38.13 alleged, the relief sought, and the manner in which the association proposes to fund the cost
38.14 of pursuing the construction defect claims; and

38.15 (2) obtain the approval of owners of units to which a majority of the total votes in the
38.16 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
38.17 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
38.18 are excluded. The association may obtain the required approval by a vote at an annual or
38.19 special meeting of the members or, if authorized by the statute under which the association
38.20 is created and taken in compliance with that statute, by a vote of the members taken by
38.21 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
38.22 means or mailed ballots is authorized by that statute, the association shall also provide for
38.23 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
38.24 or mailed ballots, except that the votes must be used in combination with the vote taken at
38.25 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
38.26 for purposes of determining whether a quorum was present. Proxies may not be used for a
38.27 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
38.28 the notice required under subsection (g)(1) and the proxy expressly references this notice.

38.29 (h) The association may intervene in a litigation or arbitration involving a construction
38.30 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
38.31 claim before complying with subsections (g)(1) and (g)(2) but the association's
38.32 complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed
38.33 without prejudice unless the association has complied with the requirements of subsection

39.1 ~~(d)~~(g) within 90 days of the association's commencement of the complaint in an intervention
39.2 or the assertion of the counterclaim, crossclaim, or third-party claim.

39.3 Sec. 55. Minnesota Statutes 2020, section 549.30, subdivision 3, is amended to read:

39.4 **Subd. 3. Applicable law.** "Applicable law" means: (1) the laws of the United States; (2)
39.5 the laws of this state, including principles of equity applied in the courts of this state; and
39.6 (3) the laws of any other jurisdiction: (i) which is the domicile of the payee ~~or any other~~
39.7 interested party; (ii) under whose laws a structured settlement agreement was approved by
39.8 a court or responsible administrative authority; or (iii) in whose courts a settled claim was
39.9 pending when the parties entered into a structured settlement agreement.

39.10 Sec. 56. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to
39.11 read:

39.12 **Subd. 3a. Assignee.** "Assignee" means a person acquiring or proposing to acquire
39.13 structured settlement payment rights from a transferee.

39.14 Sec. 57. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to
39.15 read:

39.16 **Subd. 5a. Effective equivalent annual interest rate.** "Effective equivalent annual
39.17 interest rate" means the annualized rate of interest on the net advance amount, calculated
39.18 by treating the transferred settlement payments as if the transferred settlement payments
39.19 were installment payments on a loan, with each payment applied first to the accrued unpaid
39.20 interest and then to the principal.

39.21 Sec. 58. Minnesota Statutes 2020, section 549.30, subdivision 6, is amended to read:

39.22 **Subd. 6. Independent professional advice.** "Independent professional advice" means
39.23 advice of an attorney, certified public accountant, actuary, financial adviser, or other licensed
39.24 professional adviser: (1) who is engaged by a payee to render advice concerning the legal,
39.25 tax, and financial implications of a transfer of structured settlement payment rights; (2) to
39.26 whom the payee is not referred directly or indirectly and who is not in any manner affiliated
39.27 with or compensated by the transferee of the transfer; and (3) whose compensation for
39.28 providing the advice is not affected by whether a transfer occurs or does not occur.

40.1 Sec. 59. Minnesota Statutes 2020, section 549.30, subdivision 15, is amended to read:

40.2 **Subd. 15. Structured settlement payment rights.** "Structured settlement payment
40.3 rights" means rights to receive periodic payments, including lump-sum payments, under a
40.4 structured settlement, whether from the settlement obligor or the annuity issuer, where: (1)
40.5 the payee ~~or any other interested party~~ is domiciled in the state; (2) the structured settlement
40.6 agreement was approved by a court or responsible administrative authority in the state; or
40.7 (3) the settled claim was pending before the courts of this state when the parties entered
40.8 into the structured settlement agreement.

40.9 Sec. 60. Minnesota Statutes 2020, section 549.30, subdivision 19, is amended to read:

40.10 **Subd. 19. Transferee.** "Transferee" means a person ~~who is receiving or will receive~~
40.11 acquiring or proposing to acquire structured settlement payment rights ~~resulting from a~~
40.12 ~~transfer.~~

40.13 Sec. 61. Minnesota Statutes 2020, section 549.31, is amended to read:

40.14 **549.31 CONDITIONS TO TRANSFERS OF STRUCTURED SETTLEMENT
40.15 PAYMENT RIGHTS AND STRUCTURED SETTLEMENT AGREEMENTS.**

40.16 Subdivision 1. **Generally.** No direct or indirect transfer of structured settlement payment
40.17 rights is effective and no structured settlement obligor or annuity issuer is required to make
40.18 a payment directly or indirectly to a transferee of structured settlement payment rights unless
40.19 the transfer has been authorized in advance in a final order of a court of competent jurisdiction
40.20 or responsible administrative authority, based on the court's or responsible administrative
40.21 authority's written express findings, after notice and hearing, that:

40.22 (a) the transfer complies with the requirements of sections 549.31 to 549.34 and will
40.23 not contravene other applicable law;

40.24 (b) not less than ten days before the date on which the payee first incurred an obligation
40.25 with respect to the transfer, the transferee has provided to the payee, an attorney representing
40.26 the payee or advising the payee, or any other professional known to be advising the payee
40.27 a disclosure statement in bold type, no smaller than 14 points, specifying:

40.28 (1) the amounts and due dates of the structured settlement payments to be transferred;
40.29 (2) the aggregate amount of the payments;

40.30 (3) the discounted present value of the payments, together with the discount rate used
40.31 in determining the discounted present value;

41.1 (4) the gross amount payable to the payee in exchange for the payments;

41.2 (5) an itemized listing of all brokers' commissions, service charges, application fees,
41.3 processing fees, closing costs, filing fees, referral fees, administrative fees, legal fees, notary
41.4 fees, and other commissions, fees, costs, expenses, and any other charges payable by the
41.5 payee or deductible from the gross amount otherwise payable to the payee, and verification
41.6 that the total fees and charges do not exceed two percent of the total compensation payable
41.7 to the payee;

41.8 (6) the net amount payable to the payee after deduction of all commissions, fees, costs,
41.9 expenses, and charges described in clause (5);

41.10 (7) the quotient, expressed as a percentage, obtained by dividing the net payment amount
41.11 by the discounted present value of the payments; and

41.12 (8) the amount of any penalty and the aggregate amount of any liquidated damages,
41.13 including penalties, payable by the payee in the event of a breach of the transfer agreement
41.14 by the payee;

41.15 (9) the effective equivalent annual interest rate, disclosed in the following form: "Based
41.16 on the net amount that you will receive from us and the amounts and timing of the structured
41.17 settlement payments you are transferring to us, in effect you will be paying us at an interest
41.18 rate of % per year"; and

41.19 (10) that the payee is advised to obtain independent professional advice about the transfer,
41.20 disclosed in the following form: "Before agreeing to sell any of your payment rights, you
41.21 should seek guidance from an attorney, accountant, actuary, financial adviser, or tax or
41.22 other licensed professional adviser who is not associated with the buyer. It is illegal for the
41.23 buyer to refer you to anyone for this advice and for anyone associated with or paid for by
41.24 the buyer to give you advice.";

41.25 (c) based on the files, records, disclosures, and evidence presented at the hearing, the
41.26 payee court has established that the financial terms of the proposed transfer are fair and
41.27 reasonable and the proposed transfer is in the best interests of the payee and the payee's
41.28 dependents; after considering:

41.29 (1) the payee's age, legal knowledge, and apparent maturity level, and any other relevant
41.30 factors and the stated purpose of the transfer;

41.31 (2) whether the payee has the capacity to fully understand the financial terms and
41.32 implications of the transfer agreement;

41.33 (3) whether the payee is employed or employable;

42.1 (4) the payee's ability to meet (i) ongoing and known future living expenses, including
42.2 medical expenses, and (ii) the current and future financial obligations of the payee and the
42.3 payee's dependents, including child support and spousal maintenance;

42.4 (5) whether the payee completed previous transactions involving the payee's structured
42.5 settlement payments, and the timing, size, stated purpose, and actual use of the proceeds;

42.6 (6) the impact of the proposed transfer on current or future eligibility of the payee or
42.7 the payee's dependents for public benefits; and

42.8 (7) any other factors or facts the court determines are relevant and should be considered;

42.9 (d) the payee has or has not received independent professional advice regarding the
42.10 legal, tax, and financial implications of the transfer;

42.11 (e) the transferee has given written notice of the transferee's name, address, and taxpayer
42.12 identification number to the annuity issuer and the structured settlement obligor and has
42.13 filed a copy of the notice with the court or responsible administrative authority; and

42.14 (f) that the transfer agreement provides that any disputes between the parties will be
42.15 governed, interpreted, construed, and enforced in accordance with the laws of this state and
42.16 that the domicile state of the payee is the proper place of venue to bring any cause of action
42.17 in district court arising out of a breach of the agreement. The transfer agreement must also
42.18 provide that the parties agree to the jurisdiction of any court of competent jurisdiction located
42.19 in this state and that no predispute arbitration is required by the agreement.

42.20 If the transfer would contravene the terms of the structured settlement, upon the filing
42.21 of a written objection by any interested party and after considering the objection and any
42.22 response to it, the court or responsible administrative authority may grant, deny, or impose
42.23 conditions upon the proposed transfer as the court or responsible administrative authority
42.24 deems just and proper under the facts and circumstances in accordance with established
42.25 principles of law. Any order approving a transfer must require that the transferee indemnify
42.26 the annuity issuer and the structured settlement obligor for any liability including reasonable
42.27 costs and attorney fees arising from compliance by the issuer or obligor with the order of
42.28 the court or responsible administrative authority.

42.29 Subd. 1a. **Appointment of evaluator.** The court may, in its discretion in any case,
42.30 appoint an attorney to make an independent assessment and advise the court whether the
42.31 financial terms of the proposed transfer agreement are fair and reasonable, and whether the
42.32 transfer is in the best interests of the payee and the payee's dependents. The evaluator must

43.1 present the findings of the evaluation to the court at or prior to a hearing on the application.
43.2 All costs and reasonable fees for the evaluator shall be borne by the transferee.

43.3 Subd. 1b. **Obligations of annuity issuers and structured settlement obligors; liability**
43.4 of transferees. (a) The annuity issuer and the structured settlement obligor may rely on the
43.5 court order approving the transfer of structured settlement payment rights in redirecting
43.6 periodic payments and, as to all parties except the transferee or an assignee, be discharged
43.7 and released from any and all liability for the redirected payments. The failure of any party
43.8 to the transfer to comply with sections 549.30 to 549.34 or with the court order approving
43.9 the transfer has no effect on the discharge and release.

43.10 (b) The transferee is liable to the structured settlement obligor and annuity issuer:

43.11 (1) if the transfer contravenes the terms of the structured settlement, and for any taxes
43.12 incurred by the structured settlement obligor or annuity issuer resulting from the transfer;
43.13 or

43.14 (2) for any other liabilities or costs, including reasonable attorney fees, arising from
43.15 compliance by the annuity issuer or the structured settlement obligor with the court order
43.16 approving the transfer, or from the failure of any party to the transfer to comply with sections
43.17 549.30 to 549.34.

43.18 (c) Compliance with the requirements in sections 549.30 to 549.34 regarding any transfer
43.19 of structured settlement payment rights is solely the responsibility of the transferee, and
43.20 neither the annuity issuer nor the structured settlement obligor bears any responsibility for,
43.21 or any liability arising from, the failure to comply with the requirements or failure to fulfill
43.22 the conditions of the transfer.

43.23 (d) Neither the annuity issuer nor the structured settlement obligor is required to divide
43.24 any periodic payment between the payee and any transferee or assignee or between two or
43.25 more transferees or assignees.

43.26 Subd. 2. **Unenforceable confessions of judgment.** A provision in a transfer agreement
43.27 giving a transferee power to confess judgment against a payee is unenforceable ~~to the extent~~
43.28 ~~the amount of the judgment would exceed the amount paid by the transferee to the payee,~~
43.29 ~~less any payments received from the structured settlement obligor or the payee.~~

43.30 Subd. 3. **Initial disclosure of structured settlement terms.** In negotiating a structured
43.31 settlement of claims brought by or on behalf of a claimant who is domiciled in this state,
43.32 the structured settlement obligor shall disclose in writing to the claimant or the claimant's

44.1 legal representative all of the following information that is not otherwise specified in the
44.2 structured settlement agreement:

44.3 (1) the amounts and due dates of the periodic payments to be made under the structured
44.4 settlement agreement. In the case of payments that will be subject to periodic percentage
44.5 increases, the amounts of future payments may be disclosed by identifying the base payment
44.6 amount, the amount and timing of scheduled increases, and the manner in which increases
44.7 will be compounded;

44.8 (2) the amount of the premium payable to the annuity issuer;

44.9 (3) the discounted present value of all periodic payments that are not life-contingent,
44.10 together with the discount rate used in determining the discounted present value;

44.11 (4) the nature and amount of any cost that may be deducted from any of the periodic
44.12 payments;

44.13 (5) where applicable, that any transfer of the periodic payments is prohibited by the
44.14 terms of the structured settlement and may otherwise be prohibited or restricted under
44.15 applicable law; and

44.16 (6) that any transfer of the periodic payments by the claimant may subject the claimant
44.17 to serious adverse tax consequences.

44.18 Sec. 62. **[549.315] DISCOUNT RATE.**

44.19 The discount rate used in determining the net amount payable to the payee under the
44.20 transfer agreement may not exceed an annual percentage rate of prime plus five percentage
44.21 points calculated as if the net amount payable to the payee was the principal of a consumer
44.22 loan made by the transferee to the payee, and if the structured settlement payments to be
44.23 transferred to the transferee were the payee's payments of principal plus interest on such
44.24 loan. For purposes of this subdivision, the prime rate shall be as reported by the Federal
44.25 Reserve Statistical Release H.15 on the first Monday of the month in which the transfer
44.26 agreement is signed by both the payee and the transferee, except when the transfer agreement
44.27 is signed prior to the first Monday of that month then the prime rate shall be as reported by
44.28 the Federal Reserve Statistical Release H.15 on the first Monday of the preceding month.

45.1 Sec. 63. Minnesota Statutes 2020, section 549.32, is amended to read:

45.2 **549.32 JURISDICTION APPLICATION; PROCEDURE FOR APPROVAL OF**
45.3 **TRANSFERS.**

45.4 Subdivision 1. **Jurisdiction; venue.** ~~The district court has nonexclusive jurisdiction~~
45.5 ~~ever~~(a) An application for authorization under section 549.31 of a transfer of structured
45.6 settlement payment rights must be filed in the district court in the county in which the payee
45.7 resides.

45.8 (b) The payee must appear in person at the hearing unless the court determines that good
45.9 cause exists to excuse the payee from appearing in person.

45.10 Subd. 2. **Notice.** Not less than 20 days before the scheduled hearing on an application
45.11 for authorization of a transfer of structured settlement payment rights under section 549.31,
45.12 the transferee shall file with the court or responsible administrative authority and serve on:
45.13 any other government authority that previously approved the structured settlement; and all
45.14 interested parties, a notice of the proposed transfer and the application for its authorization.
45.15 The notice must include:

45.16 (1) a copy of the transferee's application to the court or responsible administrative
45.17 authority, which must contain the payee's name and age;

45.18 (2) a copy of the transfer agreement;

45.19 (3) a copy of the disclosure statement required under section 549.31, subdivision 1,
45.20 paragraph (b), and proof that the disclosure statement has been delivered to the payee, to
45.21 an attorney representing or advising the payee, and to any other professional known to be
45.22 advising the payee;

45.23 (4) notification that an interested party is entitled to support, oppose, or otherwise respond
45.24 to the transferee's application, either in person or by counsel, by submitting written comments
45.25 to the court or responsible administrative authority or by participating in the hearing;

45.26 (5) notification of the time and place of the hearing and notification of the manner in
45.27 which and the time by which written responses to the application must be filed, in order to
45.28 be considered by the court or responsible administrative authority. Written responses to the
45.29 application must be filed within 15 days after service of the transferee's notice; and

45.30 (6) notification of the date and judicial district court, and details of any prior application
45.31 for transfer filed by the transferee, an affiliate or assignee of the transferee, or any other
45.32 transferee relating to a prior proposed transfer with the payee, including whether the prior
45.33 application was granted or denied. If any prior application was granted, the notice shall

46.1 provide the amount and due dates of any structured settlement payments that were transferred,
46.2 the aggregate amount of the payments, the discounted present value of the payments, and
46.3 the gross amount that was payable to the payee in exchange for the payments.

46.4 **Sec. 64. [549.325] PROHIBITED PRACTICES.**

46.5 Subdivision 1. Prohibitions. No transferee shall:

46.6 (1) represent the payee;

46.7 (2) intervene in a pending structured settlement transfer proceeding, if the transferee is
46.8 not a party to such proceeding or an interested party relative to the proposed transfer that
46.9 is the subject of the pending structured settlement transfer proceeding;

46.10 (3) offer or provide any gift, loan, extension of credit, or advance as an inducement to
46.11 enter into a transfer agreement or pay a fee to any person to refer a potential payee to the
46.12 transferee or any affiliate of the transferee;

46.13 (4) communicate with a payee or a person associated with the payee with excessive
46.14 frequency, at unusual hours, or in any other manner as reasonably may be expected to abuse
46.15 or harass the payee in connection with a proposed transfer;

46.16 (5) solicit a prospective payee through the conveyance of a document in any way
46.17 resembling a check or other form of payment;

46.18 (6) provide in a transfer agreement or related document that gives to the transferee the
46.19 first choice or option to purchase any remaining structured settlement rights belonging to
46.20 the payee; or

46.21 (7) solicit or petition for a transfer of a structured settlement from a minor or a parent
46.22 or guardian of a minor.

46.23 Subd. 2. Enforcement. A violation of this section is a deceptive practice in violation of
46.24 section 325F.69.

46.25 Sec. 65. Minnesota Statutes 2020, section 549.34, is amended to read:

46.26 **549.34 CONSTRUCTION.**

46.27 (a) Nothing contained in sections 549.30 to 549.34 may be construed to authorize the
46.28 transfer of workers' compensation payment rights in contravention of applicable law or to
46.29 give effect to the transfer of workers' compensation payment rights that is invalid under
46.30 applicable law.

(b) No transfer of structured settlement payment rights shall extend to any payments
that are life contingent unless, prior to the date on which the payee signs the transfer
agreement, the transferee has established and has agreed to maintain procedures reasonably
satisfactory to the annuity issuer and the structured settlement obligor for:

(1) periodically confirming the payee's survival; and

(2) giving the annuity issuer and the structured settlement obligor prompt written notice
the event of the payee's death.

Sec. 66. REVISOR INSTRUCTION.

(a) The revisor of statutes shall change the term "self-study course" to "on-demand course" wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make grammatical changes related to the change in term.

(b) The revisor of statutes shall change the term "classroom course" to "live course" wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make grammatical changes related to the change in term.

Sec. 67. REPEALER.

Minnesota Statutes 2020, section 45.25, subdivisions 2a and 14, are repealed.

ARTICLE 3

INSURANCE

Section 1. Minnesota Statutes 2020, section 61A.02, is amended by adding a subdivision to read:

Subd. 7. Regulatory flexibility. (a) Notwithstanding any other requirement of this section, the commissioner may authorize long-term care insurance to be sold as part of or in conjunction with life insurance, if the proposed policy:

(1) is not permitted under current law;

(2) represents an innovative and reasonable approach to provide both life insurance and long-term care insurance;

(3) provides reasonable coverage; and

(4) is in the best interest of insureds.

48.1 (b) The insurer filing for authorization under this section must demonstrate that the
48.2 proposed policy satisfies the requirements of paragraph (a).

48.3 Sec. 2. Minnesota Statutes 2020, section 62Q.733, subdivision 1, is amended to read:

48.4 Subdivision 1. **Applicability.** For purposes of sections 62Q.732 to ~~62Q.739~~ 62Q.7391,
48.5 the following definitions apply.

48.6 Sec. 3. Minnesota Statutes 2020, section 62Q.735, subdivision 1, is amended to read:

48.7 Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign
48.8 a contract, a health plan company shall give to the provider a complete copy of the proposed
48.9 contract, including:

48.10 (1) all attachments and exhibits;

48.11 (2) operating manuals;

48.12 (3) a general description of the health plan company's health service coding guidelines
48.13 and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

48.14 (4) all guidelines and treatment parameters incorporated or referenced in the contract.

48.15 (b) The health plan company shall make available to the provider the fee schedule or a
48.16 method or process that allows the provider to determine the fee schedule for each health
48.17 care service to be provided under the contract.

48.18 (c) ~~Notwithstanding paragraph (b), a health plan company that is a dental plan
48.19 organization, as defined in section 62Q.76, shall disclose information related to the individual
48.20 contracted provider's expected reimbursement from the dental plan organization.~~ Nothing
48.21 in this section requires a dental plan organization to disclose the plan's aggregate maximum
48.22 allowable fee table used to determine other providers' fees. The contracted provider must
48.23 not release this information in any way that would violate any state or federal antitrust law.

48.24 Sec. 4. Minnesota Statutes 2020, section 62Q.735, subdivision 5, is amended to read:

48.25 Subd. 5. **Fee schedules.** (a) A health plan company shall provide, upon request, any
48.26 additional fees or fee schedules relevant to the particular provider's practice beyond those
48.27 provided with the renewal documents for the next contract year to all participating providers,
48.28 excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the
48.29 requirements of this section by making the full fee schedules available through a secure
48.30 web portal for contracted providers.

49.1 (b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,
49.2 subdivision 1, paragraph (e).

49.3 **Sec. 5. [62Q.7391] HEALTH CARE PROVIDER CONTRACT TERMINATION.**

49.4 Subdivision 1. Termination for cause. (a) A contract between a health care provider
49.5 and a health plan company may be terminated by the health plan company for cause only
49.6 if the contract includes an appeal process for the provider to appeal the termination. The
49.7 health plan company must provide the provider with written notice of termination that
49.8 includes:

- 49.9 (1) the reasons for the termination;
49.10 (2) the date upon which the termination is effective; and
49.11 (3) a statement that the provider has the right to appeal the termination decision and a
49.12 description of the appeal process available to the provider to request an appeal.

49.13 (b) The process must permit the provider with the opportunity to request an appeal and
49.14 present any relevant documents and arguments against termination. The process must also
49.15 include (1) an internal review, and (2) an external review that occurs if the internal review
49.16 upholds the decision to terminate. The external review must be conducted by an independent
49.17 external review entity agreed to by the provider. The decision of the external review entity
49.18 is final. If the external review entity determines that the reason for termination is not
49.19 supported the provider's contract with the health plan company must be reinstated.

49.20 (c) A health plan company regulated by the commissioner of commerce must submit to
49.21 the commissioner of commerce for approval the appeal process required under this
49.22 subdivision. A health plan company regulated by the commissioner of health must submit
49.23 to the commissioner of health for approval the appeal process required under this subdivision.
49.24 If the health plan company fails to submit the process or the appeal process is not approved,
49.25 the commissioner of commerce or commissioner of health, as appropriate, may take
49.26 regulatory action against the health plan company.

49.27 Subd. 2. Termination not for cause. A health plan company is prohibited from
49.28 terminating a contract with a health care provider without cause.

49.29 Sec. 6. Minnesota Statutes 2020, section 62Q.76, is amended by adding a subdivision to
49.30 read:

49.31 Subd. 1a. Covered services. "Covered services" means dental care services for which
49.32 reimbursement: (1) is available under an enrollee's plan contract; or (2) would be available

50.1 but for the application of contractual limitations, including but not limited to deductibles,
50.2 co-payments, coinsurance, waiting periods, annual or lifetime maximums, frequency
50.3 limitations, alternative benefit payments, or any other limitation.

50.4 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to dental
50.5 plans and dental provider agreements offered, issued, or renewed on or after that date.

50.6 Sec. 7. Minnesota Statutes 2020, section 62Q.76, is amended by adding a subdivision to
50.7 read:

50.8 Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract
50.9 with a dental organization or with another third party to gain access to the dental care services
50.10 or contractual discounts under a dental provider contract. Third party does not include an
50.11 enrollee of a dental organization or an employer or other group for whom the dental
50.12 organization provides administrative services.

50.13 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to dental
50.14 plans and dental provider agreements offered, issued, or renewed on or after that date.

50.15 Sec. 8. Minnesota Statutes 2020, section 62Q.78, subdivision 6, is amended to read:

50.16 **Subd. 6. Payment for covered services.** (a) No contract of any dental plan or dental
50.17 organization that covers any dental services or dental provider agreement with a dentist
50.18 may require, directly or indirectly, that a dentist provide services to an enrolled participant
50.19 at a fee set by, or at a fee subject to the approval of, the dental plan or dental organization
50.20 unless the dental services are covered services.

50.21 (b) A dental plan or dental organization or other person providing third-party
50.22 administrator services shall not make available any providers in its dentist network to a plan
50.23 that sets dental fees for any services except covered services.

50.24 (c) "Covered services" means dental care services for which a reimbursement is available
50.25 under an enrollee's plan contract, or for which a reimbursement would be available but for
50.26 the application of contractual limitations such as deductibles, co-payments, coinsurance,
50.27 waiting periods, annual or lifetime maximums, frequency limitations, alternative benefit
50.28 payments, or any other limitation.

50.29 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to dental
50.30 plans and dental provider agreements offered, issued, or renewed on or after that date.

51.1 Sec. 9. Minnesota Statutes 2020, section 62Q.78, is amended by adding a subdivision to
51.2 read:

51.3 **Subd. 7. Billing for covered services.** A contract of any dental plan or dental organization
51.4 that covers any dental services or dental provider agreement must not prohibit a dentist from
51.5 billing and collecting payment from an enrollee for a covered service if the dentist:

51.6 (1) notifies the enrollee prior to performing the covered service that the dentist may not
51.7 be paid by the dental organization and the enrollee is responsible for payment of the covered
51.8 service;

51.9 (2) prior to performing the covered service, provides the enrollee with a written
51.10 explanation of the benefits and material costs of different suitable alternative options for
51.11 the covered service, and discloses that the alternative selected may not be paid for by the
51.12 dental organization under the dental plan;

51.13 (3) obtains the enrollee's written consent to perform the covered service;

51.14 (4) provides a copy of the enrollee's written consent to the dental organization upon
51.15 request; and

51.16 (5) accepts as payment in full the amount the dentist would have accepted from the
51.17 dental organization under the dental plan for the covered service. A dentist must refund an
51.18 enrollee for any amount the enrollee paid in excess of this amount.

51.19 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to dental
51.20 plans and dental provider agreements offered, issued, or renewed on or after that date.

51.21 Sec. 10. Minnesota Statutes 2020, section 62Q.78, is amended by adding a subdivision to
51.22 read:

51.23 **Subd. 8. Network leasing.** (a) A dental organization may grant a third party access to
51.24 a dental provider contract, or a provider's dental care services or contractual discounts
51.25 provided pursuant to a dental provider contract, if at the time the dental provider contract
51.26 is entered into or renewed the dental organization allows a dentist to choose not to participate
51.27 in third-party access to the dental provider contract, without any penalty to the dentist. The
51.28 third-party access provision of the dental provider contract must be clearly identified. A
51.29 dental organization must not grant a third party access to the dental provider contract of any
51.30 dentist who does not participate in third-party access to the dental provider contract.

52.1 (b) A dental organization may grant a third party access to a dental provider contract,

52.2 or a dentist's dental care services or contractual discounts under a dental provider contract,

52.3 if the following requirements are met:

52.4 (1) the dental organization lists all third parties that may have access to the dental provider

52.5 contract on the dental organization's website, which must be updated at least once every 90

52.6 days;

52.7 (2) the dental provider contract states that the dental organization may enter into an

52.8 agreement with a third party that would allow the third party to obtain the dental

52.9 organization's rights and responsibilities as if the third party were the dental organization,

52.10 and the dentist chose to participate in third-party access at the time the dental provider

52.11 contract was entered into; and

52.12 (3) the third party accessing the dental provider contract agrees to comply with all

52.13 applicable terms of the dental provider contract.

52.14 (c) A dentist is not bound by and is not required to perform dental care services under

52.15 a dental provider contract granted to a third party in violation of this section.

52.16 (d) This subdivision does not apply when:

52.17 (1) the dental provider contract is for dental services provided under a public health plan

52.18 program, including but not limited to medical assistance, MinnesotaCare, Medicaid, or

52.19 Medicare Advantage;

52.20 (2) a dental organization is acting as a third-party administrator; or

52.21 (3) access to a dental provider contract is granted to a dental organization, an entity

52.22 operating in accordance with the same brand licensee program as the dental organization

52.23 or other entity, or to an entity that is an affiliate of the dental organization, provided the

52.24 entity agrees to substantially similar terms and conditions of the originating dental provider

52.25 contract between the dental organization and the dentist or dental clinic. A list of the dental

52.26 organization's affiliates must be posted on the dental organization's website.

52.27 Sec. 11. Minnesota Statutes 2020, section 62Q.79, is amended by adding a subdivision to

52.28 read:

52.29 Subd. 7. **Method of payments.** A dental provider contract must include a method of

52.30 payment for dental care services in which no fees associated with the method of payment,

52.31 including credit card fees and fees related to payment in the form of digital or virtual

52.32 currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a

53.1 payment must be disclosed to a dentist prior to entering into or renewing a dental provider
53.2 contract. For purposes of this section, fees related to a provider's electronic claims processing
53.3 vendor, financial institution, or other vendor used by a provider to facilitate the submission
53.4 of claims are excluded.

53.5 Sec. 12. Minnesota Statutes 2020, section 72A.20, is amended by adding a subdivision to
53.6 read:

53.7 Subd. 41. **Discrimination based on status as a living organ or bone marrow donor**
53.8 **prohibited.** A life insurance, long-term care insurance, or disability insurance carrier is
53.9 prohibited from declining or limiting coverage of an insured or otherwise discriminating in
53.10 the premium rating, offering, issuance, cancellation, amount of coverage, or any other
53.11 condition based solely upon the status of an insured as a living organ or bone marrow donor
53.12 and without additional actuarial risks.

53.13 **EFFECTIVE DATE.** This section is effective for insurance policies issued and renewed
53.14 on or after August 1, 2022.

53.15 Sec. 13. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
53.16 to read:

53.17 Subd. 3a. **Cash compensation.** "Cash compensation" means any discount, concession
53.18 fee, service fee, commission, sales charge, loan, override, or cash benefit received by an
53.19 insurance producer from an insurer, intermediary, or consumer in connection with
53.20 recommending or selling an annuity.

53.21 Sec. 14. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
53.22 to read:

53.23 Subd. 3b. **Consumer profile information.** "Consumer profile information" means
53.24 information that is reasonably appropriate to determine whether a recommendation addresses
53.25 the consumer's financial situation, insurance needs, and financial objectives, including at a
53.26 minimum the following:

53.27 (1) age;
53.28 (2) annual income and anticipated material changes in annual income;
53.29 (3) financial situation and needs, including debts and other obligations, and anticipated
53.30 material changes in financial situation and needs;
53.31 (4) financial experience;

54.1 (5) insurance needs;

54.2 (6) financial objectives;

54.3 (7) intended use of the annuity;

54.4 (8) financial time horizon;

54.5 (9) existing assets or financial products, including investment, annuity, and insurance

54.6 holdings, and anticipated material changes in existing assets;

54.7 (10) liquidity needs and anticipated material changes in liquidity needs;

54.8 (11) liquid net worth and anticipated material changes in liquid net worth;

54.9 (12) risk tolerance, including but not limited to willingness to accept nonguaranteed

54.10 elements in the annuity;

54.11 (13) financial resources used to fund the annuity;

54.12 (14) tax status; and

54.13 (15) whether or not the consumer has a reverse mortgage.

54.14 Sec. 15. Minnesota Statutes 2020, section 72A.2031, subdivision 8, is amended to read:

54.15 Subd. 8. **Insurance producer.** "Insurance producer" means a person required to be

54.16 licensed under the laws of this state to sell, solicit, or negotiate insurance, including annuities.

54.17 For purposes of sections 72A.203 to 72A.2036, insurance producer includes an insurer

54.18 where no insurance producer is involved.

54.19 Sec. 16. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision

54.20 to read:

54.21 Subd. 8a. **Intermediary.** "Intermediary" means an entity contracted directly with an

54.22 insurer or with another entity contracted with an insurer to facilitate the sale of the insurer's

54.23 annuities by insurance producers.

54.24 Sec. 17. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision

54.25 to read:

54.26 Subd. 8b. **Material conflict of interest.** "Material conflict of interest" means a financial

54.27 interest of the insurance producer in the sale of an annuity that a reasonable person would

54.28 expect to influence the impartiality of a recommendation. The payment of compensation,

55.1 including both cash and noncash compensation, does not in and of itself constitute a material
55.2 conflict of interest.

55.3 Sec. 18. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
55.4 to read:

55.5 Subd. 8c. **Noncash compensation.** "Noncash compensation" means any form of
55.6 compensation that is not cash compensation, including but not limited to health insurance,
55.7 office rent, office support, and retirement benefits.

55.8 Sec. 19. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
55.9 to read:

55.10 Subd. 8d. **Nonguaranteed elements.** "Nonguaranteed elements" means the premiums
55.11 and credited interest rates, including any bonus, benefits, values, dividends, noninterest-based
55.12 credits, charges, or elements of formulas used to determine any of the elements in this
55.13 subdivision, that are subject to company discretion and are not guaranteed at issue. An
55.14 element is considered nonguaranteed if any of the underlying nonguaranteed elements are
55.15 used in the element's calculation.

55.16 Sec. 20. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
55.17 to read:

55.18 Subd. 8e. **Recommendation.** "Recommendation" means advice provided by an insurance
55.19 producer to an individual consumer that was intended to result or does result in a purchase,
55.20 exchange, or replacement of an annuity in accordance with the advice rendered.
55.21 Recommendation does not include a general communication to the public, generalized
55.22 customer services, assistance or administrative support, general educational information
55.23 and tools, prospectuses, or other product and sales material.

55.24 Sec. 21. Minnesota Statutes 2020, section 72A.2031, subdivision 10, is amended to read:

55.25 Subd. 10. **Replacement.** "Replacement" means a transaction in which a new ~~policy or~~
55.26 ~~contract annuity~~ is to be purchased; and it is known or should be known to the proposing
55.27 insurance producer; or the proposing insurer, whether or not there is an insurance producer
55.28 is involved, that by reason of the transaction, an existing ~~annuity or other insurance policy~~
55.29 ~~or contract~~ has been or is to be any of the following:

55.30 (1) lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing
55.31 insurer, or otherwise terminated;

- 56.1 (2) converted to reduced paid-up insurance, continued as extended term insurance, or
56.2 otherwise reduced in value by the use of nonforfeiture benefits or other policy values;
- 56.3 (3) amended so as to effect either a reduction in benefits or in the term for which coverage
56.4 would otherwise remain in force or for which benefits would be paid;
- 56.5 (4) reissued with any reduction in cash value; or
- 56.6 (5) used in a financed purchase.

56.7 Sec. 22. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
56.8 to read:

56.9 Subd. 1a. Best interest obligations. An insurance producer, when recommending an
56.10 annuity, shall act in the best interest of the consumer under the circumstances known at the
56.11 time the recommendation is made. An insurance producer shall not place the insurance
56.12 producer's or the insurer's financial interest ahead of the consumer's interest. An insurance
56.13 producer has acted in the best interest of the consumer if the insurance producer has satisfied
56.14 obligations regarding care, disclosure, conflict of interest, and documentation specified in
56.15 subdivisions 1b, 1c, 1d, and 1e.

56.16 Sec. 23. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
56.17 to read:

56.18 Subd. 1b. Care obligation. (a) The insurance producer, in making a recommendation,
56.19 shall exercise reasonable diligence, care, and skill to:

56.20 (1) know the consumer's financial situation, insurance needs, and financial objectives;

56.21 (2) understand the available recommendation options after making a reasonable inquiry
56.22 into the options available to the insurance producer;

56.23 (3) have a reasonable basis to believe the recommended option effectively addresses the
56.24 consumer's financial situation, insurance needs, and financial objectives over the life of the
56.25 product, as evaluated in light of the consumer profile information; and

56.26 (4) communicate the basis or rationale supporting the recommendation.

56.27 (b) The requirements under paragraph (a) include making reasonable efforts to obtain
56.28 consumer profile information from the consumer prior to recommending an annuity.

56.29 (c) Paragraph (a) requires an insurance producer to consider the types of products the
56.30 insurance producer is authorized and licensed to recommend or sell that address the
56.31 consumer's financial situation, insurance needs, and financial objectives. This paragraph

57.1 does not require an insurance producer to analyze or consider (1) any products outside the
57.2 insurance producer's authority and license, or (2) other possible alternative products or
57.3 strategies available in the market at the time of the recommendation. Insurance producers
57.4 shall be held to standards applicable to insurance producers with similar authority and
57.5 licensure.

57.6 (d) This subdivision does not create a fiduciary obligation or relationship and only creates
57.7 a statutory obligation under sections 72A.203 to 72A.2036.

57.8 (e) The consumer profile information; characteristics of the insurer; and product costs,
57.9 rates, benefits, and features are the factors generally relevant in determining whether an
57.10 annuity effectively addresses the consumer's financial situation, insurance needs, and financial
57.11 objectives. The level of importance of each factor under paragraph (a) may vary depending
57.12 on the facts and circumstances of a particular case. Each factor must not be considered in
57.13 isolation.

57.14 (f) The requirements under paragraph (a) include having a reasonable basis to believe
57.15 the consumer benefits from certain features of the annuity, including but not limited to
57.16 annuitization, death or living benefit, or other insurance-related features.

57.17 (g) Paragraph (a) applies to the particular annuity as a whole and the underlying
57.18 subaccounts to which funds are allocated at the time of the purchase or exchange of an
57.19 annuity, riders, and similar product enhancements, if any.

57.20 (h) Paragraph (a) does not require that the annuity with the lowest onetime or
57.21 multiple-occurrence compensation structure must be recommended.

57.22 (i) Paragraph (a) does not require the insurance producer to assume ongoing monitoring
57.23 obligations. An ongoing monitoring obligation may be separately owed under the terms of
57.24 a fiduciary, consulting, investment advising, or financial planning agreement between the
57.25 consumer and the insurance producer.

57.26 (j) When an annuity is being exchanged or replaced, the insurance producer shall consider
57.27 the whole transaction, which includes considering whether:

57.28 (1) the consumer incurs a surrender charge; is subject to the commencement of a new
57.29 surrender period; loses existing benefits such as death, living, or other contractual benefits;
57.30 or is subject to increased fees, investment advisory fees, or charges for riders and similar
57.31 product enhancements;

57.32 (2) the replacing product substantially benefits the consumer in comparison to the replaced
57.33 product over the life of the product; and

58.1 (3) the consumer had another annuity exchange or replacement and, in particular, an
58.2 annuity exchange or replacement within the preceding 60 months.

58.3 (k) If a person is 65 years of age or older, neither an insurance producer nor an insurer
58.4 shall recommend replacing or exchanging an annuity that requires the insured to pay a
58.5 surrender charge for the annuity being replaced or exchanged if the replacement or exchange
58.6 does not confer a substantial financial benefit over the life of the annuity to the consumer,
58.7 so that a reasonable person would believe the purchase is unnecessary.

58.8 (l) Nothing in sections 72A.203 to 72A.2036 requires an insurance producer to obtain
58.9 any license other than an insurance producer license with the appropriate line of authority
58.10 to sell, solicit, or negotiate insurance in Minnesota, including but not limited to any securities
58.11 license in order to fulfill the duties and obligations contained in sections 72A.203 to
58.12 72A.2036, provided that the insurance producer does not give advice or provide services
58.13 that are subject to other securities law or engage in any other activity requiring other
58.14 professional licenses.

58.15 Sec. 24. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
58.16 to read:

58.17 Subd. 1c. **Disclosure obligation.** (a) Prior to recommending and selling an annuity, the
58.18 insurance producer shall prominently disclose to the consumer the information required
58.19 under this paragraph on a form prescribed by the commissioner. The form prescribed by
58.20 the commissioner must contain:

58.21 (1) a description of (i) the scope and terms of the relationship with the consumer, and
58.22 (ii) the role of the insurance producer in the transaction;

58.23 (2) an affirmative statement indicating whether the insurance producer is licensed and
58.24 authorized to sell the following products:

58.25 (i) fixed annuities;

58.26 (ii) fixed indexed annuities;

58.27 (iii) variable annuities;

58.28 (iv) life insurance;

58.29 (v) mutual funds;

58.30 (vi) stocks and bonds; and

58.31 (vii) certificates of deposit;

59.1 (3) an affirmative statement describing the insurers that the insurance producer is
59.2 authorized, contracted, appointed, or otherwise able to sell insurance products for, using
59.3 the following descriptions:

59.4 (i) from one insurer;

59.5 (ii) from two or more insurers; or

59.6 (iii) from two or more insurers, although primarily contracted with one insurer;

59.7 (4) a description of the sources and types of cash and noncash compensation received
59.8 by the insurance producer, including whether the insurance producer is (i) compensated for
59.9 the sale of a recommended annuity by commission as part of a premium, or (ii) receives
59.10 other remuneration from the insurer, intermediary, or other insurance producer or by fee as
59.11 a result of a contract for advice or consulting service; and

59.12 (5) a notice of the consumer's right to request additional information regarding cash
59.13 compensation.

59.14 (b) Upon request of the consumer or the consumer's designated representative, the
59.15 insurance producer shall disclose:

59.16 (1) a reasonable estimate of the amount of cash compensation received by the insurance
59.17 producer, which may be stated as a range of amounts or percentages; and

59.18 (2) whether the cash compensation is a onetime or multiple-occurrence amount and, if
59.19 a multiple-occurrence amount, the frequency and amount of the occurrence, which may be
59.20 stated as a range of amounts or percentages.

59.21 (c) Prior to or at the time an annuity is recommended or sold, the insurance producer
59.22 shall have a reasonable basis to believe the consumer has been reasonably informed of
59.23 various features of the annuity, including the potential surrender period and surrender charge;
59.24 potential tax penalty if the consumer sells, exchanges, surrenders, redeems, or annuitizes
59.25 the annuity; mortality and expense fees; investment advisory fees; annual fees; potential
59.26 charges for and features of riders or other options of the annuity; limitations on interest
59.27 returns; potential changes in nonguaranteed elements of the annuity; insurance and investment
59.28 components; and market risk.

60.1 Sec. 25. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
60.2 to read:

60.3 Subd. 1d. **Conflict of interest obligation.** An insurance producer shall identify and
60.4 avoid or reasonably manage and disclose material conflicts of interest, including a material
60.5 conflict of interest related to an ownership interest.

60.6 Sec. 26. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
60.7 to read:

60.8 Subd. 1e. **Documentation obligation.** An insurance producer shall, at the time of
60.9 recommendation or sale:

60.10 (1) make a written record of any recommendation and the basis for the recommendation,
60.11 subject to sections 72A.203 to 72A.2036;

60.12 (2) obtain a signed statement, on a form prescribed by the commissioner, that includes:

60.13 (i) a customer's refusal to provide the consumer profile information, if any; and

60.14 (ii) a customer's understanding of the ramifications of not providing the customer's
60.15 consumer profile information or providing insufficient consumer profile information; and

60.16 (3) a consumer-signed statement, on a form prescribed by the commissioner, that
60.17 acknowledges the annuity transaction is not recommended if the customer decides to enter
60.18 into an annuity transaction that is not based on the insurance producer's recommendation.

60.19 Sec. 27. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
60.20 to read:

60.21 Subd. 1f. **Application of best interest obligation.** Any requirement applicable to an
60.22 insurance producer under this section applies to every insurance producer who (1) exercises
60.23 control or influence in making a recommendation, and (2) has received direct compensation
60.24 as a result of the recommendation or sale, regardless of whether the insurance producer had
60.25 any direct contact with the consumer. Providing or delivering marketing or educational
60.26 materials, product wholesaling or other back office product support, and general supervision
60.27 of an insurance producer do not, in and of themselves, constitute material control or influence.

60.28 Sec. 28. Minnesota Statutes 2020, section 72A.2032, subdivision 4, is amended to read:

60.29 Subd. 4. **Exception Transactions not based on recommendation.** (a) Except as provided
60.30 under paragraph (b), an insurance producer, or an insurer, does not have any obligation to
60.31 a consumer under subdivision 1 or 3 1a related to an annuity transaction if:

61.1 (1) no recommendation is made;

61.2 (1) (2) a recommendation was made and was later found to have been prepared based
61.3 on materially inaccurate information provided by the consumer; or

61.4 (2) (3) a consumer refuses to provide relevant suitability consumer profile information
61.5 and the annuity transaction is not recommended; or

61.6 (4) a consumer decides to enter into an annuity transaction that is not based on a
61.7 recommendation made by the insurance producer.

61.8 (b) An insurer's issuance of an annuity subject to paragraph (a) shall be reasonable under
61.9 all the circumstances actually known, ~~or which after reasonable inquiry should be known~~
61.10 to the insurer or the insurance producer, at the time the annuity is issued.

61.11 Sec. 29. Minnesota Statutes 2020, section 72A.2032, subdivision 6, is amended to read:

61.12 Subd. 6. **Supervision system Insurer duties.** (a) Except as permitted under subdivision
61.13 4, an insurer shall not issue an annuity recommended to a consumer unless there is a
61.14 reasonable basis to believe the annuity effectively addresses the particular consumer's
61.15 financial situation, insurance needs, and financial objectives based on the consumer's
61.16 consumer profile information.

61.17 (a) (b) An insurer shall establish and maintain a supervision system that is reasonably
61.18 designed to achieve the insurer's and its insurance producers' compliance with sections
61.19 72A.203 to 72A.2036, including, but not limited to, all of the following:

61.20 (1) the insurer shall establish and maintain reasonable procedures to inform its insurance
61.21 producers of the requirements of sections 72A.203 to 72A.2036 and shall incorporate the
61.22 requirements of sections 72A.203 to 72A.2036 into relevant insurance producer training
61.23 programs and manuals;

61.24 (2) the insurer shall establish and maintain standards for insurance producer product
61.25 training and shall establish and maintain reasonable procedures to require its insurance
61.26 producers to comply with the requirements of section 72A.2033;

61.27 (3) the insurer shall provide product-specific training and training materials which explain
61.28 all material features of its annuity products to its insurance producers;

61.29 (4) the insurer shall establish and maintain procedures for the review of each
61.30 recommendation before issuance of an annuity that are designed to ensure ~~that~~ there is a
61.31 reasonable basis to determine ~~that a recommendation is suitable~~ the recommended annuity
61.32 effectively addresses the particular consumer's financial situation, insurance needs, and

62.1 financial objectives. The review procedures shall apply a screening system for the purpose
62.2 of identifying selected transactions for additional review and may be accomplished
62.3 electronically or through other reasonable means including, but not limited to, physical
62.4 review. The electronic or other system shall be designed to require an elevated individual
62.5 review for those transactions involving consumers 65 years of age or older on the basis of
62.6 the review procedure's thresholds for liquidity, liquid net worth, income, and anticipated
62.7 material changes in their financial situation and needs and the elevated review shall be
62.8 conducted by a natural person or persons;

62.9 (5) the insurer shall establish and maintain reasonable procedures to detect
62.10 recommendations that are not suitable in compliance with subdivisions 1a to 1f, 4, 7, and
62.11 8. This may include, but is not limited to, confirmation of consumer suitability the consumer's
62.12 profile information, systematic customer surveys, insurance producer and consumer
62.13 interviews, confirmation letters, insurance producer attestations, and programs of internal
62.14 monitoring. Nothing in this clause prevents an insurer from complying with this clause by
62.15 applying sampling procedures, or by confirming suitability consumer profile information
62.16 or other required information under this subdivision after issuance or delivery of the annuity;
62.17 and

62.18 (6) the insurer shall establish and maintain reasonable procedures to assess, prior to or
62.19 upon issuance or delivery of an annuity, whether an insurance producer has provided to the
62.20 consumer the information required under this subdivision;

62.21 (7) the insurer shall establish and maintain reasonable procedures to identify and address
62.22 suspicious consumer refusals to provide consumer profile information;

62.23 (8) the insurer shall establish and maintain reasonable procedures to identify and eliminate
62.24 any sales contests, sales quotas, bonuses, and noncash compensation that are based on the
62.25 sales of specific annuities within a limited period of time. This clause does not prohibit the
62.26 receipt of health insurance, office rent, office support, retirement benefits, or other employee
62.27 benefits, as long as the benefits are not based on the volume of sales of a specific annuity
62.28 within a limited period of time; and

62.29 (6)(9) the insurer shall annually provide a written report to senior management, including
62.30 to the senior manager responsible for audit functions, which details a review, with appropriate
62.31 testing, reasonably designed to determine the effectiveness of the supervision system, the
62.32 exceptions found, and corrective action taken or recommended, if any.

62.33 (b)(1)(c)(1) Nothing in this subdivision restricts an insurer from contracting for
62.34 performance of a function, including maintenance of procedures, required under paragraph

63.1 ~~(a)(b)~~. An insurer is responsible for taking appropriate corrective action and may be subject
63.2 to sanctions and penalties pursuant to section 72A.2034 regardless of whether the insurer
63.3 contracts for performance of a function and regardless of the insurer's compliance with
63.4 subdivision 2 clause (2), and an insurer is responsible for the compliance of an insurance
63.5 producer with the provisions of sections 72A.203 to 72A.2036 regardless of whether the
63.6 insurer contracts for performance of a function required under this paragraph; and

63.7 (2) an insurer's supervision system under paragraph ~~(a)(b)~~ must include supervision of
63.8 contractual performance under this clause. This includes, but is not limited to, the following:

63.9 (i) monitoring and, as appropriate, conducting audits to assure that the contracted function
63.10 is properly performed; and

63.11 (ii) annually obtaining a certification from a senior manager who has responsibility for
63.12 the contracted function that the manager has a reasonable basis to represent, and does
63.13 represent, that the function is properly performed.

63.14 ~~(e)(d)~~ An insurer is not required to include in its system of supervision an insurance
63.15 producer's recommendations to consumers of products other than the annuities offered by
63.16 the insurer, or consideration of or comparison to options available to the insurance producer
63.17 or compensation relating to the options other than annuities or other products offered by
63.18 the insurer.

63.19 Sec. 30. Minnesota Statutes 2020, section 72A.2032, subdivision 7, is amended to read:

63.20 Subd. 7. **Undue influence Prohibited practices**. An insurance producer or insurer shall
63.21 not dissuade, or attempt to dissuade, a consumer from:

63.22 (1) providing suitability consumer profile information to the insurance producer or
63.23 insurer and truthfully responding to an insurer's request for confirmation of suitability
63.24 consumer profile information;

63.25 (2) filing a complaint; or

63.26 (3) cooperating with the investigation of a complaint.

63.27 Sec. 31. Minnesota Statutes 2020, section 72A.2032, subdivision 8, is amended to read:

63.28 Subd. 8. **FINRA Comparable standards; compliance**. (a) Recommendations and sales
63.29 of annuities made by broker dealers in compliance with comparable standards satisfy the
63.30 requirements under sections 72A.203 to 72A.2036, so long as: This subdivision applies to
63.31 recommendations and sales of annuities made by financial professionals in compliance with

64.1 business rules, controls, and procedures that satisfy a comparable standard even if the
64.2 standard would not otherwise apply to the product or recommendation at issue. Nothing in
64.3 this subdivision limits the commissioner's ability to investigate and enforce sections 72A.203
64.4 to 72A.2036.

64.5 ~~(1) those sales comply with FINRA requirements pertaining to suitability and supervision~~
64.6 ~~of annuity transactions; and~~

64.7 ~~(2) a registered principal reviews and approves the transaction based on review criteria~~
64.8 ~~that include consideration of the customer's age, income, liquidity needs, and financial~~
64.9 ~~situation.~~

64.10 ~~(b) The insurer remains responsible for the suitability of every transaction and must take~~
64.11 ~~reasonably appropriate corrective action for any consumer harmed by violation of law and~~
64.12 ~~is subject to the penalty provisions described in section 72A.2034, subdivision 1.~~

64.13 (e) (b) For paragraph (a) to apply, an insurer shall:

64.14 (1) monitor the ~~FINRA member broker-dealer~~ relevant conduct of the financial
64.15 professional seeking to rely on paragraph (a) or the entity responsible for supervising the
64.16 financial professional, including the financial professional's broker-dealer or an investment
64.17 adviser registered under federal or state securities law using information collected in the
64.18 normal course of the insurer's business; and

64.19 (2) provide to the ~~FINRA member broker-dealer~~ entity responsible for supervising the
64.20 financial professional seeking to rely on paragraph (a), including the financial professional's
64.21 broker-dealer or investment adviser registered under federal or state securities law,
64.22 information and reports that are reasonably appropriate to assist the ~~FINRA member~~
64.23 ~~broker-dealer~~ the entity to maintain its supervision system.

64.24 (d) ~~Nothing in this subdivision limits:~~ (c) For purposes of this subdivision, "financial
64.25 professional" means an insurance producer that is regulated and acting as:

64.26 (1) ~~the responsibilities of the insurer to monitor the broker-dealer as provided in this~~
64.27 ~~subdivision; and a broker-dealer registered under federal or state securities law or a registered~~
64.28 ~~representative of a broker-dealer;~~

64.29 (2) ~~the commissioner of commerce's ability to enforce the provisions of sections 72A.203~~
64.30 ~~to 72A.2036 with respect to sales made in compliance with FINRA requirements and federal~~
64.31 ~~law. an investment adviser registered under federal or state securities law, or an investment~~
64.32 ~~adviser representative associated with the federal or state registered investment adviser; or~~

65.1 (3) a plan fiduciary under the Employee Retirement Income Security Act of 1974
65.2 (ERISA), United States Code, title 29, section 1001; Code of Federal Regulations, title 29,
65.3 part 2510.3-21; fiduciary under the Internal Revenue Code, section 4975(e)(3); or any
65.4 amendments or successor statutes.

65.5 (d) For purposes of this subdivision, "comparable standards" means:

65.6 (1) with respect to broker-dealers and registered representatives of broker-dealers,
65.7 applicable United States Securities and Exchange Commission and FINRA rules pertaining
65.8 to best interest obligations and supervision of annuity recommendations and sales, including
65.9 but not limited to regulation best interest and any amendments or successor regulations;

65.10 (2) with respect to investment advisers registered under federal or state securities law
65.11 or investment adviser representatives, the fiduciary duties and all other requirements imposed
65.12 on the investment advisers or investment adviser representatives by contract or under the
65.13 Investment Advisers Act of 1940 or applicable state securities law, including but not limited
65.14 to Form ADV and interpretations; and

65.15 (3) with respect to plan fiduciaries or fiduciaries, the duties, obligations, prohibitions,
65.16 and all other requirements attendant to status under ERISA or the Internal Revenue Code
65.17 and any amendments or successor statutes.

65.18 Sec. 32. Minnesota Statutes 2020, section 72A.2033, is amended to read:

65.19 **72A.2033 INSURANCE PRODUCER TRAINING.**

65.20 Subdivision 1. **Requirement.** An insurance producer shall not solicit the sale of an
65.21 annuity product unless the insurance producer has adequate knowledge of the product to
65.22 recommend the annuity and the insurance producer is in compliance with the insurer's
65.23 standards for product training. An insurance producer may rely on insurer-provided
65.24 product-specific training standards and materials to comply with this subdivision section.

65.25 Subd. 2. **Initial training.** (a) An insurance producer who is otherwise entitled to engage
65.26 in the sale of annuity products shall complete a onetime four-credit training course approved
65.27 by the commissioner and provided by a continuing education provider approved by the
65.28 commissioner prior to commencing the transaction of annuities.

65.29 Insurance producers who hold a life insurance line of authority on June 1, 2013 December
65.30 31, 2022, and who desire to sell annuities shall complete the requirements of this subdivision
65.31 no later than six months after January 1, 2014 2023. Individuals who obtain a life insurance
65.32 line of authority on or after January 1, 2014 2023, may not engage in the sale of annuities
65.33 until the annuity training course required under this subdivision has been completed.

- 66.1 (b) The length of the training required under this subdivision must be four continuing
66.2 education hours.
- 66.3 (c) The training required under this subdivision must include information on the following
66.4 topics:
- 66.5 (1) the types of annuities and various classifications of annuities;
- 66.6 (2) identification of the parties to an annuity;
- 66.7 (3) how fixed, variable, and indexed annuity contract provisions affect consumers;
- 66.8 (4) the application of income taxation of qualified and nonqualified annuities;
- 66.9 (5) the primary uses of annuities;
- 66.10 (6) appropriate and lawful standards of conduct, sales practices, replacement, and
66.11 disclosure requirements, ~~and suitability information and whether an annuity is suitable for~~
66.12 a consumer; and
- 66.13 (7) the recognition of indicators that a prospective insured may lack the short-term
66.14 memory or judgment to knowingly purchase an insurance product.
- 66.15 (d) Providers of courses intended to comply with this subdivision shall cover all topics
66.16 listed in the prescribed outline and shall not present any marketing information or provide
66.17 training on sales techniques or provide specific information about a particular insurer's
66.18 products.
- 66.19 (e) A provider of an annuity training course intended to comply with this subdivision
66.20 must be an approved continuing education provider in this state and comply with the
66.21 requirements applicable to insurance producer continuing education courses.
- 66.22 (f) An insurance producer licensed by December 31, 2022, who holds a life insurance
66.23 line of authority and has previously completed the training in subdivision 2, paragraph (a),
66.24 shall, by July 1, 2023, complete either:
- 66.25 (1) a new four-credit training course approved by the Department of Commerce after
66.26 July 1, 2022; or
- 66.27 (2) an additional onetime one-credit training course approved by the Department of
66.28 Commerce by July 1, 2022, and provided by a Department of Commerce-approved education
66.29 provider on appropriate sales practices and replacement and disclosure requirements under
66.30 sections 72A.203 to 72A.2036.

67.1 (f) Annuity training courses may be conducted and completed by classroom or self-study
67.2 methods in accordance with chapter 45. In order to assist compliance with this section, all
67.3 courses approved by the commissioner for the purposes of this section shall be given the
67.4 course title "Annuity Suitability and Disclosure Best Interest Standards of Conduct for
67.5 Annuity Sales." Only courses satisfying the requirements of this section shall use this course
67.6 title after June July 1, 2013.

67.7 (g) Providers of annuity training shall comply with the course completion reporting
67.8 requirements of chapter 45.

67.9 (h) The satisfaction of the training requirements of another state that are substantially
67.10 similar to the provisions of this subdivision satisfies the training requirements of this
67.11 subdivision in this state, ~~but does not satisfy any of the continuing education requirements~~
67.12 ~~of chapter 60K unless the training requirements of the other state are satisfied through one~~
67.13 ~~or more continuing education courses approved by the commissioner.~~

67.14 (i) The satisfaction of the components of the training requirements of any course or
67.15 courses with components substantially similar to the provisions of this subdivision satisfy
67.16 the training requirements of this subdivision.

67.17 (j) An insurer shall verify that an insurance producer has completed the annuity
67.18 training course required under this subdivision before allowing the insurance producer to
67.19 sell an annuity product for that insurer. An insurer may satisfy its responsibility under this
67.20 subdivision by obtaining certificates of completion of the training course or obtaining reports
67.21 provided by commissioner-sponsored database systems, vendors, or from a reasonably
67.22 reliable commercial database vendor that has a reporting arrangement with approved
67.23 insurance education providers. If such data collection and reporting arrangements are not
67.24 in place, an insurer must maintain records verifying that the producer has completed the
67.25 annuity training course required under this subdivision and make the records available to
67.26 the commissioner upon request.

67.27 Sec. 33. Minnesota Statutes 2020, section 72A.2034, is amended to read:

67.28 **72A.2034 PENALTIES.**

67.29 Subdivision 1. **Imposition; mitigation; enforcement.** (a) An insurer is responsible for
67.30 compliance with sections 72A.203 to 72A.2036. If a violation occurs, either because of the
67.31 action or inaction of the insurer or its insurance producer, the commissioner may order, in
67.32 addition to any available penalties, remedies, or administrative actions:

68.1 (1) an insurer to take reasonably appropriate corrective action, including but not limited
68.2 to canceling a transaction action, for any consumer harmed by a failure to comply with
68.3 sections 72A.203 to 72A.2036 by the insurer's insurer, an entity contracted to perform the
68.4 insurer supervisory duties, or by its the insurer's insurance producer's, violation of sections
68.5 72A.203 to 72A.2036 producer;

68.6 (2) a general agency, independent agency, or the insurance producer to take reasonably
68.7 appropriate corrective action for any consumer harmed by the insurance producer's violation
68.8 of sections 72A.203 to 72A.2036; and

68.9 (3) appropriate penalties and sanctions.

68.10 (b) Nothing in sections 72A.203 to 72A.2036 shall affect any obligation of an insurer
68.11 for the acts of its insurance producers, or any consumer remedy or any cause of action that
68.12 is otherwise provided for under applicable federal or state law, including without limitation
68.13 chapter 60K.

68.14 **Subd. 2. Aggravation or mitigation.** Any applicable penalty for a violation of sections
68.15 72A.203 to 72A.2036 may be increased or decreased upon consideration of any aggravating
68.16 or mitigating circumstances, including if corrective action for the consumer was taken
68.17 promptly after a violation was discovered, or if the violation was not part of a pattern or
68.18 practice. The authority to enforce compliance with sections 72A.203 to 72A.2036 is vested
68.19 exclusively with the commissioner.

68.20 Sec. 34. Minnesota Statutes 2020, section 72A.2035, subdivision 1, is amended to read:

68.21 **Subdivision 1. Duration.** Insurers and insurance producers shall maintain or be able to
68.22 make available to the commissioner records of the information collected from the consumer;
68.23 disclosures made to the consumer, including summaries of oral disclosures; and other
68.24 information used in making the recommendations that were the basis for insurance
68.25 transactions for ten years after the insurance transaction is completed by the insurer. An
68.26 insurer is permitted, but shall not be required, to maintain documentation on behalf of an
68.27 insurance producer.

68.28 Sec. 35. Minnesota Statutes 2020, section 72A.2036, is amended to read:

68.29 **72A.2036 RELATIONSHIP TO OTHER LAWS; ENFORCEMENT.**

68.30 (a) Nothing in sections 72A.203 to 72A.2036 shall be interpreted to: limits the
68.31 commissioner's authority to make any investigation or take any action under chapter 45 or
68.32 other applicable law with respect to any insurer, insurance producer, broker-dealer, third-party

69.1 contractor, or other entity engaged in any activity involving the sale of an annuity that is
69.2 subject to sections 72A.203 to 72A.2036.

69.3 ~~(1) change, alter, or modify any of the obligations, duties, or responsibilities of insurers~~
69.4 ~~or insurance producers, pursuant to any orders of the commissioner or consent decrees in~~
69.5 ~~effect as of June 1, 2013; or~~

69.6 ~~(2) limit the commissioner's authority to make any investigation or take any action under~~
69.7 ~~chapter 45 or other applicable state law with respect to any insurer, insurance producer,~~
69.8 ~~broker-dealer, third-party contractor, or other entity engaged in any activity involving the~~
69.9 ~~sale of an annuity that is subject to sections 72A.203 to 72A.2036.~~

69.10 (b) In addition to any other penalties provided by the laws of this state, a violation of
69.11 sections 72A.203 to 72A.2036 shall be considered a violation of section 72A.20.

69.12 Sec. 36. **STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC**
69.13 **RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH**
69.14 **INSURANCE RATES.**

69.15 Subdivision 1. Study and recommendations. (a) The commissioner of commerce must
69.16 (1) study disparities between Minnesota's nine geographic rating areas in individual and
69.17 small group market health insurance rates, and (2) recommend ways to reduce or eliminate
69.18 rate disparities between the geographic rating areas and provide stability for the individual
69.19 and small group health insurance markets in Minnesota.

69.20 (b) As part of the study, the commissioner of commerce must:

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

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

69.28 (3) determine the extent to which individuals and small employers located in a geographic
69.29 rating area with higher health insurance rates than surrounding geographic rating areas have
69.30 obtained health insurance in a lower-cost geographic rating area, identify the strategies that
69.31 individuals and small employers use to obtain health insurance in a lower-cost geographic
69.32 rating area, and measure the effects of this practice on the rates of the individuals and small
69.33 employers remaining in the geographic rating area with higher health insurance rates; and

70.1 (4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas
70.2 and calculate the effect each proposal would have on rates in each of the proposed rating
70.3 areas. The commissioner of commerce must examine at least three options for redrawing
70.4 the boundaries of Minnesota's geographic rating areas, at least one of which must reduce
70.5 the number of geographic rating areas and at least one which must be based on the first
70.6 three digits of area zip codes. The commissioner must not take into consideration the
70.7 requirements of Minnesota Statutes, section 62A.65, subdivision 3, paragraph (b), clause
70.8 (2), when developing the proposals required by this section. All options for redrawing
70.9 Minnesota's geographic rating areas considered by the commissioner of commerce must be
70.10 designed:

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

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

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

70.17 (c) Health carriers that cover Minnesota residents, health systems that provide care to
70.18 Minnesota residents, and the commissioner of health must cooperate with any request for
70.19 information from the commissioner of commerce that the commissioner of commerce
70.20 determines is necessary to conduct the study.

70.21 (d) The commissioner of commerce may recommend one or more proposals to redraw
70.22 Minnesota's geographic rating areas if the commissioner of commerce determines that the
70.23 proposal would reduce or eliminate individual and small group market health insurance rate
70.24 disparities between the geographic rating areas and provide stability for the individual and
70.25 small group health insurance markets in Minnesota.

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

70.29 Subd. 3. **Report.** The commissioner of commerce must complete the study and
70.30 recommendations by January 1, 2023, and submit a report on the study and recommendations
70.31 by January 1, 2023, to the chairs and ranking minority members of the legislative committees
70.32 with jurisdiction over health care and health insurance.

71.1 Sec. 37. **REPEALER.**

71.2 (a) Minnesota Statutes 2020, section 62Q.56, subdivision 1a, is repealed.

71.3 (b) Minnesota Statutes 2020, sections 72A.2031, subdivisions 3, 9, and 11; and 72A.2032,
71.4 subdivisions 1, 2, 3, and 5, are repealed.

71.5 **ARTICLE 4**
71.6 **CONSUMER PROTECTION**

71.7 Section 1. **[58B.011] STUDENT LOAN ADVOCATE.**

71.8 Subdivision 1. **Designation of a student loan advocate.** The commissioner of commerce
71.9 must designate a student loan advocate within the Department of Commerce to provide
71.10 timely assistance to borrowers and to effectuate this chapter.

71.11 Subd. 2. **Duties.** The student loan advocate has the following duties:

71.12 (1) receive, review, and attempt to resolve complaints from borrowers, including but
71.13 not limited to attempts to resolve borrower complaints in collaboration with institutions of
71.14 higher education, student loan servicers, and any other participants in student loan lending;

71.15 (2) compile and analyze data on borrower complaints received under clause (1);

71.16 (3) help borrowers understand the rights and responsibilities under the terms of student
71.17 loans;

71.18 (4) provide information to the public, state agencies, legislators, and relevant stakeholders
71.19 regarding the problems and concerns of borrowers;

71.20 (5) make recommendations to resolve the problems of borrowers;

71.21 (6) analyze and monitor the development and implementation of federal, state, and local
71.22 laws, regulations, and policies relating to borrowers, and recommend any changes deemed
71.23 necessary;

71.24 (7) review the complete student loan history for any borrower who has provided written
71.25 consent to conduct the review;

71.26 (8) increase public awareness that the advocate is available to assist in resolving the
71.27 student loan servicing concerns of potential and actual borrowers, institutions of higher
71.28 education, student loan servicers, and any other participant in student loan lending; and

71.29 (9) take other actions as necessary to fulfill the duties of the advocate, as provided under
71.30 this section.

72.1 Subd. 3. Student loan education course. The advocate must establish and maintain a
72.2 **borrower education course.** The course must include educational presentations and materials
72.3 regarding important topics in student loans, including but not limited to:

72.4 (1) the meaning of important terminology used in student lending;

72.5 (2) documentation requirements;

72.6 (3) monthly payment obligations;

72.7 (4) income-based repayment options;

72.8 (5) the availability of state and federal loan forgiveness programs; and

72.9 (6) disclosure requirements.

72.10 Subd. 4. Reporting. By January 15 of each odd-numbered year, the advocate must report

72.11 to the legislative committees with jurisdiction over commerce and higher education. The

72.12 report must describe (1) the advocate's implementation of this section, (2) the outcomes

72.13 achieved by the advocate during the previous two years, and (3) any recommendations to

72.14 improve the regulation of student loan servicers.

72.15 Sec. 2. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:

72.16 **Subdivision 1. Program described; commissioner's duties; appropriation.** (a) The
72.17 commissioner of commerce shall:

72.18 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
72.19 to combat automobile theft, improve the administration of the automobile theft laws, and
72.20 provide a forum for identification of critical problems for those persons dealing with
72.21 automobile theft;

72.22 (2) coordinate the development, adoption, and implementation of plans, programs, and
72.23 strategies relating to interagency and intergovernmental cooperation with respect to
72.24 automobile theft enforcement;

72.25 (3) annually audit the plans and programs that have been funded in whole or in part to
72.26 evaluate the effectiveness of the plans and programs and withdraw funding should the
72.27 commissioner determine that a plan or program is ineffective or is no longer in need of
72.28 further financial support from the fund;

72.29 (4) develop a plan of operation including:

72.30 (i) an assessment of the scope of the problem of automobile theft, including areas of the
72.31 state where the problem is greatest;

- 73.1 (ii) an analysis of various methods of combating the problem of automobile theft;
- 73.2 (iii) a plan for providing financial support to combat automobile theft;
- 73.3 (iv) a plan for eliminating car hijacking; and
- 73.4 (v) an estimate of the funds required to implement the plan; and
- 73.5 (5) distribute money, in consultation with the commissioner of public safety, pursuant
73.6 to subdivision 3 from the automobile theft prevention special revenue account for automobile
73.7 theft prevention activities, including:
- 73.8 (i) paying the administrative costs of the program;
- 73.9 (ii) providing financial support to the State Patrol and local law enforcement agencies
73.10 for automobile theft enforcement teams;
- 73.11 (iii) providing financial support to state or local law enforcement agencies for programs
73.12 designed to reduce the incidence of automobile theft and for improved equipment and
73.13 techniques for responding to automobile thefts;
- 73.14 (iv) providing financial support to local prosecutors for programs designed to reduce
73.15 the incidence of automobile theft;
- 73.16 (v) providing financial support to judicial agencies for programs designed to reduce the
73.17 incidence of automobile theft;
- 73.18 (vi) providing financial support for neighborhood or community organizations or business
73.19 organizations for programs designed to reduce the incidence of automobile theft and to
73.20 educate people about the common methods of automobile theft, the models of automobiles
73.21 most likely to be stolen, and the times and places automobile theft is most likely to occur;
73.22 and
- 73.23 (vii) providing financial support for automobile theft educational and training programs
73.24 for state and local law enforcement officials, driver and vehicle services exam and inspections
73.25 staff, and members of the judiciary.
- 73.26 (b) The commissioner may not spend in any fiscal year more than ten percent of the
73.27 money in the fund for the program's administrative and operating costs. The commissioner
73.28 is annually appropriated and must distribute the amount of the proceeds credited to the
73.29 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
73.30 each year to the insurance fraud prevention account described in section 297I.11, subdivision
73.31 2.

74.1 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
74.2 in the auto theft prevention account to the insurance fraud prevention account under section
74.3 45.0135, subdivision 6.

74.4 (d) The commissioner must establish a library of equipment to combat automobile-related
74.5 theft offenses. The equipment must be available to all law enforcement agencies upon
74.6 request, to support law enforcement agency efforts to combat automobile theft.

74.7 Sec. 3. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
74.8 read:

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

74.12 (1) the converter is marked with (i) the date the converter was removed from the vehicle,
74.13 and (ii) the identification number of the vehicle from which the converter was removed or
74.14 an alternative number to the vehicle identification number from the vehicle from which the
74.15 converter was removed; or

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

74.17 (b) If an alternative number to the vehicle identification number is used, it must be under
74.18 a numbering system that can be immediately linked to the vehicle identification number by
74.19 law enforcement. The marking of the alternative number may be made in any permanent
74.20 manner, including but not limited to an engraving or use of permanent ink. The marking
74.21 must clearly and legibly indicate (1) the date the converter was removed; and (2) the (i)
74.22 vehicle identification number, or (ii) alternative number and the method by which law
74.23 enforcement can link the converter to the vehicle identification number.

74.24 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
74.25 committed on or after that date.

74.26 Sec. 4. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
74.27 read:

74.28 Subd. 12. Prohibition. It is unlawful for a person who is not a registered scrap metal
74.29 dealer to purchase a used catalytic converter that is not EPA certified for reuse as a
74.30 replacement part, except when the catalytic converter is attached to a motor vehicle. A used
74.31 catalytic converter that is EPA certified for reuse as a replacement part may be sold to a

75.1 person or business for reuse as a replacement part for a motor vehicle when the requirements
75.2 of subdivision 11 are met.

75.3 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
75.4 committed on or after that date.

75.5 Sec. 5. [325F.6945] UNLAWFUL SOCIAL MEDIA ACTIVITIES.

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

75.8 (b) "Account holder" means a person who accesses a social media account through a
75.9 social media platform.

75.10 (c) "Operator" has the meaning given in section 1302 of the Children's Online Privacy
75.11 Protection Act of 1998, United States Code, title 15, section 6501.

75.12 (d) "Social media algorithm" means the software used by social media platforms to (1)
75.13 prioritize content, and (2) direct the prioritized content to the account holder.

75.14 (e) "Social media platform" means an electronic medium, including a browser-based or
75.15 application-based interactive computer service, telephone network, or data network, that
75.16 allows users to create, share, and view user-generated content. Social media platform does
75.17 not include Internet search providers or e-mail.

75.18 (f) "User-generated content" means any content created or shared by an account holder,
75.19 including without limitation written posts, photographs, graphics, video recordings, or audio
75.20 recordings.

75.21 Subd. 2. Prohibitions; social media algorithm. (a) A social media platform with more
75.22 than 1,000,000 account holders operating in Minnesota is prohibited from using a social
75.23 media algorithm to target user-generated content at an account holder under the age of 18,
75.24 except as provided in subdivision 3.

75.25 (b) The operator of a social media platform is liable to an individual account holder who
75.26 received user-generated content through a social media algorithm while the individual
75.27 account holder was under the age of 18 if the operator of a social media platform knew or
75.28 had reason to know that the individual account holder was under the age of 18. A social
75.29 media operator subject to this paragraph is liable to the account holder for (1) any regular
75.30 or special damages, (2) a statutory penalty of \$1,000 for each violation of this section, and
75.31 (3) any other penalties available under law.

76.1 Subd. 3. Exceptions. (a) A social media algorithm that is intended to block access to
76.2 inappropriate or harmful content to an account holder that is a minor is exempt from this
76.3 section. Software or devices that allow parental controls or internal controls used by the
76.4 social media platform that are designed to control access of the account of a minor to filter
76.5 content for age-appropriate material, that suggest, promote, or rank otherwise accessible
76.6 content, are exempt from this section.

76.7 (b) User-generated content that is created by a federal, state, or local government or by
76.8 a public or private school, college, or university is exempt from this section.

76.9 **Sec. 6. [332.365] CREDIT COUNSELING ORGANIZATIONS; DEBTORS.**

76.10 Subdivision 1. Duties of commissioner. (a) On or before July 1, 2023, the commissioner
76.11 must develop and maintain a document that includes the contact information for nonprofit
76.12 organizations domiciled in Minnesota that provide credit counseling services to debtors.
76.13 Credit counseling services include but are not limited to (1) helping a debtor understand
76.14 the debtor's rights and responsibilities, and (2) working with debtors, creditors, and collection
76.15 agencies to satisfy debts. The document must include contact information for organizations
76.16 that provide credit counseling services in languages other than English to individuals whose
76.17 primary language is a language other than English. The document must include the following
76.18 statement in English, Spanish, Somali, Hmong, Vietnamese, and Chinese:

76.19 "There are resources available to help manage your debt. The following Minnesota
76.20 organizations offer debt and credit counseling services. The Department of Commerce does
76.21 not control or guarantee any of the services provided by these organizations. This list is not
76.22 a referral to, or endorsement or recommendation of, any organization or the organization's
76.23 services."

76.24 (b) The document must be no more than one 8-1/2 by 11-inch sheet of paper. The
76.25 commissioner must maintain the document and make it publicly available on the department's
76.26 website in a printable format.

76.27 (c) Beginning September 1, 2024, the commissioner may update the document no more
76.28 than once per year and must notify all licensed collection agencies after an update occurs.
76.29 A collection agency has 120 days from the date the collection agency receives notice of an
76.30 update to the document from the commissioner to apply the changes to the document.

76.31 Subd. 2. Duties of collection agency. Beginning September 1, 2023, a collection agency
76.32 must include the document described in subdivision 1 with the initial written communication

77.1 sent to a debtor if the initial communication is performed via United States mail, e-mail, or
77.2 text message.

77.3 **EFFECTIVE DATE.** This section is effective July 1, 2022.

77.4 Sec. 7. Minnesota Statutes 2020, section 609.5316, subdivision 3, is amended to read:

Subd. 3. Weapons, telephone cloning paraphernalia, automated sales suppression

devices, catalytic converters, and bullet-resistant vests. Weapons used are contraband

77.7 and must be summarily forfeited to the appropriate agency upon conviction of the weapon's

77.8 owner or possessor for a controlled substance crime; for any offense of this chapter or

77.9 chapter 624, or for a violation of an order for protection under section 518B.01, subdivisio

77.10 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the

77.11 commission or attempted commission of a crime are contraband and must be summarily

77.12 forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled

77.13 substance crime or for any offense of this chapter. Telephone cloning paraphernalia used

77.14 in a violation of section 609.894, and automated sales suppression devices, phantom-ward

77.15 and other devices containing an automated sales suppression or phantom-ware device or

77.16 software used in violation of section 289A.63, subdivision 12, are contraband and must be

77.17 summarily forfeited to the appropriate agency upon a conviction. A catalytic converter

77.18 possessed in violation of section 325E.21 is contraband and must be summarily forfeited

77.19 to the appropriate agency upon a conviction.

77.20 **EFFECTIVE DATE.** The
77.21 committed on or after that date

Delete the title and insert:

"A bill for an act

relating to commerce; establishing a supplemental budget for commerce activities; modifying and adding provisions governing commerce, licensee continuing education, financial institutions, weights and measures, insurance, and consumer protection; modifying civil procedures; requiring reports; making technical changes; appropriating and transferring money; amending Minnesota Statutes 2020, sections 45.0135, subdivisions 2a, 2b; 45.25, subdivisions 12, 13, by adding subdivisions; 45.31, subdivisions 2, 3; 46.131, subdivisions 2, 4, 11; 47.08; 47.16, subdivisions 1, 2; 47.172, subdivision 2; 47.28, subdivision 3; 47.30, subdivision 5; 48A.15, subdivision 1; 53.03, subdivisions 1, 5; 53C.02; 55.10, subdivision 1; 56.02; 61A.02, by adding a subdivision; 62Q.733, subdivision 1; 62Q.735, subdivisions 1, 5; 62Q.76, by adding subdivisions; 62Q.78, subdivision 6, by adding subdivisions; 62Q.79, by adding a subdivision; 65B.84, subdivisions 1, 2; 72A.20, by adding a subdivision; 72A.2031, subdivisions 8, 10, by adding subdivisions; 72A.2032, subdivisions 4, 6, 7, 8, by adding subdivisions; 72A.2033; 72A.2034; 72A.2035, subdivision 1; 72A.2036; 80A.61; 80C.05, subdivision 2; 80C.08, subdivision 1; 80G.01, subdivision 3, by adding a subdivision; 80G.02, subdivisions 1, 4; 80G.03, subdivision 2; 80G.04, subdivision 1; 80G.05, subdivision 1; 80G.06,

78.1 subdivision 2; 80G.07, subdivision 1; 82B.03, by adding a subdivision; 82B.19,
78.2 by adding a subdivision; 82C.17, subdivision 2; 239.761, subdivisions 3, 4; 239.791,
78.3 subdivision 2a; 296A.01, subdivision 23; 325E.21, by adding subdivisions; 332.33,
78.4 subdivision 3, by adding a subdivision; 336.9-510; 336.9-516; 515B.3-102; 549.30,
78.5 subdivisions 3, 6, 15, 19, by adding subdivisions; 549.31; 549.32; 549.34; 609.5316,
78.6 subdivision 3; Minnesota Statutes 2021 Supplement, sections 80G.06, subdivision
78.7 1; 80G.11; 82B.25, subdivision 2; proposing coding for new law in Minnesota
78.8 Statutes, chapters 45; 58B; 62Q; 214; 325F; 332; 336; 549; repealing Minnesota
78.9 Statutes 2020, sections 45.25, subdivisions 2a, 14; 62Q.56, subdivision 1a;
78.10 72A.2031, subdivisions 3, 9, 11; 72A.2032, subdivisions 1, 2, 3, 5."