

310.18

ARTICLE 27

310.19

SUPPLEMENTAL APPROPRIATIONS

310.20 Section 1. **APPROPRIATIONS.**

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

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APPROPRIATIONS
Available for the Year
Ending June 30
2022 **2023**

311.5 Sec. 2. **DEPARTMENT OF COMMERCE**

311.6	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>6,134,000</u>
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311.7 Appropriations by Fund

311.8		<u>2022</u>	<u>2023</u>		
311.9	<u>General</u>	<u>-0-</u>	<u>5,634,000</u>		
311.10	<u>Special Revenue</u>	<u>-0-</u>	<u>500,000</u>		

311.11 The amounts that may be spent for each
 311.12 purpose are specified in the following
 311.13 subdivisions.

311.14	<u>Subd. 2. Administrative Services</u>		<u>-0-</u>	<u>392,000</u>
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311.15	<u>\$301,000 in fiscal year 2023 is for the senior</u>		
311.16	<u>fraud prevention program.</u>		
311.17	<u>\$91,000 in fiscal year 2023 is for the licensing</u>		
311.18	<u>disqualification and preliminary application</u>		
311.19	<u>requirements under Minnesota Statutes,</u>		
311.20	<u>section 214.035.</u>		
311.21	Subd. 3. <u>Financial Services</u>	<u>-0-</u>	<u>533,000</u>
311.22	<u>\$300,000 in fiscal year 2023 is for additional</u>		
311.23	<u>securities staff. The base for this appropriation</u>		
311.24	<u>is \$281,000 in fiscal year 2024 and \$281,000</u>		
311.25	<u>in fiscal year 2025.</u>		
311.26	<u>\$233,000 in fiscal year 2023 is to establish</u>		
311.27	<u>and operate a student loan advocate under</u>		
311.28	<u>Minnesota Statutes, section 58B.011. The base</u>		
311.29	<u>for this appropriation is \$203,000 in fiscal year</u>		
311.30	<u>2024 and \$203,000 in fiscal year 2025.</u>		
311.31	Subd. 4. <u>Insurance</u>	<u>-0-</u>	<u>633,000</u>
311.32	<u>\$108,000 in fiscal year 2023 is for a study and</u>		
311.33	<u>report on disparities in geographic rating areas</u>		
311.34	<u>in individual and small group market health</u>		
312.1	<u>insurance under article 3, section 34. This is</u>		
312.2	<u>a onetime appropriation.</u>		
312.3	<u>\$525,000 in fiscal year 2023 is for additional</u>		
312.4	<u>staff in the insurance division. The additional</u>		
312.5	<u>staff must focus on property- and</u>		
312.6	<u>casualty-related insurance products.</u>		
312.7	Subd. 5. <u>Enforcement</u>	<u>-0-</u>	<u>4,576,000</u>
312.8	<u>\$4,076,000 in fiscal year 2023 is for the</u>		
312.9	<u>automobile theft prevention program under</u>		
312.10	<u>Minnesota Statutes, section 65B.84. This is a</u>		
312.11	<u>onetime appropriation.</u>		
312.12	<u>\$500,000 in fiscal year 2023 is appropriated</u>		
312.13	<u>from the auto theft prevention account in the</u>		
312.14	<u>special revenue fund to the commissioner of</u>		
312.15	<u>commerce to reimburse law enforcement</u>		

312.16	<u>agencies for investigation and enforcement</u>			
312.17	<u>activities to combat automobile theft. This</u>			
312.18	<u>appropriation does not cancel and remains</u>			
312.19	<u>available until expended. This is a onetime</u>			
312.20	<u>appropriation.</u>			
312.21	Sec. 3. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>-0-</u> \$	<u>6,000</u>
312.22	<u>Licensing Disqualifications; Preliminary</u>			
312.23	<u>Applications.</u>			
312.24	<u>\$6,000 in fiscal year 2023 is to the Board of</u>			
312.25	<u>Accountancy for the licensing disqualification</u>			
312.26	<u>and preliminary application requirements</u>			
312.27	<u>under Minnesota Statutes, section 214.035.</u>			
312.28	<u>This is a onetime appropriation.</u>			
312.29	Sec. 4. <u>ATTORNEY GENERAL</u>	\$	<u>-0-</u> \$	<u>24,000</u>
312.30	<u>Licensing Disqualifications; Preliminary</u>			
312.31	<u>Applications.</u>			
312.32	<u>\$24,000 in fiscal year 2023 is to the attorney</u>			
312.33	<u>general for the licensing disqualification and</u>			
313.1	<u>preliminary application requirements under</u>			
313.2	<u>Minnesota Statutes, section 214.035.</u>			
313.3	Sec. 5. <u>PROFESSIONAL EDUCATOR</u>			
313.4	<u>LICENSING AND STANDARDS BOARD</u>	\$	<u>-0-</u> \$	<u>514,000</u>
313.5	<u>Licensing Disqualifications; Preliminary</u>			
313.6	<u>Applications.</u>			
313.7	<u>\$514,000 in fiscal year 2023 is to the</u>			
313.8	<u>Professional Educator Licensing and Standards</u>			
313.9	<u>Board for the licensing disqualification and</u>			
313.10	<u>preliminary application requirements under</u>			
313.11	<u>Minnesota Statutes, section 214.035. The base</u>			
313.12	<u>for this appropriation is \$142,000 in fiscal year</u>			
313.13	<u>2024 and \$142,000 in fiscal year 2025.</u>			
313.14	Sec. 6. <u>DEPARTMENT OF REVENUE</u>	\$	<u>-0-</u> \$	<u>19,000</u>

313.15 Licensing Disqualifications; Preliminary
313.16 Applications.

313.17 \$19,000 in fiscal year 2023 is to the
313.18 Department of Revenue for the licensing
313.19 disqualification and preliminary application
313.20 requirements under Minnesota Statutes,
313.21 section 214.035. The base for this
313.22 appropriation is \$3,000 in fiscal year 2024 and
313.23 \$3,000 in fiscal year 2025.

313.24 Sec. 7. GAMBLING CONTROL BOARD \$ -0- \$ 3,000

313.25 Licensing Disqualifications; Preliminary
313.26 Applications.

313.27 \$3,000 in fiscal year 2023 is from the lawful
313.28 gambling regulation account in the special
313.29 revenue fund to the Gambling Control Board
313.30 for the licensing disqualification and
313.31 preliminary application requirements under
313.32 Minnesota Statutes, section 214.035.

313.33 Sec. 8. DEPARTMENT OF EDUCATION \$ -0- \$ 22,000

314.1 Licensing Disqualifications; Preliminary
314.2 Applications.

314.3 \$22,000 in fiscal year 2023 is to the
314.4 Department of Education for the licensing
314.5 disqualification and preliminary application
314.6 requirements under Minnesota Statutes,
314.7 section 214.035.

314.8 Sec. 9. COMMERCE FRAUD BUREAU; TRANSFER.

314.9 \$870,000 in fiscal year 2023 is transferred from the general fund to the insurance fraud
314.10 prevention account for five additional peace officers in the Commerce Fraud Bureau. The
314.11 base for this transfer is \$811,000 in fiscal year 2024 and \$811,000 in fiscal year 2025.

314.12

ARTICLE 28

314.13

COMMERCE POLICY

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

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

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

314.24 (c) The Commerce Fraud Bureau must allocate at least 70 percent of its work to
 314.25 insurance-related crimes.

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

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

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

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

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

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

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

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

- 315.17 (1) specify the minimum system requirements;
- 315.18 (2) provide encryption that ensures that all personal information, including the student's
315.19 name, address, and credit card number, cannot be read as it passes across the Internet;
- 315.20 (3) include technology to guarantee seat time;
- 315.21 (4) include the ability for the student to get technical support within a reasonable amount
315.22 of time;
- 315.23 (5) include a statement that the student's information will not be sold or distributed to
315.24 any third party without the prior written consent of the student. Taking the course does not
315.25 constitute consent; and
- 315.26 (6) include a process to authenticate the student's identity.
- 315.27 Sec. 4. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to
315.28 read:
- 315.29 Subd. 9b. **On-demand course.** "On-demand course" means a learning experience that
315.30 enables a student to review learning material at a time and location that is convenient for
315.31 the student. On-demand course includes but is not limited to asynchronous online courses,
316.1 text-based courses, and other courses not offered live that include prerecorded videos, class
316.2 recordings, documents, or other learning activities.
- 316.3 Sec. 5. Minnesota Statutes 2020, section 45.25, subdivision 12, is amended to read:
- 316.4 Subd. 12. **Proctor.** (a) "Proctor" means a ~~disinterested third party with no conflict of~~
316.5 interest person who (1) verifies a student's identity, and (2) processes an affidavit testifying
316.6 that the student received no outside assistance with the course or examination.
- 316.7 (b) A proctor must be 18 years of age or older. A proctor must not have a financial or
316.8 other conflict of interest with respect to a student's successful completion of the course or
316.9 the examination. A proctor must not be:
- 316.10 (1) a relative of the student;
- 316.11 (2) the student's supervisor at work;
- 316.12 (3) a person the student supervises at work; or
- 316.13 (4) a student who is completing the same course.
- 316.14 Sec. 6. Minnesota Statutes 2020, section 45.25, subdivision 13, is amended to read:
- 316.15 Subd. 13. **Professional designation.** "Professional designation" means a ~~written,~~
316.16 proctored, and graded examination, the passage of which leads to a bona fide an
316.17 industry-recognized professional designation used by licensees a licensee after completing
316.18 a series of courses and passing a graded, proctored examination.

- 316.19 Sec. 7. [45.301] ON-DEMAND CONTINUING EDUCATION; REQUIREMENTS.
- 316.20 Subdivision 1. On-demand course requirements. An on-demand continuing education
- 316.21 course offered online must:
- 316.22 (1) specify the minimum system requirements;
- 316.23 (2) provide encryption that ensures that all personal information, including the student's
- 316.24 name, address, and credit card number, cannot be read as it passes across the Internet;
- 316.25 (3) include technology to guarantee seat time;
- 316.26 (4) include a high level of interactivity;
- 316.27 (5) include graphics that reinforce the content;
- 316.28 (6) include the ability for the student to contact an instructor within a reasonable amount
- 316.29 of time;
- 317.1 (7) include the ability for the student to get technical support within a reasonable amount
- 317.2 of time;
- 317.3 (8) include a statement that the student's information will not be sold or distributed to
- 317.4 any third party without prior written consent of the student. Taking the course does not
- 317.5 constitute consent;
- 317.6 (9) be available 24 hours a day, seven days a week, excluding minimal down time for
- 317.7 updating and administration;
- 317.8 (10) provide viewing access to the online course at all times to the commissioner,
- 317.9 excluding minimal down time for updating and administration;
- 317.10 (11) include a process to authenticate the student's identity;
- 317.11 (12) inform the student and the commissioner how long a course is accessible after the
- 317.12 course is purchased;
- 317.13 (13) inform the student that license education credit is not awarded for taking the course
- 317.14 after the course loses status as an approved course;
- 317.15 (14) provide clear instructions on how to navigate through the course;
- 317.16 (15) provide automatic bookmarking at any point in the course;
- 317.17 (16) provide questions after each unit or chapter that must be answered before the student
- 317.18 can proceed to the next unit or chapter;
- 317.19 (17) include a reinforcement response when a quiz question is answered correctly;
- 317.20 (18) include a response when a quiz question is answered incorrectly;

- 317.21 (19) include a final examination;
- 317.22 (20) allow the student to return to and review any unit at any time, except during the
- 317.23 final examination;
- 317.24 (21) provide a course evaluation at the end of the course. At a minimum, the evaluation
- 317.25 must ask the student to report any difficulties caused by the online education delivery
- 317.26 method; and
- 317.27 (22) provide a completion certificate when the course and exam have been completed
- 317.28 and the provider has verified the completion. An electronic certificate is sufficient.
- 317.29 Subd. 2. **Final examination.** The final examination must be either an encrypted online
- 317.30 examination or a paper examination that is monitored by a proctor who certifies that the
- 318.1 student took the examination. The student must not be allowed to review the course content
- 318.2 once the examination has begun.
- 318.3 Sec. 8. Minnesota Statutes 2020, section 45.31, subdivision 2, is amended to read:
- 318.4 Subd. 2. **Approval.** (a) ~~The commissioner must approve as a coordinator a person~~
- 318.5 ~~meeting one or more of the following criteria: at least three years of full-time experience~~
- 318.6 ~~in the administration of an education program during the five-year period immediately~~
- 318.7 ~~before the date of application, or a degree in education plus two years experience during~~
- 318.8 ~~the immediately preceding five-year period in one of the regulated industries for which~~
- 318.9 ~~courses are being approved, or a minimum of five years experience within the previous six~~
- 318.10 ~~years in the regulated industry for which courses are held. A person applying for approval~~
- 318.11 ~~as a course coordinator must:~~
- 318.12 (1) be qualified or have experience in the applicable subject matter of courses offered
- 318.13 by the education provider or have experience administering an education program; and
- 318.14 (2) make available upon request such records and data required by the commissioner to
- 318.15 administer the provisions and further the purposes of this chapter.
- 318.16 (b) Coordinator approval may not be transferred to an individual who has not already
- 318.17 been approved as an additional coordinator for the applicable license type for the providership
- 318.18 in question. An individual must be approved as a coordinator by the commissioner before
- 318.19 acting on behalf of an approved education provider.
- 318.20 Sec. 9. Minnesota Statutes 2020, section 45.31, subdivision 3, is amended to read:
- 318.21 Subd. 3. **Responsibilities.** ~~A coordinator~~ An education provider is responsible for:
- 318.22 (1) assuring compliance with all laws and rules relating to educational offerings governed
- 318.23 by the commissioner;
- 318.24 (2) assuring that students are provided with current and accurate information relating to
- 318.25 the laws and rules governing their licensed activity;

- 318.26 (3) supervising and evaluating courses and instructors. Supervision includes assuring,
318.27 especially when a course will be taught by more than one instructor, that all areas of the
318.28 curriculum are addressed without redundancy and that continuity is present throughout the
318.29 entire course;
- 318.30 (4) ensuring that instructors are qualified to teach the course offering;
- 319.1 (5) furnishing the commissioner, upon request, with copies of course and instructor
319.2 evaluations and qualifications of instructors. Evaluations must be completed by students
319.3 and coordinators;
- 319.4 (6) investigating complaints related to course offerings and instructors and forwarding
319.5 a copy of the written complaints to the Department of Commerce;
- 319.6 (7) maintaining accurate records relating to course offerings, instructors, tests taken by
319.7 students, and student attendance for a period of three years from the date on which the
319.8 course was completed. These records must be made available to the commissioner upon
319.9 request. In the event that an education provider ceases operation for any reason, the
319.10 coordinator is responsible for maintaining the records or providing a custodian for the
319.11 records acceptable to the commissioner. The coordinator must notify the commissioner of
319.12 the name and address of that person. In order to be acceptable to the commissioner, custodians
319.13 must agree to make copies of acknowledgments available to students at a reasonable fee.
319.14 Under no circumstances will the commissioner act as custodian of the records;
- 319.15 (8) ensuring that the coordinator is available to instructors and students throughout course
319.16 offerings and providing to the students and instructor the name of the coordinator and a
319.17 telephone number at which the coordinator can be reached;
- 319.18 (9) attending workshops or instructional programs as reasonably required by the
319.19 commissioner;
- 319.20 (10) providing course completion certificates within ten days of, but not before,
319.21 completion of the entire course. Course completion certificates must be completed in their
319.22 entirety. It is not necessary to provide a written course completion certificate if the course
319.23 completion certificate has been electronically delivered to the department or its designated
319.24 licensing contractor. A coordinator may require payment of the course tuition as a condition
319.25 for receiving the course completion certificate;
- 319.26 (11) notifying the commissioner immediately of any change in an application for the
319.27 course, coordinator, or instructor approval application; and
- 319.28 (12) in conjunction with the instructor, assuring and certifying attendance of students
319.29 enrolled in courses.
- 319.30 Sec. 10. Minnesota Statutes 2020, section 46.131, subdivision 2, is amended to read:
- 319.31 Subd. 2. **Assessment authority.** Each ~~bank, trust company, savings bank, savings~~
319.32 ~~association, regulated lender, industrial loan and thrift company, credit union, motor vehicle~~

319.33 ~~sales finance company, debt management services provider, debt settlement services provider,~~
320.1 ~~insurance premium finance company, and residential PACE administrator, as defined in~~
320.2 ~~section 216C.435, subdivision 10a, financial institution governed by chapters 46 to 59A,~~
320.3 ~~216C, and 332 to 332B that is organized under the laws of this state or required to be~~
320.4 ~~administered by the commissioner of commerce shall pay into the state treasury its~~
320.5 ~~proportionate share of the cost of maintaining the Department of Commerce. This subdivision~~
320.6 ~~does not apply to student loan servicers or collection agencies.~~

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

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

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

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

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

320.19 (b) The account consists of funds received from assessments under subdivision 7,
320.20 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and
320.21 the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54,
320.22 subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph
320.23 (b); 49.36, subdivision 1; 52.203; 53B.09; 53B.11, subdivision 1; 53C.02; 56.02; 58.10;
320.24 58A.045, subdivision 2; and 59A.03; 216C.437, subdivision 12; 332A.04; and 332B.04.

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

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

320.28 **47.08 ARTICLES OF INCORPORATION FILED WITH COMMISSIONER.**

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

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

321.5 Subdivision 1. **Filing.** The certificate of a corporation must be filed for record with the
321.6 ~~secretary of state~~ commissioner of commerce. If the ~~secretary of state~~ commissioner of
321.7 ~~commerce~~ finds that it conforms to law and that the required fee has been paid, the ~~secretary~~
321.8 ~~of state~~ commissioner of commerce must record it and certify that fact on it. ~~The secretary~~
321.9 ~~of state may not accept a certificate for filing unless the certificate also contains the~~
321.10 ~~endorsement of the commissioner of commerce.~~

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

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

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

321.21 Subd. 2. **Effect.** The certificate to be filed to accomplish a restated certificate of
321.22 incorporation must be entitled "restated certificate of incorporation of (name of financial
321.23 corporation)" and must contain a statement that the restated certificate supersedes and takes
321.24 the place of the existing certificate of incorporation and all amendments to it. The restated
321.25 certificate of incorporation when executed, filed and recorded in the manner prescribed for
321.26 certificate of amendment supersedes and takes the place of an existing certificate of
321.27 incorporation and amendments to it. ~~The secretary of state upon request must certify the~~
321.28 ~~restated certificate of incorporation.~~

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

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

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

322.6 Subd. 5. **Recording.** Upon receipt of the fees required for filing and recording amended
322.7 ~~articles of incorporation of savings associations, the secretary of state~~ commissioner of
322.8 ~~commerce~~ shall record the amended articles of incorporation and certify that fact thereon,
322.9 whereupon the conversion of such savings association into a savings bank shall become
322.10 final and complete and thereafter the signers of said amended articles and their successors

322.11 shall be a corporation, and have the powers and be subject to the duties and obligations
322.12 prescribed by the laws of this state applicable to savings banks.

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

322.14 Subdivision 1. **Authorization.** (a) A trust company organized under the laws of this
322.15 state or a state bank and trust may, after completing the notification procedure required by
322.16 this subdivision, establish and maintain a trust service office at any office in this state or of
322.17 any other state or national bank. A state bank may, after completing the notification procedure
322.18 required by this subdivision, permit a trust company organized under the laws of this state
322.19 or a state bank and trust or a national bank in this state that is authorized to exercise trust
322.20 powers to establish and maintain a trust service office at any of its banking offices.

322.21 (b) The trust company or state bank and trust and a state bank at which a trust service
322.22 office is to be established according to this section shall jointly file, on forms provided by
322.23 the commissioner, a notification of intent to establish a trust service office. The notification
322.24 must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited
322.25 in the ~~general fund of the state~~ financial institutions account under section 46.131, subdivision
322.26 11. No trust service office shall be established according to this section if disallowed by
322.27 order of the commissioner within 30 days of the filing of a complete and acceptable
322.28 notification of intent to establish a trust service office. An order of the commissioner to
322.29 disallow the establishment of a trust service office under this section is subject to judicial
322.30 review under sections 14.63 to 14.69.

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

323.2 Subdivision 1. **Application, fee, notice.** Any corporation hereafter organized as an
323.3 industrial loan and thrift company, shall, after compliance with the requirements set forth
323.4 in sections 53.01 and 53.02, file a written application with the Department of Commerce
323.5 for a certificate of authorization. A corporation that will not sell or issue thrift certificates
323.6 for investment as permitted by this chapter need not comply with subdivision 2b. The
323.7 application must be in the form prescribed by the Department of Commerce. The application
323.8 must be made in the name of the corporation, executed and acknowledged by an officer
323.9 designated by the board of directors of the corporation, requesting a certificate authorizing
323.10 the corporation to transact business as an industrial loan and thrift company, at the place
323.11 and in the name stated in the application. At the time of filing the application the applicant
323.12 shall pay \$1,500 filing fee if the corporation will not sell or issue thrift certificates for
323.13 investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates
323.14 for investment. The fees must be ~~turned over by the commissioner to the commissioner of~~
323.15 ~~management and budget and credited to the general fund~~ collected by the commissioner
323.16 and deposited in the financial institutions account under section 46.131, subdivision 11.
323.17 The applicant shall also submit a copy of the bylaws of the corporation, its articles of
323.18 incorporation and all amendments thereto at that time. An application for powers under
323.19 subdivision 2b must also require that a notice of the filing of the application must be
323.20 published once within 30 days of the receipt of the form prescribed by the Department of
323.21 Commerce, at the expense of the applicant, in a qualified newspaper published in the

323.22 municipality in which the proposed industrial loan and thrift company is to be located, or,
323.23 if there be none, in a qualified newspaper likely to give notice in the municipality in which
323.24 the company is proposed to be located. If the Department of Commerce receives a written
323.25 objection to the application from any person within 15 days of the notice having been fully
323.26 published, the commissioner shall proceed in the same manner as required under section
323.27 46.041, subdivisions 3 and 4, relating to state banks.

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

323.29 Subd. 5. **Place of business.** Not more than one place of business may be maintained
323.30 under any certificate of authorization issued subsequent to the enactment of Laws 1943,
323.31 chapter 67, pursuant to the provisions of this chapter, but the Department of Commerce
323.32 may issue more than one certificate of authorization to the same corporation upon compliance
323.33 with all the provisions of this chapter governing an original issuance of a certificate of
323.34 authorization. To the extent that previously filed applicable information remains unchanged,
323.35 the applicant need not refile this information, unless requested. The filing fee for a branch
324.1 application shall be \$500 and the investigation fee \$250. An industrial loan and thrift
324.2 corporation with deposit liabilities may change one or more of its locations upon the written
324.3 approval of the commissioner of commerce. A fee of \$100 must accompany each application
324.4 to the commissioner for approval to change the location of an established office. An industrial
324.5 loan and thrift corporation that does not sell and issue thrift certificates for investment may
324.6 change one or more locations by giving 30 days' written notice to the Department of
324.7 Commerce which shall promptly amend the certificate of authorization accordingly. No
324.8 change in place of business of a company to a location outside of its current trade area or
324.9 more than 25 miles from its present location, whichever distance is greater, shall be permitted
324.10 under the same certificate unless all of the applicable requirements of this section have been
324.11 met. All money collected by the commissioner under this chapter must be deposited into
324.12 the financial institutions account under section 46.131, subdivision 11.

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

324.14 **53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.**

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

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

324.27 (c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the
324.28 following year, or any part thereof shall be the sum of \$250 for the principal place of business
324.29 of the licensee, and the sum of \$125 for each branch of the licensee. Any licensee who
324.30 proves to the satisfaction of the commissioner, by affidavit or other proof satisfactory to
324.31 the commissioner, that during the 12 calendar months of the immediately preceding fiscal
324.32 year, for which the license has been paid that the licensee has not held retail installment
324.33 contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each
324.34 license fee paid in excess of \$25. The commissioner shall certify ~~to the commissioner of~~
325.1 ~~management and budget~~ that the licensee is entitled to a refund, and payment ~~thereof~~ of the
325.2 refund shall be made by the commissioner ~~of management and budget~~. The amount necessary
325.3 to pay for the refundment of the license fee is appropriated ~~out of the general fund~~ from the
325.4 financial institutions account under section 46.131, subdivision 11. All license fees received
325.5 by the commissioner under sections 53C.01 to 53C.14 shall be deposited with the
325.6 commissioner of management and budget.

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

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

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

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

325.18 Subdivision 1. **Permitting access, removal, or delivery.** When a safe deposit box shall
325.19 have been hired from any licensed safe deposit company in the name of two or more persons,
325.20 including ~~husband and wife~~ a married couple, with the right of access being given to either,
325.21 or with access to either or the survivor or survivors of the person, or property is held for
325.22 safekeeping by any licensed safe deposit company for two or more persons, including
325.23 ~~husband and wife~~ a married couple, with the right of delivery being given to either, or with
325.24 the right of delivery to either of the survivor or survivors of these persons, any one or more
325.25 of these persons, whether the other or others be living or not, shall have the right of access
325.26 to the safe deposit box and the right to remove all, or any part, of the contents thereof, or
325.27 to have delivered to all or any one of them, or any part of the valuable personal property so
325.28 held for safekeeping; and, in case of this access, removal, or delivery, the safe deposit
325.29 company shall be exempt from any liability for permitting the access, removal, or delivery.

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

326.2 **56.02 APPLICATION FEE.**

326.3 (a) Application for license shall be in writing, under oath, and in the form prescribed by
326.4 the commissioner, and contain the name and the address, both of the residence and place
326.5 of business, of the applicant and, if the applicant is a copartnership or association, of every
326.6 member thereof, and if a corporation, of each officer and director thereof; also the county
326.7 and municipality, with street and number, if any, where the business is to be conducted, and
326.8 such further information as the commissioner may require. The applicant at the time of
326.9 making application, shall pay to the commissioner the sum of \$500 as a fee for investigating
326.10 the application, and the additional sum of \$250 as an annual license fee for a period
326.11 terminating on the last day of the current calendar year. In addition to the annual license
326.12 fee, every licensee hereunder shall pay to the commissioner the actual costs of each
326.13 examination, as provided for in section 56.10. All ~~moneys~~ money collected by the
326.14 commissioner under this chapter shall be ~~turned over to the commissioner of management~~
326.15 ~~and budget and credited by the commissioner of management and budget to the general~~
326.16 ~~fund of the state~~ deposited in the financial institutions account under section 46.131,
326.17 subdivision 11.

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

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

326.22 Sec. 25. Minnesota Statutes 2020, section 60A.033, subdivision 8, is amended to read:

326.23 Subd. 8. **Costs.** All bills for examination costs being charged to an insurance company
326.24 pursuant to subdivision 5 or section 60A.031, subdivision 3, paragraph (c), must:

326.25 (1) be itemized and, with respect to examiner billings, contain activity detail on a quarterly
326.26 hourly basis by an individual examiner and disclose the applicable hourly billing rates,
326.27 together with per-charge detail for related travel or other expenses; and

326.28 (2) provide a due date no less than ~~30~~ 60 days from receipt of the bill.

326.29 Sec. 26. Minnesota Statutes 2020, section 60A.033, subdivision 9, is amended to read:

326.30 Subd. 9. **Completion of examination.** An examination under section 60A.031 must not
326.31 exceed 18 months from the date the commissioner receives the insurance company's first
326.32 submission pursuant to a scheduling order, unless:

327.1 (1) the commissioner determines that there has been a material lack of cooperation by
327.2 the insurance company and advises the company in writing of the specific instances
327.3 demonstrating a lack of cooperation;

327.4 (2) the examination is a multistate examination; or

327.5 (3) the commissioner determines that additional time is necessary to complete the
327.6 examination and the commissioner notifies the insurance company in writing of the reasons
327.7 why the examination requires additional time.

327.8 Sec. 27. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision
327.9 to read:

327.10 **Subd. 11. Informal disposition.** (a) The commissioner must make an attempt to
327.11 informally resolve any alleged violations of law identified during the examination or
327.12 investigation. An attempt to informally resolve a violation may consist of a consent order,
327.13 nonpublic letter of reprimand, or other informal resolution or disposition.

327.14 (b) The terms of a consent order or other informal disposition that prescribes compliance
327.15 requirements must be consistent with the requirements of Minnesota law.

327.16 Sec. 28. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision
327.17 to read:

327.18 **Subd. 12. Report to the legislature.** Each year by February 1, the commissioner must
327.19 report the following information to the chairs and ranking minority members of the house
327.20 of representatives and senate committees having jurisdiction over commerce:

327.21 (1) a listing of the number of pending market conduct exams and the year the exams
327.22 were commenced;

327.23 (2) the number of exams closed during the prior year and the current total of costs charged
327.24 to the companies for each exam;

327.25 (3) whether the exam is being conducted, in whole or in part, by third-party examiners;
327.26 and

327.27 (4) other information that the chairs or ranking minority members may reasonably
327.28 request, subject to the limitations of section 60A.031, subdivision 4, paragraph (f).

328.1 Sec. 29. Minnesota Statutes 2020, section 60A.954, subdivision 1, is amended to read:

328.2 Subdivision 1. **Establishment.** An insurer shall institute, implement, and maintain an
328.3 antifraud plan. For the purpose of this section, the term insurer does not include reinsurers,
328.4 the Workers' Compensation Reinsurance Association, self-insurers, and excess insurers.
328.5 Within 30 days after instituting or materially modifying an antifraud plan, the insurer shall
328.6 notify the commissioner in writing. The notice must include the name of the person
328.7 responsible for administering the plan. An antifraud plan shall establish procedures to:

328.8 (1) prevent insurance fraud, including: internal fraud involving the insurer's officers,
328.9 employees, or agents; fraud resulting from misrepresentations on applications for insurance;
328.10 and claims fraud;

328.11 (2) report insurance fraud to appropriate law enforcement authorities; and

- 328.12 (3) cooperate with the prosecution of insurance fraud cases.
- 328.13 Sec. 30. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:
- 328.14 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The
328.15 commissioner of commerce shall:
- 328.16 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
328.17 to combat automobile theft, improve the administration of the automobile theft laws, and
328.18 provide a forum for identification of critical problems for those persons dealing with
328.19 automobile theft;
- 328.20 (2) coordinate the development, adoption, and implementation of plans, programs, and
328.21 strategies relating to interagency and intergovernmental cooperation with respect to
328.22 automobile theft enforcement;
- 328.23 (3) annually audit the plans and programs that have been funded in whole or in part to
328.24 evaluate the effectiveness of the plans and programs and withdraw funding should the
328.25 commissioner determine that a plan or program is ineffective or is no longer in need of
328.26 further financial support from the fund;
- 328.27 (4) develop a plan of operation including:
- 328.28 (i) an assessment of the scope of the problem of automobile theft, including areas of the
328.29 state where the problem is greatest;
- 328.30 (ii) an analysis of various methods of combating the problem of automobile theft;
- 328.31 (iii) a plan for providing financial support to combat automobile theft;
- 329.1 (iv) a plan for eliminating car hijacking; and
- 329.2 (v) an estimate of the funds required to implement the plan; and
- 329.3 (5) distribute money, in consultation with the commissioner of public safety, pursuant
329.4 to subdivision 3 from the automobile theft prevention special revenue account for automobile
329.5 theft prevention activities, including:
- 329.6 (i) paying the administrative costs of the program;
- 329.7 (ii) providing financial support to the State Patrol and local law enforcement agencies
329.8 for automobile theft enforcement teams;
- 329.9 (iii) providing financial support to state or local law enforcement agencies for programs
329.10 designed to reduce the incidence of automobile theft and for improved equipment and
329.11 techniques for responding to automobile thefts;
- 329.12 (iv) providing financial support to local prosecutors for programs designed to reduce
329.13 the incidence of automobile theft;

- 329.14 (v) providing financial support to judicial agencies for programs designed to reduce the
329.15 incidence of automobile theft;
- 329.16 (vi) providing financial support for neighborhood or community organizations or business
329.17 organizations for programs designed to reduce the incidence of automobile theft and to
329.18 educate people about the common methods of automobile theft, the models of automobiles
329.19 most likely to be stolen, and the times and places automobile theft is most likely to occur;
329.20 and
- 329.21 (vii) providing financial support for automobile theft educational and training programs
329.22 for state and local law enforcement officials, driver and vehicle services exam and inspections
329.23 staff, and members of the judiciary.
- 329.24 (b) The commissioner may not spend in any fiscal year more than ~~ten~~ 7.5 percent of the
329.25 money in the fund for the program's administrative and operating costs. The commissioner
329.26 is annually appropriated and must distribute the amount of the proceeds credited to the
329.27 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
329.28 each year to the insurance fraud prevention account described in section 297I.11, subdivision
329.29 2.
- 329.30 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
329.31 in the auto theft prevention account to the insurance fraud prevention account under section
329.32 45.0135, subdivision 6.
- 330.1 Sec. 31. Minnesota Statutes 2020, section 65B.84, subdivision 2, is amended to read:
- 330.2 Subd. 2. **Annual report.** By ~~January 15~~ September 30 each year, the commissioner
330.3 shall report to the governor and the chairs and ranking minority members of the house of
330.4 representatives and senate committees having jurisdiction over the Departments of Commerce
330.5 and Public Safety on the activities and expenditures in the preceding year.
- 330.6 Sec. 32. Minnesota Statutes 2020, section 80A.61, is amended to read:
- 330.7 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**
330.8 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**
330.9 **REPRESENTATIVE.**
- 330.10 (a) **Application for initial registration by broker-dealer, agent, investment adviser,**
330.11 **or investment adviser representative.** A person shall register as a broker-dealer, agent,
330.12 investment adviser, or investment adviser representative by filing an application and a
330.13 consent to service of process complying with section 80A.88, and paying the fee specified
330.14 in section 80A.65 and any reasonable fees charged by the designee of the administrator for
330.15 processing the filing. The application must contain:
- 330.16 (1) the information or record required for the filing of a uniform application; and
- 330.17 (2) upon request by the administrator, any other financial or other information or record
330.18 that the administrator determines is appropriate.

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

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

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

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

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

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

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

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

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

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

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

- 331.24 (2) The application for the annual renewal registration as an investment adviser
331.25 representative shall be filed with the IARD.
- 331.26 (3)(i) The investment adviser representative is under a continuing obligation to update
331.27 information required by Form U-4 as changes occur;
- 331.28 (ii) An investment adviser representative and the investment adviser must file promptly
331.29 with the IARD any amendments to the representative's Form U-4; and
- 331.30 (iii) An amendment will be considered to be filed promptly if the amendment is filed
331.31 within 30 days of the event that requires the filing of the amendment.
- 332.1 (4) An application for initial or renewal of registration is not considered filed for purposes
332.2 of section 80A.58 until the required fee and all required submissions have been received
332.3 by the administrator.
- 332.4 (5) The application for withdrawal of registration as an investment adviser representative
332.5 pursuant to section 80A.58 shall be completed by following the instructions on Form U-5
332.6 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5
332.7 with the IARD.
- 332.8 Sec. 33. Minnesota Statutes 2020, section 80C.05, subdivision 2, is amended to read:
- 332.9 Subd. 2. **Commissioner's powers.** The commissioner shall have power to place such
332.10 conditions, limitations, and restrictions on any registration as may be necessary to carry out
332.11 the purposes of sections 80C.01 to 80C.22. Upon compliance with the provisions of sections
332.12 80C.01 to 80C.22 and other requirements of the commissioner, and if the commissioner
332.13 finds no ground for denial of the registration, the commissioner shall register the franchise.
332.14 ~~Registration shall be by entry in a book called Register of Franchises, which entry shall~~
332.15 show the franchise registered and for whom registered, and shall specify the conditions,
332.16 limitations, and restrictions upon such registration, if any, or shall make proper reference
332.17 to a formal order of the commissioner on file showing such conditions, limitations, and
332.18 restrictions. The registration shall become effective upon issuance by the commissioner of
332.19 an order for registration.
- 332.20 Sec. 34. Minnesota Statutes 2020, section 80C.08, subdivision 1, is amended to read:
- 332.21 Subdivision 1. **Filing; fee.** ~~Within 120 days after the fiscal year end of the registrant,~~
332.22 ~~the registrant shall~~ A registration is effective for 12 months from the date the commissioner's
332.23 order is issued. A registrant must file a report in the form prescribed by rule of the
332.24 commissioner before the end of the registration effective period. A fee of \$200 shall
332.25 accompany the annual report.
- 332.26 **EFFECTIVE DATE; APPLICABILITY.** This section is effective January 1, 2023,
332.27 and applies to initial registrations filed on or after that date.

332.28 Sec. 35. Minnesota Statutes 2020, section 80G.01, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

333.23 ~~(6)~~ (5) a federally or state-chartered bank, bank and trust, savings bank, savings
333.24 association, or credit union or any operating subsidiary of them.

333.25 Sec. 36. Minnesota Statutes 2020, section 80G.01, is amended by adding a subdivision to
333.26 read:

333.27 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
333.28 transaction conducted:

- 333.29 (1) by a dealer that is incorporated, registered, domiciled, or otherwise located in
 333.30 Minnesota;
- 333.31 (2) by a dealer representative at a location in Minnesota;
- 334.1 (3) between a dealer and a consumer who lives in Minnesota; or
- 334.2 (4) between a dealer and a Minnesota consumer when the transaction involves:
- 334.3 (i) delivering or shipping a bullion product to an address in Minnesota;
- 334.4 (ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota
 334.5 resident; or
- 334.6 (iii) making payment to a consumer or receiving a payment from a consumer at an
 334.7 address in Minnesota, unless the transaction occurs when the consumer is at a business
 334.8 location outside of Minnesota.
- 334.9 Sec. 37. Minnesota Statutes 2020, section 80G.02, subdivision 1, is amended to read:
- 334.10 Subdivision 1. **Registration required.** It is unlawful for a dealer or dealer representative
 334.11 ~~to solicit, market, buy, sell, or deliver bullion products or investments in bullion products~~
 334.12 ~~to a consumer~~ conduct a Minnesota transaction without being registered by the commissioner
 334.13 as provided for in this chapter. A dealer must submit an application to register itself and
 334.14 each of its dealer representatives within 45 days of reaching \$25,000 in the aggregate of
 334.15 ~~bullion product transactions with consumers~~ Minnesota transactions between July 1 and
 334.16 June 30 of any year, as determined by the transactions' sale or purchase prices. Once a dealer
 334.17 is required to register itself and its dealer representatives, the dealer must thereafter renew
 334.18 its registration and the registration of each of its dealer representatives in accordance with
 334.19 this chapter, ~~regardless of the aggregate annual amount of transactions~~, unless the person
 334.20 ceases to be a dealer. A dealer representative may not buy, sell, solicit, or market bullion
 334.21 products or investments in bullion products on behalf of a dealer unless the dealer is properly
 334.22 registered with the commissioner under this section.
- 334.23 Sec. 38. Minnesota Statutes 2020, section 80G.02, subdivision 4, is amended to read:
- 334.24 Subd. 4. **Notice of change in registration information.** A registered dealer must provide
 334.25 the commissioner written notice of a change in the dealer's name, assumed names, doing
 334.26 business as names, business addresses, including all business addresses at which it or its
 334.27 dealer representatives conduct business, owners, e-mail addresses, website domain names,
 334.28 or primary telephone number used by it or its dealer representatives to buy, sell, solicit, or
 334.29 market to consumers bullion products or investments in bullion products no later than 30
 334.30 days after the change occurs.
- 335.1 Sec. 39. Minnesota Statutes 2020, section 80G.03, subdivision 2, is amended to read:
- 335.2 Subd. 2. **Dealer responsibility for actions of dealer representatives.** The commissioner
 335.3 may take action against a dealer for any violations of this chapter by its dealer representatives

335.4 conducting activities Minnesota transactions on behalf of or at the direction of the dealer.
335.5 The commissioner may also take action against the dealer representative.

335.6 Sec. 40. Minnesota Statutes 2020, section 80G.04, subdivision 1, is amended to read:

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

335.11 Sec. 41. Minnesota Statutes 2020, section 80G.05, subdivision 1, is amended to read:

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

335.18 Sec. 42. Minnesota Statutes 2021 Supplement, section 80G.06, subdivision 1, is amended
335.19 to read:

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

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

335.26 Transaction Amount in Preceding	Surety Bond Required
335.27 12-month Period	
335.28 \$0 <u>\$25,000</u> to \$200,000	\$25,000
335.29 \$200,000.01 to \$500,000	\$50,000
335.30 \$500,000.01 to \$1,000,000	\$100,000
335.31 \$1,000,000.01 to \$2,000,000	\$150,000
335.32 Over \$2,000,000	\$200,000

336.1 Sec. 43. Minnesota Statutes 2020, section 80G.06, subdivision 2, is amended to read:

336.2 Subd. 2. **Action on bond permitted.** A consumer involved in a Minnesota transaction
336.3 who is injured in money or property by a dealer's or dealer representative's failure to provide
336.4 bullion products that the consumer has paid for or failure to remit money or goods owed to

336.5 ~~the consumer in connection with the consumer's sale of bullion products~~ comply with this
336.6 chapter may file a claim with the surety and if the claim is not paid, is authorized to bring
336.7 an action based on the bond and recover against the surety. The commissioner or attorney
336.8 general may also file a claim and bring an action on the bond and recover against the surety
336.9 on behalf of a consumer so injured.

336.10 Sec. 44. Minnesota Statutes 2020, section 80G.07, subdivision 1, is amended to read:

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

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

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

336.24 (3) fail to deliver by common carrier bullion products to a consumer within the time
336.25 agreed upon with the consumer or, if no such agreement exists, within 30 days after the
336.26 consumer has paid for the bullion products;

336.27 (4) fail to pay a consumer for purchased bullion products within the time agreed upon
336.28 with the consumer or, if no such agreement exists, within 30 days after the consumer has
336.29 provided the bullion products;

336.30 (5) misrepresent the delivery date of bullion products or payment for bullion products,
336.31 or the dealer or representative's professional qualifications, affiliations, or registration;

337.1 (6) misrepresent any material aspect of a bullion product, including its performance,
337.2 efficacy, nature, investment value, central characteristics, liquidity, earnings potential, or
337.3 profitability;

337.4 (7) misrepresent the manner in which any bullion products a consumer provides will be
337.5 stored or otherwise handled once received;

337.6 (8) renegotiate the terms of a sale or purchase after receiving a consumer's payment or
337.7 bullion products without first obtaining the consumer's agreement to renegotiate and offering
337.8 the consumer the option to have the payment fully refunded or the entirety of the bullion
337.9 products returned;

- 337.10 (9) fail to respond within three business days to a consumer inquiry about the delivery
337.11 status of bullion products that the consumer has paid for but not yet received or the status
337.12 of a payment for bullion products that the consumer has already provided;
- 337.13 (10) telephone or solicit a consumer, or sell or provide the consumer's name to any other
337.14 dealer or dealer representative, after the consumer requests not to be contacted;
- 337.15 (11) violate a subpoena or order of the commissioner or a court;
- 337.16 (12) make any communication to a potential buyer or seller of bullion products that
337.17 misrepresents the relationship, if any, between the dealer or dealer representative and any
337.18 government agency or mint;
- 337.19 (13) improperly withhold, misappropriate, or convert any money or properties received
337.20 in the course of buying, selling, soliciting, or marketing bullion products or investments in
337.21 bullion products to consumers;
- 337.22 (14) misrepresent the terms of an actual or proposed purchase or sale of bullion products
337.23 or investment in bullion products to a consumer; or
- 337.24 (15) violate any other federal, state, or local law or rule related to selling, purchasing,
337.25 soliciting, or marketing of bullion products, investments in bullion products, or precious
337.26 metals, or any federal, state, or local law related to fraudulent, coercive, or dishonest
337.27 practices, or federal, state, or local law related to taxation or labor standards.
- 337.28 Sec. 45. Minnesota Statutes 2021 Supplement, section 80G.11, is amended to read:
- 337.29 **80G.11 NOTIFICATION TO COMMISSIONER.**
- 337.30 A registered dealer must notify the commissioner of any dealer representative termination
337.31 within ten days of the termination if the termination is based in whole or in part on a violation
337.32 of this chapter.
- 338.1 Sec. 46. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to
338.2 read:
- 338.3 Subd. 4. **Minimum damage acquisition report.** A real estate appraiser may provide a
338.4 minimum damage acquisition report for purposes of section 117.036. When providing a
338.5 minimum damage acquisition report, a real estate appraiser is not engaged in real estate
338.6 appraisal activity and is not subject to this chapter.
- 338.7 **EFFECTIVE DATE.** This section is effective September 1, 2022.
- 338.8 Sec. 47. Minnesota Statutes 2020, section 82B.19, is amended by adding a subdivision to
338.9 read:
- 338.10 Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision,
338.11 the following terms have the meanings given:

- 338.12 (1) "asynchronous educational offering" has the meaning given in the most recent version
338.13 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
338.14 Qualifications Board; and
- 338.15 (2) "synchronous educational offering" has the meaning given in the most recent version
338.16 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
338.17 Qualifications Board, and includes an educational process based on live or real-time
338.18 instruction where there is no geographic separation of instructor and student.
- 338.19 (b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser may
338.20 submit, in a form prescribed by the commissioner, an application for continuing education
338.21 credit for a synchronous educational offering that has not been submitted for prior approval
338.22 in Minnesota. The commissioner must grant a real estate appraiser continuing education
338.23 credit if:
- 338.24 (1) the application is submitted on or before August 1 of the year in which the real estate
338.25 appraiser license is due for renewal;
- 338.26 (2) the synchronous educational offering has been approved for continuing education
338.27 credit by the regulator of real estate appraisers in at least one other state or United States
338.28 territory; and
- 338.29 (3) an application is submitted by the real estate appraiser to the commissioner within
338.30 30 days of successful completion of the synchronous education offering.
- 338.31 (c) The application must include a certificate of successful completion from the
338.32 synchronous education offering provider. The commissioner must grant a real estate appraiser
339.1 the same number of continuing education credits for the successful completion of the
339.2 synchronous educational offering as was approved for the offering by the out-of-state real
339.3 estate appraiser regulatory authority. The commissioner must grant a real estate appraiser
339.4 continuing education credit within 60 days of the submission of the completed application
339.5 for out-of-state continuing education credit.
- 339.6 (d) The commissioner may charge a fee to a real estate appraiser, in an amount determined
339.7 by the commissioner, to submit an application under this subdivision.
- 339.8 (e) This subdivision does not apply to asynchronous educational offerings.
- 339.9 **EFFECTIVE DATE.** This section is effective September 1, 2022.
- 339.10 Sec. 48. Minnesota Statutes 2021 Supplement, section 82B.25, subdivision 2, is amended
339.11 to read:
- 339.12 Subd. 2. **Education.** Within two years of receiving a license under this chapter and as
339.13 required by the Appraiser Qualifications Board, A real property appraiser shall provide to
339.14 the commissioner evidence of satisfactory completion of a continuing education course on

339.15 the valuation bias of real property. An appraiser licensed after September 1, 2021, must
 339.16 complete the course required by this section prior to the appraiser's first license renewal.

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

339.18 Sec. 49. Minnesota Statutes 2020, section 82C.17, subdivision 2, is amended to read:

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

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

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

339.27 (i) the type of property appraised;

339.28 (ii) the scope of the appraisal work;

339.29 (iii) the time in which the appraisal service must be performed;

339.30 (iv) appraiser qualifications;

340.1 (v) appraiser experience and professional record; and

340.2 (vi) appraiser work quality.

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

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

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

340.9 Sec. 50. **[214.035] LICENSING DISQUALIFICATIONS; PRELIMINARY**
 340.10 **APPLICATIONS; REPORTS.**

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

340.13 (b) "Conviction" has the meaning given in section 609.02, subdivision 5.

340.14 (c) "Criminal record" means a record of an arrest, prosecution, criminal proceeding, or
 340.15 conviction.

340.16 (d) "State licensor" or "licensor" means a state agency or examining and licensing board
340.17 that issues an occupational or professional license, registration, or certificate and considers
340.18 before issuing the license, registration, or certificate any criminal record or conviction of
340.19 an applicant that may make an applicant ineligible to receive the license, registration, or
340.20 certificate.

340.21 Subd. 2. **Scope.** (a) This section does not apply to a license, registration, or certificate
340.22 issued by a state licensor if the license, registration, or certificate does not require an applicant
340.23 to report to the state licensor as part of the application process the applicant's criminal record
340.24 or does not require an applicant to obtain a criminal background check or study as part of
340.25 the application process to obtain the license, registration, or certificate.

340.26 (b) This section does not apply to a license, registration, or certificate issued by the
340.27 Department of Health, Department of Human Services, or any health-related licensing board,
340.28 as defined in section 214.01, subdivision 2.

340.29 (c) The preliminary application process described under this section may only be utilized
340.30 by an individual who has a criminal record.

341.1 Subd. 3. **Preliminary applications.** (a) Notwithstanding any law to the contrary, all
341.2 state licensors shall permit an individual to submit a preliminary application for a
341.3 determination pursuant to this section as to whether a criminal record or conviction that
341.4 may be considered by the state licensor under state law would make the individual ineligible
341.5 to receive an occupational or professional license, registration, or certificate issued by the
341.6 state licensor.

341.7 (b) An applicant shall submit a preliminary application and any other supporting
341.8 documents to the appropriate state licensor in a form and manner approved by the licensor.
341.9 The state licensor may require that the applicant provide information about the applicant's
341.10 criminal record in the form and manner approved by the licensor.

341.11 (c) A state licensor may charge a fee to cover any expenses incurred in connection with
341.12 processing a preliminary application, provided the fee does not exceed the actual cost to
341.13 the state licensor of processing the application or the initial fee for the applicable license,
341.14 registration, or certificate. If the applicant subsequently applies for the license, registration,
341.15 or certificate, the amount of the preliminary application fee paid by the applicant must be
341.16 credited toward the applicant's initial fee for the license, registration, or certificate. An
341.17 applicant may request a waiver of this fee. A fee collected under this paragraph for the
341.18 expenses incurred by the state licensor shall be deposited in the fund in the state treasury
341.19 in which the state licensor deposits fees collected for issuing occupational or professional
341.20 licenses, registrations, or certificates. If the state licensor does not collect a fee for issuing
341.21 occupational or professional licenses, registrations, or certificates, any fee collected under
341.22 this paragraph shall be deposited pursuant to section 214.06, subdivision 1.

341.23 (d) Upon receipt of a completed preliminary application and any necessary supporting
341.24 documents, the state licensor must determine under state law whether a criminal record or

- 341.25 conviction that may be considered under state law would make the applicant ineligible to
341.26 receive a professional or occupational license, registration, or certificate from the licenser.
341.27 The state licenser must issue a written decision within 60 days of receiving a completed
341.28 preliminary application. If the state licenser determines that a criminal record or conviction
341.29 would make the applicant ineligible to receive a professional or occupational license,
341.30 registration, or certificate, the written decision must:
- 341.31 (1) state all reasons the professional or occupational license, registration, or certificate
341.32 would be denied, including the standard used to make the decision;
- 341.33 (2) notify the applicant of the right to appeal the decision or seek reconsideration of the
341.34 results of a background check or background study, if applicable; and
- 342.1 (3) inform the applicant of any action or additional steps the applicant could take to
342.2 qualify for a professional or occupational license, registration, or certificate.
- 342.3 (e) If a state licenser determines that no criminal records or convictions would make the
342.4 applicant ineligible to receive a professional or occupational license, registration, or
342.5 certificate, that decision is binding on the licenser unless the decision is clearly erroneous
342.6 under state law or:
- 342.7 (1) the applicant is convicted of a crime or commits any other disqualifying act that may
342.8 be considered by the state licenser under state law after submission of the preliminary
342.9 application;
- 342.10 (2) the applicant provided incomplete information in the preliminary application;
- 342.11 (3) the applicant provided inaccurate or fraudulent information in the preliminary
342.12 application; or
- 342.13 (4) changes to state law were enacted after the date the decision was issued, making the
342.14 applicant ineligible under state law to receive a license, registration, or certificate.
- 342.15 (f) Nothing in this section precludes a licenser from issuing a license, registration, or
342.16 certificate to an applicant that includes limitations or conditions on the license, registration,
342.17 or certificate based on a criminal conviction or alleged misconduct of the applicant.
- 342.18 (g) By August 1 of each year, each state licenser shall submit to the commissioner of
342.19 management and budget the number of applicants who submitted preliminary applications
342.20 to the licenser in accordance with this section and the number of applicants who subsequently
342.21 applied for a license, registration, or certificate for the previous fiscal year. The state licenser
342.22 shall also submit the total amount of initial application fees that were not paid by these
342.23 applicants pursuant to paragraph (c), or, if the licenser does not collect a fee for issuing a
342.24 license, registration, or certificate, the cost of processing the preliminary application fee
342.25 that was not covered pursuant to paragraph (c). Each fiscal year, an amount necessary to
342.26 pay each state licenser the rest of each initial application fee or the rest of the cost of

- 342.27 processing each preliminary application if an initial application fee was not collected by
342.28 the licensor is appropriated from the general fund to the appropriate state licensor.
- 342.29 (h) This section does not apply to a state licensor that does not require an applicant to
342.30 provide a criminal record, complete a background check, or complete a background study.
- 342.31 Subd. 4. **Reports.** (a) By January 15 of each year, every state licensor shall report to the
342.32 Department of Employment and Economic Development on:
- 343.1 (1) the number of individuals who applied for a professional or occupational license,
343.2 registration, or certificate from the licensor;
- 343.3 (2) the number of individuals described in clause (1) who were found to be ineligible
343.4 due to a criminal record or conviction;
- 343.5 (3) the number of individuals who submitted a preliminary application under this section;
343.6 and
- 343.7 (4) the number of individuals described in clause (3) who were found to be ineligible
343.8 due to a criminal record or conviction.
- 343.9 (b) On or before February 15 of each year, the commissioner of employment and
343.10 economic development shall compile the reports received under paragraph (a) and provide
343.11 the compiled reports to the chairs and ranking minority members of the house of
343.12 representatives and senate committees and divisions with jurisdiction over employment.
343.13 The commissioner of employment and economic development must make the report readily
343.14 available on the department's public website.
- 343.15 Sec. 51. Minnesota Statutes 2020, section 239.761, subdivision 3, is amended to read:
- 343.16 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
343.17 with water or other impurities and must comply with ASTM specification D4814-11b.
343.18 Gasoline that is not blended with biofuel must also comply with the volatility requirements
343.19 in Code of Federal Regulations, title 40, part ~~80~~ 1090.
- 343.20 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
343.21 a person responsible for the product:
- 343.22 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
343.23 4;
- 343.24 (2) shall not blend the gasoline with any oxygenate other than biofuel;
- 343.25 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
343.26 biofuel;
- 343.27 (4) shall not blend the gasoline with products commonly and commercially known as
343.28 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
343.29 gasoline; and

- 343.30 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
343.31 designed to replace tetra-ethyl lead, that is registered by the EPA.
- 344.1 Sec. 52. Minnesota Statutes 2020, section 239.761, subdivision 4, is amended to read:
- 344.2 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
344.3 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
344.4 5.
- 344.5 (b) A gasoline-ethanol blend must:
- 344.6 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
344.7 ~~80~~ 1090;
- 344.8 (2) comply with ASTM specification D4814-11b, or the gasoline base stock from which
344.9 a gasoline-ethanol blend was produced must comply with ASTM specification D4814-11b;
344.10 and
- 344.11 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
344.12 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
344.13 or otherwise removed from a refinery or terminal.
- 344.14 Sec. 53. Minnesota Statutes 2020, section 239.791, subdivision 2a, is amended to read:
- 344.15 Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted by
344.16 the United States Environmental Protection Agency under United States Code, title 42,
344.17 section 7545, may alter the minimum content level required by subdivision 1, paragraph
344.18 (a), clause (1), item (ii), the waiver must:
- 344.19 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and
- 344.20 (2) allow for special regulatory treatment of Reid vapor pressure under Code of Federal
344.21 Regulations, title 40, ~~section 80.27~~ part 1090.215, paragraph ~~(d)~~ (b), for blends of gasoline
344.22 and ethanol up to the maximum percent of denatured ethanol by volume authorized under
344.23 the waiver.
- 344.24 (b) The minimum biofuel requirement in subdivision 1, paragraph (a), clause (1), item
344.25 (ii), shall, upon the grant of the federal waiver, be effective the day after the commissioner
344.26 of commerce publishes notice in the State Register. In making this determination, the
344.27 commissioner shall consider the amount of time required by refiners, retailers, pipeline and
344.28 distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the
344.29 operational and logistical changes required to supply fuel in compliance with the minimum
344.30 biofuel requirement.
- 345.1 Sec. 54. Minnesota Statutes 2020, section 296A.01, subdivision 23, is amended to read:
- 345.2 Subd. 23. **Gasoline.** (a) "Gasoline" means:

- 345.3 (1) all products commonly or commercially known or sold as gasoline regardless of
345.4 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
345.5 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
345.6 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
345.7 removed from a refinery or terminal; and
- 345.8 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
345.9 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
345.10 tested by the Weights and Measures Division meets the specifications in ASTM specification
345.11 D4814-11b.
- 345.12 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
345.13 other impurities and must comply with both ASTM specification D4814-11b and the volatility
345.14 requirements in Code of Federal Regulations, title 40, part ~~80~~ 1090.
- 345.15 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
345.16 a person responsible for the product:
- 345.17 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
345.18 24;
- 345.19 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
345.20 derived ethanol;
- 345.21 (3) must not blend the gasoline with other petroleum products that are not gasoline or
345.22 denatured, agriculturally derived ethanol;
- 345.23 (4) must not blend the gasoline with products commonly and commercially known as
345.24 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
345.25 gasoline; and
- 345.26 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
345.27 designed to replace tetra-ethyl lead, that is registered by the EPA.
- 345.28 Sec. 55. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:
- 345.29 Subd. 3. **Term.** Licenses issued or renewed and registrations received by the
345.30 commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each
345.31 collection agency license shall plainly state the name and business address of the licensee,
345.32 and shall be posted in a conspicuous place in the office where the business is transacted.
346.1 The fee for each collection agency license is \$500, and renewal is \$400. The fee for each
346.2 collector registration and renewal is \$10, which entitles the individual collector to work at
346.3 a licensee's business location or in another location as provided under subdivision 5b. An
346.4 additional branch license is not required for a location used under subdivision 5b. A collection
346.5 agency licensee who desires to carry on business in more than one place shall procure a
346.6 license for each place where the business is to be conducted.

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

346.8 Sec. 56. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to
346.9 read:

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

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

346.15 Sec. 57. Minnesota Statutes 2020, section 336.9-510, is amended to read:

346.16 **336.9-510 EFFECTIVENESS OF FILED RECORD.**

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

346.20 (b) **Authorization by one secured party of record.** A record authorized by one secured
346.21 party of record does not affect the financing statement with respect to another secured party
346.22 of record.

346.23 (c) **Continuation statement not timely filed.** A continuation statement that is not filed
346.24 within the six-month period prescribed by section 336.9-515(d) is ineffective.

346.25 Sec. 58. **[336.9-5135] TERMINATION OF WRONGFULLY FILED FINANCING**
346.26 **STATEMENT; REINSTATEMENT.**

346.27 (a) **Intent to harass.** "Intent to harass" means that from the totality of the information
346.28 provided in the record, it appears obvious to the filing office that there is no valid basis for
346.29 the filing of the record.

346.30 (b) **Affidavit of wrongful filing.** A person identified as the debtor in a filed financing
346.31 statement may deliver to the filing office a notarized affidavit that identifies the financing
347.1 statement by file number, indicates the person's mailing address, and states that the person
347.2 believes the filed record identifying the person as the debtor was not authorized to be filed
347.3 and was communicated or caused to be communicated to the office with the intent to harass
347.4 or defraud the person identified as the debtor. The office may reject an affidavit that is
347.5 incomplete or that the office believes was delivered with the intent to harass or defraud the
347.6 secured party. The secretary of state must provide a form of affidavit for use under this
347.7 section.

347.8 (c) **Termination statement by filing office.** If an affidavit is delivered to the filing
347.9 office under subsection (b) and is not rejected under subsection (b), the office must promptly
347.10 file a termination statement with respect to the financing statement identified in the affidavit.
347.11 The termination statement must identify by its file number the initial financing statement

347.12 it relates to and must indicate that it was filed pursuant to this section. A termination
347.13 statement filed under this subsection is not effective until 20 days after the date it is filed.

347.14 (d) **No fee charged or refunded.** The filing office must not charge a fee to file an
347.15 affidavit under subsection (b) or a termination statement under subsection (c). The office
347.16 must not return any fee paid to file the financing statement identified in the affidavit, whether
347.17 or not the financing statement is reinstated under subsection (g).

347.18 (e) **Notice of termination statement.** Within two business days of the date a filing office
347.19 files a termination statement under subsection (c), it must send to the secured party of record
347.20 for the financing statement the termination statement relates to a notice stating the termination
347.21 statement has been filed and becomes effective 20 days after the date the termination
347.22 statement was filed. The notice must be sent by certified mail, return receipt requested, to
347.23 the address provided for the secured party of record in the financing statement, with a copy
347.24 sent by e-mail to the e-mail address provided by the secured party of record, if any.

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

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

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

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

348.14 (h) **Action for reinstatement successful.** In an action under subsection (f), if the court
348.15 determines the financing statement was authorized to be filed and was not communicated
348.16 or caused to be communicated to the filing office with the intent to harass or defraud the

348.17 person identified as the debtor, the court must order that the financing statement is reinstated.
348.18 If a reinstatement order is issued by the court, the filing office must promptly file a record
348.19 that identifies by its file number the initial financing statement the record relates to and
348.20 indicates the financing statement has been reinstated.

348.21 (i) **Effect of reinstatement.** Upon the filing of a record reinstating a financing statement
348.22 under subsection (h), the effectiveness of the financing statement is reinstated and the
348.23 financing statement is considered to never have been terminated under this section. A
348.24 continuation statement filed under section 336.9-515(d) after the effective date of a
348.25 termination statement filed under subsection (c) becomes effective if the financing statement
348.26 is reinstated.

348.27 (j) **Liability for wrongful filing.** In an action under subsection (f), if the court determines
348.28 the filed record identified in an affidavit delivered to the filing office under subsection (b)
348.29 was not authorized to be filed and was communicated or caused to be communicated to the
348.30 filing office with the intent to harass or defraud the person identified as the debtor, the filing
348.31 office and the person identified as the debtor may recover from the secured party that filed
348.32 the action the costs and expenses, including reasonable attorney fees, that the filing office
348.33 and the person identified as the debtor incurred in the action. The recovery is under this
348.34 subsection in addition to any recovery the person identified as the debtor is entitled to under
348.35 section 336.9-625.

349.1 Sec. 59. Minnesota Statutes 2020, section 336.9-516, is amended to read:

349.2 **336.9-516 WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.**

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

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

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

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

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

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

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

- 349.18 (i) does not identify the initial financing statement as required by section 336.9-512 or
349.19 336.9-518, as applicable; or
- 349.20 (ii) identifies an initial financing statement whose effectiveness has lapsed under section
349.21 336.9-515;
- 349.22 (C) in the case of an initial financing statement that provides the name of a debtor
349.23 identified as an individual or an amendment that provides a name of a debtor identified as
349.24 an individual which was not previously provided in the financing statement to which the
349.25 record relates, the record does not identify the debtor's surname; or
- 349.26 (D) in the case of a record filed or recorded in the filing office described in section
349.27 336.9-501 (a)(1), the record does not provide a sufficient description of the real property
349.28 to which it relates;
- 349.29 (4) in the case of an initial financing statement or an amendment that adds a secured
349.30 party of record, the record does not provide a name and mailing address for the secured
349.31 party of record;
- 350.1 (5) in the case of an initial financing statement or an amendment that provides a name
350.2 of a debtor which was not previously provided in the financing statement to which the
350.3 amendment relates, the record does not:
- 350.4 (A) provide a mailing address for the debtor; or
- 350.5 (B) indicate whether the name provided as the name of the debtor is the name of an
350.6 individual or an organization;
- 350.7 (6) in the case of an assignment reflected in an initial financing statement under section
350.8 336.9-514 (a) or an amendment filed under section 336.9-514 (b), the record does not provide
350.9 a name and mailing address for the assignee; ~~or~~
- 350.10 (7) in the case of a continuation statement, the record is not filed within the six-month
350.11 period prescribed by section 336.9-515 (d); or
- 350.12 (8) in the case of an initial financing statement or an amendment that provides a name
350.13 of a debtor not previously provided in the financing statement to which the amendment
350.14 relates, the office reasonably believes the record was communicated or caused to be
350.15 communicated (i) with the intent to harass or defraud the person identified as the debtor, or
350.16 (ii) for another unlawful purpose. The office has no duty to form a belief as to whether a
350.17 record was communicated or caused to be communicated with the intent to harass or defraud
350.18 the person identified as the debtor or for another unlawful purpose, and has no duty to
350.19 investigate or ascertain facts relevant to whether the intent or purpose was present. The
350.20 secretary of state is not required to return an image of a filing rejected under this clause.
- 350.21 (c) **Rules applicable to subsection (b).** For purposes of subsection (b):

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

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

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

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

351.4 Sec. 60. Minnesota Statutes 2020, section 515B.3-102, is amended to read:

351.5 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

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

351.8 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
351.9 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
351.10 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
351.11 jeopardize the health, safety or welfare of other occupants, which involves noise or other
351.12 disturbing activity, or which may damage the common elements or other units; (iii) regulating
351.13 or prohibiting animals; (iv) regulating changes in the appearance of the common elements
351.14 and conduct which may damage the common interest community; (v) regulating the exterior
351.15 appearance of the common interest community, including, for example, balconies and patios,
351.16 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)
351.17 implementing the articles of incorporation, declaration and bylaws, and exercising the
351.18 powers granted by this section; and (vii) otherwise facilitating the operation of the common
351.19 interest community;

351.20 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
351.21 collect assessments for common expenses from unit owners;

351.22 (3) hire and discharge managing agents and other employees, agents, and independent
351.23 contractors;

351.24 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its
351.25 own name on behalf of itself or two or more unit owners on matters affecting the common

- 351.26 elements or other matters affecting the common interest community or, (ii) with the consent
351.27 of the owners of the affected units on matters affecting only those units;
- 351.28 (5) make contracts and incur liabilities;
- 351.29 (6) regulate the use, maintenance, repair, replacement, and modification of the common
351.30 elements and the units;
- 351.31 (7) cause improvements to be made as a part of the common elements, and, in the case
351.32 of a cooperative, the units;
- 352.1 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
352.2 real estate or personal property, but (i) common elements in a condominium or planned
352.3 community may be conveyed or subjected to a security interest only pursuant to section
352.4 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
352.5 may be subjected to a security interest, only pursuant to section 515B.3-112;
- 352.6 (9) grant or amend easements for public utilities, public rights-of-way or other public
352.7 purposes, and cable television or other communications, through, over or under the common
352.8 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
352.9 by the declaration; and, subject to approval by a vote of unit owners other than declarant
352.10 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
352.11 the common elements;
- 352.12 (10) impose and receive any payments, fees, or charges for the use, rental, or operation
352.13 of the common elements, other than limited common elements, and for services provided
352.14 to unit owners;
- 352.15 (11) impose interest and late charges for late payment of assessments and, after notice
352.16 and an opportunity to be heard before the board or a committee appointed by it, levy
352.17 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the
352.18 association;
- 352.19 (12) impose reasonable charges for the review, preparation and recordation of
352.20 amendments to the declaration, resale certificates required by section 515B.4-107, statements
352.21 of unpaid assessments, or furnishing copies of association records;
- 352.22 (13) provide for the indemnification of its officers and directors, and maintain directors'
352.23 and officers' liability insurance;
- 352.24 (14) provide for reasonable procedures governing the conduct of meetings and election
352.25 of directors;
- 352.26 (15) exercise any other powers conferred by law, or by the declaration, articles of
352.27 incorporation or bylaws; and
- 352.28 (16) exercise any other powers necessary and proper for the governance and operation
352.29 of the association.

- 352.30 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
352.31 on the power of the association to deal with the declarant which are more restrictive than
352.32 the limitations imposed on the power of the association to deal with other persons.
- 353.1 (c) An association levying a fine pursuant to subsection (a)(11), or an assessment pursuant
353.2 to section 515B.3-115(g) or 515B.3-115I(g), must provide written notice to a unit owner
353.3 that:
- 353.4 (1) if applicable, indicates the amount, date, and reason for the levy;
- 353.5 (2) identifies the violation for which a fine is being levied and the specific section of
353.6 the declaration, bylaws, or rules and regulations allegedly violated;
- 353.7 (3) states that all unpaid fines and assessments are liens which, if not satisfied, could
353.8 lead to foreclosure of the unit;
- 353.9 (4) describes the right of the unit owner to be heard by the board or a committee appointed
353.10 by the board;
- 353.11 (5) states that if the assessment, fees, charges, or fine is not paid, the amount owed may
353.12 increase as a result of the imposition of attorney fees and other costs of collection; and
- 353.13 (6) informs the unit owner that homeownership assistance is available from, and includes
353.14 the contact information for, the Minnesota Homeownership Center.
- 353.15 (d) No further collection or enforcement action may be taken by the association for the
353.16 15-day period following delivery of the notice required under paragraph (c).
- 353.17 (e) No attorney fees are chargeable or may be collected from a unit owner who disputes
353.18 the levy or assessment and prevails at a hearing held by the board or a committee appointed
353.19 by the board.
- 353.20 ~~(f)~~ (f) Notwithstanding subsection (a), powers exercised under this section must comply
353.21 with section 500.215.
- 353.22 ~~(g)~~ (g) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
353.23 association, before instituting litigation or arbitration involving construction defect claims
353.24 against a development party, shall:
- 353.25 (1) mail or deliver written notice of the anticipated commencement of the action to each
353.26 unit owner at the addresses, if any, established for notices to owners in the declaration and,
353.27 if the declaration does not state how notices are to be given to owners, to the owner's last
353.28 known address. The notice shall specify the nature of the construction defect claims to be
353.29 alleged, the relief sought, and the manner in which the association proposes to fund the cost
353.30 of pursuing the construction defect claims; and
- 353.31 (2) obtain the approval of owners of units to which a majority of the total votes in the
353.32 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
354.1 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale

354.2 are excluded. The association may obtain the required approval by a vote at an annual or
354.3 special meeting of the members or, if authorized by the statute under which the association
354.4 is created and taken in compliance with that statute, by a vote of the members taken by
354.5 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
354.6 means or mailed ballots is authorized by that statute, the association shall also provide for
354.7 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
354.8 or mailed ballots, except that the votes must be used in combination with the vote taken at
354.9 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
354.10 for purposes of determining whether a quorum was present. Proxies may not be used for a
354.11 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
354.12 the notice required under subsection ~~(d)~~ (g)(1) and the proxy expressly references this notice.

354.13 ~~(e)~~ (h) The association may intervene in a litigation or arbitration involving a construction
354.14 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
354.15 claim before complying with subsections ~~(d)~~ (g)(1) and ~~(d)~~ (g)(2) but the association's
354.16 complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed
354.17 without prejudice unless the association has complied with the requirements of subsection
354.18 ~~(d)~~ (g) within 90 days of the association's commencement of the complaint in an intervention
354.19 or the assertion of the counterclaim, crossclaim, or third-party claim.

354.20 **EFFECTIVE DATE.** This section is effective January 1, 2023.

354.21 Sec. 61. Minnesota Statutes 2020, section 549.30, subdivision 3, is amended to read:

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

354.28 Sec. 62. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to
354.29 read:

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

355.1 Sec. 63. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to
355.2 read:

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

355.8 Sec. 64. Minnesota Statutes 2020, section 549.30, subdivision 6, is amended to read:

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

355.16 Sec. 65. Minnesota Statutes 2020, section 549.30, subdivision 15, is amended to read:

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

355.24 Sec. 66. Minnesota Statutes 2020, section 549.30, subdivision 19, is amended to read:

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

356.1 Sec. 67. Minnesota Statutes 2020, section 549.31, is amended to read:

356.2 **549.31 CONDITIONS TO TRANSFERS OF STRUCTURED SETTLEMENT**
 356.3 **PAYMENT RIGHTS AND STRUCTURED SETTLEMENT AGREEMENTS.**

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

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

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

356.16 (1) the amounts and due dates of the structured settlement payments to be transferred;

- 356.17 (2) the aggregate amount of the payments;
- 356.18 (3) the discounted present value of the payments, together with the discount rate used
356.19 in determining the discounted present value;
- 356.20 (4) the gross amount payable to the payee in exchange for the payments;
- 356.21 (5) an itemized listing of all brokers' commissions, service charges, application fees,
356.22 processing fees, closing costs, filing fees, referral fees, administrative fees, legal fees, notary
356.23 fees, and other commissions, fees, costs, expenses, and any other charges payable by the
356.24 payee or deductible from the gross amount otherwise payable to the payee, and verification
356.25 that the total fees and charges do not exceed two percent of the total compensation payable
356.26 to the payee;
- 356.27 (6) the net amount payable to the payee after deduction of all commissions, fees, costs,
356.28 expenses, and charges described in clause (5);
- 356.29 (7) the quotient, expressed as a percentage, obtained by dividing the net payment amount
356.30 by the discounted present value of the payments; ~~and~~
- 357.1 (8) the amount of any penalty and the aggregate amount of any liquidated damages,
357.2 including penalties, payable by the payee in the event of a breach of the transfer agreement
357.3 by the payee;
- 357.4 (9) the effective equivalent annual interest rate, disclosed in the following form: "Based
357.5 on the net amount that you will receive from us and the amounts and timing of the structured
357.6 settlement payments you are transferring to us, in effect you will be paying us at an interest
357.7 rate of % per year"; and
- 357.8 (10) that the payee is advised to obtain independent professional advice about the transfer,
357.9 disclosed in the following form: "Before agreeing to sell any of your payment rights, you
357.10 should seek guidance from an attorney, accountant, actuary, financial adviser, or tax or
357.11 other licensed professional adviser who is not associated with the buyer. It is illegal for the
357.12 buyer to refer you to anyone for this advice and for anyone associated with or paid for by
357.13 the buyer to give you advice.";
- 357.14 (c) based on the files, records, disclosures, and evidence presented at the hearing, the
357.15 payee court has established that the financial terms of the proposed transfer are fair and
357.16 reasonable and the proposed transfer is in the best interests of the payee and the payee's
357.17 dependents, after considering:
- 357.18 (1) the payee's age, legal knowledge, and apparent maturity level, and any other relevant
357.19 factors and the stated purpose of the transfer;
- 357.20 (2) whether the payee has the capacity to fully understand the financial terms and
357.21 implications of the transfer agreement;

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

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

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

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

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

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

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

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

358.10 ~~If the transfer would contravene the terms of the structured settlement, upon the filing~~
358.11 ~~of a written objection by any interested party and after considering the objection and any~~
358.12 ~~response to it, the court or responsible administrative authority may grant, deny, or impose~~
358.13 ~~conditions upon the proposed transfer as the court or responsible administrative authority~~
358.14 ~~deems just and proper under the facts and circumstances in accordance with established~~
358.15 ~~principles of law.~~ Any order approving a transfer must require that the transferee indemnify
358.16 the annuity issuer and the structured settlement obligor for any liability including reasonable
358.17 costs and attorney fees arising from compliance by the issuer or obligor with the order of
358.18 the court or responsible administrative authority.

358.19 Subd. 1a. **Appointment of evaluator.** The court may, in its discretion in any case,
358.20 appoint an attorney to make an independent assessment and advise the court whether the
358.21 financial terms of the proposed transfer agreement are fair and reasonable, and whether the
358.22 transfer is in the best interests of the payee and the payee's dependents. The evaluator must
358.23 present the findings of the evaluation to the court at or prior to a hearing on the application.
358.24 All costs and reasonable fees for the evaluator shall be borne by the transferee.

358.25 Subd. 1b. **Obligations of annuity issuers and structured settlement obligors; liability**
358.26 **of transferees.** (a) The annuity issuer and the structured settlement obligor may rely on the
358.27 court order approving the transfer of structured settlement payment rights in redirecting

358.28 periodic payments and, as to all parties except the transferee or an assignee, be discharged
 358.29 and released from any and all liability for the redirected payments. The failure of any party
 358.30 to the transfer to comply with sections 549.30 to 549.34 or with the court order approving
 358.31 the transfer has no effect on the discharge and release.

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

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

359.4 (2) for any other liabilities or costs, including reasonable attorney fees, arising from
 359.5 compliance by the annuity issuer or the structured settlement obligor with the court order
 359.6 approving the transfer, or from the failure of any party to the transfer to comply with sections
 359.7 549.30 to 549.34.

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

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

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

359.20 Subd. 3. **Initial disclosure of structured settlement terms.** In negotiating a structured
 359.21 settlement of claims brought by or on behalf of a claimant who is domiciled in this state,
 359.22 the structured settlement obligor shall disclose in writing to the claimant or the claimant's
 359.23 legal representative all of the following information that is not otherwise specified in the
 359.24 structured settlement agreement:

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

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

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

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

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

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

360.8 Sec. 68. **[549.315] DISCOUNT RATE.**

360.9 The discount rate used in determining the net amount payable to the payee under the
360.10 transfer agreement may not exceed an annual percentage rate of prime plus five percentage
360.11 points calculated as if the net amount payable to the payee was the principal of a consumer
360.12 loan made by the transferee to the payee, and if the structured settlement payments to be
360.13 transferred to the transferee were the payee's payments of principal plus interest on such
360.14 loan. For purposes of this subdivision, the prime rate shall be as reported by the Federal
360.15 Reserve Statistical Release H.15 on the first Monday of the month in which the transfer
360.16 agreement is signed by both the payee and the transferee, except when the transfer agreement
360.17 is signed prior to the first Monday of that month then the prime rate shall be as reported by
360.18 the Federal Reserve Statistical Release H.15 on the first Monday of the preceding month.

360.19 Sec. 69. Minnesota Statutes 2020, section 549.32, is amended to read:

360.20 **549.32 JURISDICTION APPLICATION; PROCEDURE FOR APPROVAL OF**
360.21 **TRANSFERS.**

360.22 Subdivision 1. **Jurisdiction; venue.** ~~The district court has nonexclusive jurisdiction~~
360.23 ~~over~~ (a) An application for authorization under section 549.31 of a transfer of structured
360.24 settlement payment rights must be filed in the district court in the county in which the payee
360.25 resides.

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

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

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

361.5 (2) a copy of the transfer agreement;

- 361.6 (3) a copy of the disclosure statement required under section 549.31, subdivision 1,
361.7 paragraph (b), and proof that the disclosure statement has been delivered to the payee, to
361.8 an attorney representing or advising the payee, and to any other professional known to be
361.9 advising the payee;
- 361.10 (4) notification that an interested party is entitled to support, oppose, or otherwise respond
361.11 to the transferee's application, either in person or by counsel, by submitting written comments
361.12 to the court or responsible administrative authority or by participating in the hearing;
- 361.13 (5) notification of the time and place of the hearing and notification of the manner in
361.14 which and the time by which written responses to the application must be filed, in order to
361.15 be considered by the court or responsible administrative authority. Written responses to the
361.16 application must be filed within 15 days after service of the transferee's notice; and
- 361.17 (6) notification of the date and ~~judicial district~~ court, and details of any prior application
361.18 for transfer filed by the transferee, an affiliate or assignee of the transferee, or any other
361.19 transferee relating to a prior proposed transfer with the payee, including whether the prior
361.20 application was granted or denied. If any prior application was granted, the notice shall
361.21 provide the amount and due dates of any structured settlement payments that were transferred,
361.22 the aggregate amount of the payments, the discounted present value of the payments, and
361.23 the gross amount that was payable to the payee in exchange for the payments.
- 361.24 Sec. 70. **[549.325] PROHIBITED PRACTICES.**
- 361.25 Subdivision 1. Prohibitions. No transferee shall:
- 361.26 (1) represent the payee;
- 361.27 (2) intervene in a pending structured settlement transfer proceeding, if the transferee is
361.28 not a party to such proceeding or an interested party relative to the proposed transfer that
361.29 is the subject of the pending structured settlement transfer proceeding;
- 361.30 (3) offer or provide any gift, loan, extension of credit, or advance as an inducement to
361.31 enter into a transfer agreement or pay a fee to any person to refer a potential payee to the
361.32 transferee or any affiliate of the transferee;
- 362.1 (4) communicate with a payee or a person associated with the payee with excessive
362.2 frequency, at unusual hours, or in any other manner as reasonably may be expected to abuse
362.3 or harass the payee in connection with a proposed transfer;
- 362.4 (5) solicit a prospective payee through the conveyance of a document in any way
362.5 resembling a check or other form of payment;
- 362.6 (6) provide in a transfer agreement or related document that gives to the transferee the
362.7 first choice or option to purchase any remaining structured settlement rights belonging to
362.8 the payee; or

- 362.9 (7) solicit or petition for a transfer of a structured settlement from a minor or a parent
362.10 or guardian of a minor.
- 362.11 Subd. 2. **Enforcement.** A violation of this section is a deceptive practice in violation of
362.12 section 325F.69.
- 362.13 Sec. 71. Minnesota Statutes 2020, section 549.34, is amended to read:
- 362.14 **549.34 CONSTRUCTION.**
- 362.15 (a) Nothing contained in sections 549.30 to 549.34 may be construed to authorize the
362.16 transfer of workers' compensation payment rights in contravention of applicable law or to
362.17 give effect to the transfer of workers' compensation payment rights that is invalid under
362.18 applicable law.
- 362.19 (b) No transfer of structured settlement payment rights shall extend to any payments
362.20 that are life contingent unless, prior to the date on which the payee signs the transfer
362.21 agreement, the transferee has established and has agreed to maintain procedures reasonably
362.22 satisfactory to the annuity issuer and the structured settlement obligor for:
- 362.23 (1) periodically confirming the payee's survival; and
- 362.24 (2) giving the annuity issuer and the structured settlement obligor prompt written notice
362.25 in the event of the payee's death.
- 362.26 Sec. 72. **REVISOR INSTRUCTION.**
- 362.27 (a) The revisor of statutes shall change the term "self-study course" to "on-demand
362.28 course" wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make
362.29 grammatical changes related to the change in term.
- 363.1 (b) The revisor of statutes shall change the term "classroom course" to "live course"
363.2 wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make
363.3 grammatical changes related to the change in term.
- 363.4 Sec. 73. **REPEALER.**
- 363.5 (a) Minnesota Statutes 2020, section 45.25, subdivisions 2a and 14, are repealed.
- 363.6 (b) Minnesota Statutes 2020, section 60A.033, subdivision 3, is repealed.

363.7

ARTICLE 29

363.8

INSURANCE

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

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

363.14 (1) is not permitted under current law;

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

363.17 (3) provides reasonable coverage; and

363.18 (4) is in the best interest of insureds.

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

363.21 Sec. 2. Minnesota Statutes 2021 Supplement, section 62J.26, subdivision 2, is amended
363.22 to read:

363.23 Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with
363.24 the commissioners of health and management and budget, must evaluate all mandated health
363.25 benefit proposals as provided under subdivision 3.

363.26 (b) The purpose of the evaluation is to provide the legislature with a complete and timely
363.27 analysis of all ramifications of any mandated health benefit proposal. The evaluation must
363.28 include, in addition to other relevant information, the following to the extent applicable:

364.1 (1) scientific and medical information on the mandated health benefit proposal, on the
364.2 potential for harm or benefit to the patient, and on the comparative benefit or harm from
364.3 alternative forms of treatment, and must include the results of at least one professionally
364.4 accepted and controlled trial comparing the medical consequences of the proposed therapy,
364.5 alternative therapy, and no therapy;

364.6 (2) public health, economic, and fiscal impacts of the mandated health benefit proposal
364.7 on persons receiving health services in Minnesota, on the relative cost-effectiveness of the
364.8 proposal, and on the health care system in general;

364.9 (3) the extent to which the treatment, service, equipment, or drug is generally utilized
364.10 by a significant portion of the population;

364.11 (4) the extent to which insurance coverage for the mandated health benefit proposal is
364.12 already generally available;

- 364.13 (5) the extent to which the mandated health benefit proposal, by health plan category,
364.14 would apply to the benefits offered to the health plan's enrollees;
- 364.15 (6) the extent to which the mandated health benefit proposal will increase or decrease
364.16 the cost of the treatment, service, equipment, or drug;
- 364.17 (7) the extent to which the mandated health benefit proposal may increase enrollee
364.18 premiums; and
- 364.19 (8) if the proposal applies to a qualified health plan as defined in section 62A.011,
364.20 subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal
364.21 using commercial market reimbursement rates in accordance with Code of Federal
364.22 Regulations, title 45, section 155.70.
- 364.23 (c) The commissioner shall consider actuarial analysis done by health plan companies
364.24 and any other proponent or opponent of the mandated health benefit proposal in determining
364.25 the cost of the proposal.
- 364.26 (d) The commissioner must summarize the nature and quality of available information
364.27 on these issues, and, if possible, must provide preliminary information to the public. The
364.28 commissioner may conduct research on these issues or may determine that existing research
364.29 is sufficient to meet the informational needs of the legislature. The commissioner may seek
364.30 the assistance and advice of researchers, community leaders, or other persons or organizations
364.31 with relevant expertise.
- 364.32 (e) The commissioner shall not make public any information submitted under this section
364.33 if that information is trade secret information under section 13.37, subdivision 1, paragraph
365.1 (b). Trade secret information submitted by a health plan company or other proponent or
365.2 opponent of the mandated health benefit proposal must be clearly and specifically identified
365.3 as trade secret information. If the commissioner disagrees with the classification of the
365.4 information as trade secret, the commissioner must notify in writing the health plan company
365.5 or other proponent or opponent of the mandated health benefit proposal that the information
365.6 will be made public at least 30 days prior to the information being made public.
- 365.7 (f) When requesting information from a health plan company or other proponent or
365.8 opponent of the mandated health benefit proposal pursuant to this section, the commissioner
365.9 must provide at least 60 days' notice.
- 365.10 Sec. 3. Minnesota Statutes 2020, section 62Q.56, subdivision 1a, is amended to read:
- 365.11 Subd. 1a. **Change in health care provider; nonrenewal termination ~~not for cause~~.** (a)
365.12 If the contract termination was ~~not for cause~~ a nonrenewal and the contract was terminated
365.13 by the health plan company, the health plan company must provide the terminated provider
365.14 and all enrollees being treated by that provider with notification of the enrollees' rights to
365.15 continuity of care with the terminated provider.

365.16 (b) The health plan company must provide, upon request, authorization to receive services
365.17 that are otherwise covered under the terms of the health plan through the enrollee's current
365.18 provider:

365.19 (1) for up to 120 days if the enrollee is engaged in a current course of treatment for one
365.20 or more of the following conditions:

365.21 (i) an acute condition;

365.22 (ii) a life-threatening mental or physical illness;

365.23 (iii) pregnancy beyond the first trimester of pregnancy;

365.24 (iv) a physical or mental disability defined as an inability to engage in one or more major
365.25 life activities, provided that the disability has lasted or can be expected to last for at least
365.26 one year, or can be expected to result in death; or

365.27 (v) a disabling or chronic condition that is in an acute phase; or

365.28 (2) for the rest of the enrollee's life if a physician, advanced practice registered nurse,
365.29 or physician assistant certifies that the enrollee has an expected lifetime of 180 days or less.

365.30 For all requests for authorization to receive services under this paragraph, the health plan
365.31 company must grant the request unless the enrollee does not meet the criteria provided in
365.32 this paragraph.

366.1 (c) The health plan company shall prepare a written plan that provides a process for
366.2 coverage determinations regarding continuity of care of up to 120 days for enrollees who
366.3 request continuity of care with their former provider, if the enrollee:

366.4 (1) is receiving culturally appropriate services and the health plan company does not
366.5 have a provider in its preferred provider network with special expertise in the delivery of
366.6 those culturally appropriate services within the time and distance requirements of section
366.7 62D.124, subdivision 1; or

366.8 (2) does not speak English and the health plan company does not have a provider in its
366.9 preferred provider network who can communicate with the enrollee, either directly or through
366.10 an interpreter, within the time and distance requirements of section 62D.124, subdivision
366.11 1.

366.12 The written plan must explain the criteria that will be used to determine whether a need for
366.13 continuity of care exists and how it will be provided.

366.14 Sec. 4. Minnesota Statutes 2020, section 62Q.733, subdivision 1, is amended to read:

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

366.17 Sec. 5. Minnesota Statutes 2020, section 62Q.735, subdivision 1, is amended to read:

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

366.21 (1) all attachments and exhibits;

366.22 (2) operating manuals;

366.23 (3) a general description of the health plan company's health service coding guidelines

366.24 and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

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

366.26 (b) The health plan company shall make available to the provider the fee schedule or a

366.27 method or process that allows the provider to determine the fee schedule for each health

366.28 care service to be provided under the contract.

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

367.4 Sec. 6. Minnesota Statutes 2020, section 62Q.735, subdivision 5, is amended to read:

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

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

367.13 Sec. 7. **[62Q.7391] HEALTH CARE PROVIDER CONTRACT TERMINATION.**

367.14 Subdivision 1. **Termination for cause.** (a) A contract between a health care provider

367.15 and a health plan company may be terminated by the health plan company for cause only

367.16 if the contract includes an appeal process for the provider to appeal the termination. The

367.17 health plan company must provide the provider with written notice of termination that

367.18 includes:

367.19 (1) the reasons for the termination;

- 367.20 (2) the date upon which the termination is effective; and
- 367.21 (3) a statement that the provider has the right to appeal the termination decision and a
367.22 description of the appeal process available to the provider to request an appeal.
- 367.23 (b) The process must permit the provider with the opportunity to request an appeal and
367.24 present any relevant documents and arguments against termination. The process must also
367.25 include (1) an internal review, and (2) an external review that occurs if the internal review
367.26 upholds the decision to terminate. The external review must be conducted by an independent
367.27 external review entity agreed to by the provider. The decision of the external review entity
367.28 is final. If the external review entity determines that the reason for termination is not
367.29 supported the provider's contract with the health plan company must be reinstated.
- 367.30 (c) A health plan company regulated by the commissioner of commerce must submit to
367.31 the commissioner of commerce for approval the appeal process required under this
367.32 subdivision. A health plan company regulated by the commissioner of health must submit
368.1 to the commissioner of health for approval the appeal process required under this subdivision.
368.2 If the health plan company fails to submit the process or the appeal process is not approved,
368.3 the commissioner of commerce or commissioner of health, as appropriate, may take
368.4 regulatory action against the health plan company.
- 368.5 Subd. 2. **Termination not for cause.** A health plan company is prohibited from
368.6 terminating a contract with a health care provider without cause.
- 368.7 Sec. 8. Minnesota Statutes 2020, section 62Q.76, is amended by adding a subdivision to
368.8 read:
- 368.9 Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract
368.10 with a dental organization or with another third party to gain access to the dental care services
368.11 or contractual discounts under a dental provider contract. Third party does not include an
368.12 enrollee of a dental organization or an employer or other group for whom the dental
368.13 organization provides administrative services.
- 368.14 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to dental
368.15 plans and dental provider agreements offered, issued, or renewed on or after that date.
- 368.16 Sec. 9. Minnesota Statutes 2020, section 62Q.78, is amended by adding a subdivision to
368.17 read:
- 368.18 Subd. 7. **Network leasing.** (a) A dental organization may grant a third party access to
368.19 a dental provider contract, or a provider's dental care services or contractual discounts
368.20 provided pursuant to a dental provider contract, if at the time the dental provider contract
368.21 is entered into or renewed the dental organization allows a dentist to choose not to participate
368.22 in third-party access to the dental provider contract, without any penalty to the dentist. The
368.23 third-party access provision of the dental provider contract must be clearly identified. A

368.24 dental organization must not grant a third party access to the dental provider contract of any
368.25 dentist who does not participate in third-party access to the dental provider contract.

368.26 (b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose
368.27 of recruiting dentists for dental provider contracts that establish a network to be leased to
368.28 third parties, the dentist waives the right to choose whether to participate in third-party
368.29 access.

368.30 (c) A dental organization may grant a third party access to a dental provider contract,
368.31 or a dentist's dental care services or contractual discounts under a dental provider contract,
368.32 if the following requirements are met:

369.1 (1) the dental organization lists all third parties that may have access to the dental provider
369.2 contract on the dental organization's website, which must be updated at least once every 90
369.3 days;

369.4 (2) the dental provider contract states that the dental organization may enter into an
369.5 agreement with a third party that would allow the third party to obtain the dental
369.6 organization's rights and responsibilities as if the third party were the dental organization,
369.7 and the dentist chose to participate in third-party access at the time the dental provider
369.8 contract was entered into; and

369.9 (3) the third party accessing the dental provider contract agrees to comply with all
369.10 applicable terms of the dental provider contract.

369.11 (d) A dentist is not bound by and is not required to perform dental care services under
369.12 a dental provider contract granted to a third party in violation of this section.

369.13 (e) This subdivision does not apply when:

369.14 (1) the dental provider contract is for dental services provided under a public health plan
369.15 program, including but not limited to medical assistance, MinnesotaCare, Medicaid, or
369.16 Medicare Advantage; or

369.17 (2) access to a dental provider contract is granted to a dental organization, an entity
369.18 operating in accordance with the same brand licensee program as the dental organization
369.19 or other entity, or to an entity that is an affiliate of the dental organization, provided the
369.20 entity agrees to substantially similar terms and conditions of the originating dental provider
369.21 contract between the dental organization and the dentist or dental clinic. A list of the dental
369.22 organization's affiliates must be posted on the dental organization's website.

369.23 Sec. 10. Minnesota Statutes 2020, section 62Q.79, is amended by adding a subdivision to
369.24 read:

369.25 Subd. 7. **Method of payments.** A dental provider contract must include a method of
369.26 payment for dental care services in which no fees associated with the method of payment,
369.27 including credit card fees and fees related to payment in the form of digital or virtual
369.28 currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a

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

370.1 Sec. 11. Minnesota Statutes 2020, section 72A.20, is amended by adding a subdivision to
 370.2 read:

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

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

370.11 Sec. 12. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
 370.12 to read:

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

370.17 **EFFECTIVE DATE.** This section is effective January 1, 2023.

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

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

370.24 (1) age;

370.25 (2) annual income and anticipated material changes in annual income;

370.26 (3) financial situation and needs, including debts and other obligations, and anticipated
 370.27 material changes in financial situation and needs;

370.28 (4) financial experience;

370.29 (5) insurance needs;

370.30 (6) financial objectives;

- 371.1 (7) intended use of the annuity;
- 371.2 (8) financial time horizon;
- 371.3 (9) existing assets or financial products, including investment, annuity, and insurance
- 371.4 holdings, and anticipated material changes in existing assets;
- 371.5 (10) liquidity needs and anticipated material changes in liquidity needs;
- 371.6 (11) liquid net worth and anticipated material changes in liquid net worth;
- 371.7 (12) risk tolerance, including but not limited to willingness to accept nonguaranteed
- 371.8 elements in the annuity;
- 371.9 (13) financial resources used to fund the annuity;
- 371.10 (14) tax status; and
- 371.11 (15) whether or not the consumer has a reverse mortgage.
- 371.12 **EFFECTIVE DATE.** This section is effective January 1, 2023.
- 371.13 Sec. 14. Minnesota Statutes 2020, section 72A.2031, subdivision 8, is amended to read:
- 371.14 Subd. 8. **Insurance producer.** "Insurance producer" means a person required to be
- 371.15 licensed under the laws of this state to sell, solicit, or negotiate insurance, including annuities.
- 371.16 For purposes of sections 72A.203 to 72A.2036, insurance producer includes an insurer
- 371.17 where no insurance producer is involved.
- 371.18 **EFFECTIVE DATE.** This section is effective January 1, 2023.
- 371.19 Sec. 15. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
- 371.20 to read:
- 371.21 Subd. 8a. **Intermediary.** "Intermediary" means an entity contracted directly with an
- 371.22 insurer or with another entity contracted with an insurer to facilitate the sale of the insurer's
- 371.23 annuities by insurance producers.
- 371.24 **EFFECTIVE DATE.** This section is effective January 1, 2023.
- 371.25 Sec. 16. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
- 371.26 to read:
- 371.27 Subd. 8b. **Material conflict of interest.** "Material conflict of interest" means a financial
- 371.28 interest of the insurance producer in the sale of an annuity that a reasonable person would
- 371.29 expect to influence the impartiality of a recommendation. The payment of compensation,
- 372.1 including both cash and noncash compensation, does not in and of itself constitute a material
- 372.2 conflict of interest.
- 372.3 **EFFECTIVE DATE.** This section is effective January 1, 2023.

372.4 Sec. 17. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
372.5 to read:

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

372.9 **EFFECTIVE DATE.** This section is effective January 1, 2023.

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

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

372.18 **EFFECTIVE DATE.** This section is effective January 1, 2023.

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

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

372.27 **EFFECTIVE DATE.** This section is effective January 1, 2023.

372.28 Sec. 20. Minnesota Statutes 2020, section 72A.2031, subdivision 10, is amended to read:

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

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

373.6 (2) converted to reduced paid-up insurance, continued as extended term insurance, or
373.7 otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

373.8 (3) amended so as to effect either a reduction in benefits or in the term for which coverage
373.9 would otherwise remain in force or for which benefits would be paid;

373.10 (4) reissued with any reduction in cash value; or

373.11 (5) used in a financed purchase.

373.12 **EFFECTIVE DATE.** This section is effective January 1, 2023.

373.13 Sec. 21. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
373.14 to read:

373.15 **Subd. 1a. Best interest obligations.** An insurance producer, when recommending an
373.16 annuity, shall act in the best interest of the consumer under the circumstances known at the
373.17 time the recommendation is made. An insurance producer shall not place the insurance
373.18 producer's or the insurer's financial interest ahead of the consumer's interest. An insurance
373.19 producer has acted in the best interest of the consumer if the insurance producer has satisfied
373.20 obligations regarding care, disclosure, conflict of interest, and documentation specified in
373.21 subdivisions 1b, 1c, 1d, and 1e.

373.22 **EFFECTIVE DATE.** This section is effective January 1, 2023.

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

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

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

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

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

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

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

374.7 (c) Paragraph (a) requires an insurance producer to consider the types of products the
374.8 insurance producer is authorized and licensed to recommend or sell that address the
374.9 consumer's financial situation, insurance needs, and financial objectives. This paragraph
374.10 does not require an insurance producer to analyze or consider (1) any products outside the
374.11 insurance producer's authority and license, or (2) other possible alternative products or
374.12 strategies available in the market at the time of the recommendation. Insurance producers
374.13 shall be held to standards applicable to insurance producers with similar authority and
374.14 licensure.

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

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

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

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

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

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

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

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

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

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

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

375.18 (l) Nothing in sections 72A.203 to 72A.2036 requires an insurance producer to obtain
375.19 any license other than an insurance producer license with the appropriate line of authority

375.20 to sell, solicit, or negotiate insurance in Minnesota, including but not limited to any securities
375.21 license in order to fulfill the duties and obligations contained in sections 72A.203 to
375.22 72A.2036, provided that the insurance producer does not give advice or provide services
375.23 that are subject to other securities law or engage in any other activity requiring other
375.24 professional licenses.

375.25 **EFFECTIVE DATE.** This section is effective January 1, 2023.

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

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

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

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

376.5 (i) fixed annuities;

376.6 (ii) fixed indexed annuities;

376.7 (iii) variable annuities;

376.8 (iv) life insurance;

376.9 (v) mutual funds;

376.10 (vi) stocks and bonds; and

376.11 (vii) certificates of deposit;

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

376.15 (i) from one insurer;

376.16 (ii) from two or more insurers; or

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

376.18 (4) a description of the sources and types of cash and noncash compensation received
376.19 by the insurance producer, including whether the insurance producer is (i) compensated for
376.20 the sale of a recommended annuity by commission as part of a premium, or (ii) receives

- 376.21 other remuneration from the insurer, intermediary, or other insurance producer or by fee as
376.22 a result of a contract for advice or consulting service; and
- 376.23 (5) a notice of the consumer's right to request additional information regarding cash
376.24 compensation.
- 376.25 (b) Upon request of the consumer or the consumer's designated representative, the
376.26 insurance producer shall disclose:
- 376.27 (1) a reasonable estimate of the amount of cash compensation received by the insurance
376.28 producer, which may be stated as a range of amounts or percentages; and
- 377.1 (2) whether the cash compensation is a onetime or multiple-occurrence amount and, if
377.2 a multiple-occurrence amount, the frequency and amount of the occurrence, which may be
377.3 stated as a range of amounts or percentages.
- 377.4 (c) Prior to or at the time an annuity is recommended or sold, the insurance producer
377.5 shall have a reasonable basis to believe the consumer has been reasonably informed of
377.6 various features of the annuity, including the potential surrender period and surrender charge;
377.7 potential tax penalty if the consumer sells, exchanges, surrenders, redeems, or annuitizes
377.8 the annuity; mortality and expense fees; investment advisory fees; annual fees; potential
377.9 charges for and features of riders or other options of the annuity; limitations on interest
377.10 returns; potential changes in nonguaranteed elements of the annuity; insurance and investment
377.11 components; and market risk.
- 377.12 **EFFECTIVE DATE.** This section is effective January 1, 2023.
- 377.13 Sec. 24. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
377.14 to read:
- 377.15 Subd. 1d. **Conflict of interest obligation.** An insurance producer shall identify and
377.16 avoid or reasonably manage and disclose material conflicts of interest, including a material
377.17 conflict of interest related to an ownership interest.
- 377.18 **EFFECTIVE DATE.** This section is effective January 1, 2023.
- 377.19 Sec. 25. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
377.20 to read:
- 377.21 Subd. 1e. **Documentation obligation.** An insurance producer shall, at the time of
377.22 recommendation or sale:
- 377.23 (1) make a written record of any recommendation and the basis for the recommendation,
377.24 subject to sections 72A.203 to 72A.2036;
- 377.25 (2) obtain a signed statement, on a form prescribed by the commissioner, that includes:
- 377.26 (i) a customer's refusal to provide the consumer profile information, if any; and

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

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

378.1 **EFFECTIVE DATE.** This section is effective January 1, 2023.

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

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

378.11 **EFFECTIVE DATE.** This section is effective January 1, 2023.

378.12 Sec. 27. Minnesota Statutes 2020, section 72A.2032, subdivision 4, is amended to read:

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

378.16 (1) no recommendation is made;

378.17 ~~(2)~~ (2) a recommendation was made and was later found to have been prepared based
378.18 on materially inaccurate information provided by the consumer; or

378.19 ~~(3)~~ (3) a consumer refuses to provide relevant ~~suitability~~ consumer profile information
378.20 and the annuity transaction is not recommended; or

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

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

378.26 **EFFECTIVE DATE.** This section is effective January 1, 2023.

378.27 Sec. 28. Minnesota Statutes 2020, section 72A.2032, subdivision 6, is amended to read:

378.28 Subd. 6. **Supervision system Insurer duties.** (a) Except as permitted under subdivision
378.29 4, an insurer shall not issue an annuity recommended to a consumer unless there is a
378.30 reasonable basis to believe the annuity effectively addresses the particular consumer's

379.1 financial situation, insurance needs, and financial objectives based on the consumer's
 379.2 consumer profile information.

379.3 ~~(a)~~ (b) An insurer shall establish and maintain a supervision system that is reasonably
 379.4 designed to achieve the insurer's and its insurance producers' compliance with sections
 379.5 72A.203 to 72A.2036, including, but not limited to, all of the following:

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

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

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

379.15 (4) the insurer shall establish and maintain procedures for the review of each
 379.16 recommendation before issuance of an annuity that are designed to ensure ~~that~~ there is a
 379.17 reasonable basis to determine ~~that a recommendation is suitable~~ the recommended annuity
 379.18 effectively addresses the particular consumer's financial situation, insurance needs, and
 379.19 financial objectives. The review procedures shall apply a screening system for the purpose
 379.20 of identifying selected transactions for additional review and may be accomplished
 379.21 electronically or through other reasonable means including, but not limited to, physical
 379.22 review. The electronic or other system shall be designed to require an elevated individual
 379.23 review for those transactions involving consumers 65 years of age or older on the basis of
 379.24 the review procedure's thresholds for liquidity, liquid net worth, income, and anticipated
 379.25 material changes in their financial situation and needs and the elevated review shall be
 379.26 conducted by a natural person or persons;

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

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

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

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

380.14 ~~(6)~~ (9) the insurer shall annually provide a written report to senior management, including
 380.15 to the senior manager responsible for audit functions, which details a review, with appropriate
 380.16 testing, reasonably designed to determine the effectiveness of the supervision system, the
 380.17 exceptions found, and corrective action taken or recommended, if any.

380.18 ~~(b)(1)~~ (c)(1) Nothing in this subdivision restricts an insurer from contracting for
 380.19 performance of a function, including maintenance of procedures, required under paragraph
 380.20 ~~(a)~~ (b). An insurer is responsible for taking appropriate corrective action and may be subject
 380.21 to sanctions and penalties pursuant to section 72A.2034 regardless of whether the insurer
 380.22 contracts for performance of a function and regardless of the insurer's compliance with
 380.23 ~~subdivision 2~~ clause (2), and an insurer is responsible for the compliance of an insurance
 380.24 producer with the provisions of sections 72A.203 to 72A.2036 regardless of whether the
 380.25 insurer contracts for performance of a function required under this paragraph; and

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

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

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

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

381.6 **EFFECTIVE DATE.** This section is effective January 1, 2023.

381.7 Sec. 29. Minnesota Statutes 2020, section 72A.2032, subdivision 7, is amended to read:

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

- 381.10 (1) providing ~~suitability~~ consumer profile information to the insurance producer or
 381.11 insurer and truthfully responding to an insurer's request for confirmation of ~~suitability~~
 381.12 consumer profile information;
- 381.13 (2) filing a complaint; or
- 381.14 (3) cooperating with the investigation of a complaint.
- 381.15 **EFFECTIVE DATE.** This section is effective January 1, 2023.
- 381.16 Sec. 30. Minnesota Statutes 2020, section 72A.2032, subdivision 8, is amended to read:
- 381.17 Subd. 8. **FINRA Comparable standards; compliance.** (a) Recommendations and sales
 381.18 of annuities made ~~by broker-dealers in compliance with comparable standards satisfy the~~
 381.19 requirements under sections 72A.203 to 72A.2036, so long as. This subdivision applies to
 381.20 recommendations and sales of annuities made by financial professionals in compliance with
 381.21 business rules, controls, and procedures that satisfy a comparable standard even if the
 381.22 standard would not otherwise apply to the product or recommendation at issue. Nothing in
 381.23 this subdivision limits the commissioner's ability to investigate and enforce sections 72A.203
 381.24 to 72A.2036.
- 381.25 ~~(1) those sales comply with FINRA requirements pertaining to suitability and supervision~~
 381.26 ~~of annuity transactions; and~~
- 381.27 ~~(2) a registered principal reviews and approves the transaction based on review criteria~~
 381.28 ~~that include consideration of the customer's age, income, liquidity needs, and financial~~
 381.29 ~~situation.~~
- 382.1 ~~(b) The insurer remains responsible for the suitability of every transaction and must take~~
 382.2 ~~reasonably appropriate corrective action for any consumer harmed by violation of law and~~
 382.3 ~~is subject to the penalty provisions described in section 72A.2034, subdivision 1.~~
- 382.4 ~~(b)~~ (b) For paragraph (a) to apply, an insurer shall:
- 382.5 (1) monitor the ~~FINRA member broker-dealer~~ relevant conduct of the financial
 382.6 professional seeking to rely on paragraph (a) or the entity responsible for supervising the
 382.7 financial professional, including the financial professional's broker-dealer or an investment
 382.8 adviser registered under federal or state securities law using information collected in the
 382.9 normal course of the insurer's business; and
- 382.10 (2) provide to the ~~FINRA member broker-dealer~~ entity responsible for supervising the
 382.11 financial professional seeking to rely on paragraph (a), including the financial professional's
 382.12 broker-dealer or investment adviser registered under federal or state securities law,
 382.13 information and reports that are reasonably appropriate to assist the FINRA member
 382.14 broker-dealer the entity to maintain its supervision system.

- 382.15 ~~(d) Nothing in this subdivision limits:~~ (c) For purposes of this subdivision, "financial
 382.16 professional" means an insurance producer that is regulated and acting as:
- 382.17 ~~(1) the responsibilities of the insurer to monitor the broker-dealer as provided in this~~
 382.18 ~~subdivision; and a broker-dealer registered under federal or state securities law or a registered~~
 382.19 ~~representative of a broker-dealer;~~
- 382.20 ~~(2) the commissioner of commerce's ability to enforce the provisions of sections 72A.203~~
 382.21 ~~to 72A.2036 with respect to sales made in compliance with FINRA requirements and federal~~
 382.22 ~~law; an investment adviser registered under federal or state securities law, or an investment~~
 382.23 ~~adviser representative associated with the federal or state registered investment adviser; or~~
- 382.24 ~~(3) a plan fiduciary under the Employee Retirement Income Security Act of 1974~~
 382.25 ~~(ERISA), United States Code, title 29, section 1001; Code of Federal Regulations, title 29,~~
 382.26 ~~part 2510.3-21; fiduciary under the Internal Revenue Code, section 4975(e)(3); or any~~
 382.27 ~~amendments or successor statutes.~~
- 382.28 (d) For purposes of this subdivision, "comparable standards" means:
- 382.29 (1) with respect to broker-dealers and registered representatives of broker-dealers,
 382.30 applicable United States Securities and Exchange Commission and FINRA rules pertaining
 382.31 to best interest obligations and supervision of annuity recommendations and sales, including
 382.32 but not limited to regulation best interest and any amendments or successor regulations;
- 383.1 (2) with respect to investment advisers registered under federal or state securities law
 383.2 or investment adviser representatives, the fiduciary duties and all other requirements imposed
 383.3 on the investment advisers or investment adviser representatives by contract or under the
 383.4 Investment Advisers Act of 1940 or applicable state securities law, including but not limited
 383.5 to Form ADV and interpretations; and
- 383.6 (3) with respect to plan fiduciaries or fiduciaries, the duties, obligations, prohibitions,
 383.7 and all other requirements attendant to status under ERISA or the Internal Revenue Code
 383.8 and any amendments or successor statutes.
- 383.9 **EFFECTIVE DATE.** This section is effective January 1, 2023.
- 383.10 Sec. 31. Minnesota Statutes 2020, section 72A.2033, is amended to read:
- 383.11 **72A.2033 INSURANCE PRODUCER TRAINING.**
- 383.12 Subdivision 1. **Requirement.** An insurance producer shall not solicit the sale of an
 383.13 annuity product unless the insurance producer has adequate knowledge of the product to
 383.14 recommend the annuity and the insurance producer is in compliance with the insurer's
 383.15 standards for product training. An insurance producer may rely on insurer-provided
 383.16 product-specific training standards and materials to comply with this ~~subdivision~~ section.
- 383.17 Subd. 2. **Initial training.** (a) An insurance producer who is otherwise entitled to engage
 383.18 in the sale of annuity products shall complete a onetime four-credit training course approved

383.19 by the commissioner and provided by a continuing education provider approved by the
383.20 commissioner prior to commencing the transaction of annuities.

383.21 Insurance producers who hold a life insurance line of authority on ~~June 1, 2013~~ December
383.22 31, 2022, and who desire to sell annuities shall complete the requirements of this subdivision
383.23 no later than six months after January 1, 2014 2023. Individuals who obtain a life insurance
383.24 line of authority on or after January 1, ~~2014~~ 2023, may not engage in the sale of annuities
383.25 until the annuity training course required under this subdivision has been completed.

383.26 (b) The length of the training required under this subdivision must be four continuing
383.27 education hours.

383.28 (c) The training required under this subdivision must include information on the following
383.29 topics:

383.30 (1) the types of annuities and various classifications of annuities;

383.31 (2) identification of the parties to an annuity;

383.32 (3) how fixed, variable, and indexed annuity contract provisions affect consumers;

384.1 (4) the application of income taxation of qualified and nonqualified annuities;

384.2 (5) the primary uses of annuities;

384.3 (6) ~~appropriate and lawful~~ standards of conduct, sales practices, replacement, and
384.4 disclosure requirements, ~~and suitability information and whether an annuity is suitable for~~
384.5 ~~a consumer~~; and

384.6 (7) the recognition of indicators that a prospective insured may lack the short-term
384.7 memory or judgment to knowingly purchase an insurance product.

384.8 (d) Providers of courses intended to comply with this subdivision shall cover all topics
384.9 listed in the prescribed outline and shall not present any marketing information or provide
384.10 training on sales techniques or provide specific information about a particular insurer's
384.11 products.

384.12 (e) A provider of an annuity training course intended to comply with this subdivision
384.13 must be an approved continuing education provider in this state and comply with the
384.14 requirements applicable to insurance producer continuing education courses.

384.15 (f) An insurance producer licensed by December 31, 2022, who holds a life insurance
384.16 line of authority and has previously completed the training in subdivision 2, paragraph (a),
384.17 shall, by July 1, 2023, complete either:

384.18 (1) a new four-credit training course approved by the Department of Commerce after
384.19 July 1, 2022; or

384.20 (2) an additional onetime one-credit training course approved by the Department of
384.21 Commerce by July 1, 2022, and provided by a Department of Commerce-approved education

384.22 provider on appropriate sales practices and replacement and disclosure requirements under
 384.23 sections 72A.203 to 72A.2036.

384.24 ~~(f)~~ Annuity training courses may be conducted and completed by classroom or self-study
 384.25 methods in accordance with chapter 45. In order to assist compliance with this section, all
 384.26 courses approved by the commissioner for the purposes of this section shall be given the
 384.27 course title "~~Annuity Suitability and Disclosure~~ Best Interest Standards of Conduct for
 384.28 Annuity Sales." Only courses satisfying the requirements of this section shall use this course
 384.29 title after ~~June~~ July 1, 2023.

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

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

385.6 (i) The satisfaction of the components of the training requirements of any course or
 385.7 courses with components substantially similar to the provisions of this subdivision satisfy
 385.8 the training requirements of this subdivision.

385.9 ~~(j)~~ (j) An insurer shall verify that an insurance producer has completed the annuity
 385.10 training course required under this subdivision before allowing the insurance producer to
 385.11 sell an annuity product for that insurer. An insurer may satisfy its responsibility under this
 385.12 subdivision by obtaining certificates of completion of the training course or obtaining reports
 385.13 provided by commissioner-sponsored database systems, vendors, or from a reasonably
 385.14 reliable commercial database vendor that has a reporting arrangement with approved
 385.15 insurance education providers. If such data collection and reporting arrangements are not
 385.16 in place, an insurer must maintain records verifying that the producer has completed the
 385.17 annuity training course required under this subdivision and make the records available to
 385.18 the commissioner upon request.

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

385.20 Sec. 32. Minnesota Statutes 2020, section 72A.2034, is amended to read:

385.21 **72A.2034 PENALTIES.**

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

385.26 (1) an insurer to take reasonably appropriate corrective action, including but not limited
 385.27 to canceling a transaction ~~action~~, for any consumer harmed by a failure to comply with
 385.28 sections 72A.203 to 72A.2036 by the insurer's insurer, an entity contracted to perform the

385.29 ~~insurer supervisory duties, or by its the insurer's insurance producer's, violation of sections~~
385.30 ~~72A.203 to 72A.2036 producer;~~

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

386.1 (3) appropriate penalties and sanctions.

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

386.6 Subd. 2. **Aggravation or mitigation.** Any applicable penalty for a violation of sections
386.7 72A.203 to 72A.2036 may be increased or decreased upon consideration of any aggravating
386.8 or mitigating circumstances, including if corrective action for the consumer was taken
386.9 promptly after a violation was discovered, or if the violation was not part of a pattern or
386.10 practice. The authority to enforce compliance with sections 72A.203 to 72A.2036 is vested
386.11 exclusively with the commissioner.

386.12 **EFFECTIVE DATE.** This section is effective January 1, 2023.

386.13 Sec. 33. Minnesota Statutes 2020, section 72A.2035, subdivision 1, is amended to read:

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

386.21 **EFFECTIVE DATE.** This section is effective January 1, 2023.

386.22 Sec. 34. Minnesota Statutes 2020, section 72A.2036, is amended to read:

386.23 **72A.2036 RELATIONSHIP TO OTHER LAWS; ENFORCEMENT.**

386.24 (a) Nothing in sections 72A.203 to 72A.2036 ~~shall be interpreted to:~~ limits the
386.25 commissioner's authority to make any investigation or take any action under chapter 45 or
386.26 other applicable law with respect to any insurer, insurance producer, broker-dealer, third-party
386.27 contractor, or other entity engaged in any activity involving the sale of an annuity that is
386.28 subject to sections 72A.203 to 72A.2036.

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

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

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

387.7 **EFFECTIVE DATE.** This section is effective January 1, 2023.

387.8 **Sec. 35. STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC**
387.9 **RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH**
387.10 **INSURANCE RATES.**

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

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

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

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

387.24 **(3) determine the extent to which individuals and small employers located in a geographic**
387.25 **rating area with higher health insurance rates than surrounding geographic rating areas have**
387.26 **obtained health insurance in a lower-cost geographic rating area, identify the strategies that**
387.27 **individuals and small employers use to obtain health insurance in a lower-cost geographic**
387.28 **rating area, and measure the effects of this practice on the rates of the individuals and small**
387.29 **employers remaining in the geographic rating area with higher health insurance rates; and**

387.30 **(4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas**
387.31 **and calculate the effect each proposal would have on rates in each of the proposed rating**
387.32 **areas. The commissioner of commerce must examine at least three options for redrawing**
387.33 **the boundaries of Minnesota's geographic rating areas, at least one of which must reduce**
388.1 **the number of geographic rating areas and at least one which must be based on the first**
388.2 **three digits of area zip codes. The commissioner must not take into consideration the**

388.3 requirements of Minnesota Statutes, section 62A.65, subdivision 3, paragraph (b), clause
 388.4 (2), when developing the proposals required by this section. All options for redrawing
 388.5 Minnesota's geographic rating areas considered by the commissioner of commerce must be
 388.6 designed:

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

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

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

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

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

388.22 Subd. 2. **Contract.** The commissioner of commerce may contract with another entity
 388.23 for technical assistance in conducting the study and developing recommendations under
 388.24 subdivision 1.

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

388.29 Sec. 36. **REPEALER.**

388.30 Minnesota Statutes 2020, sections 72A.2031, subdivisions 3, 9, and 11; and 72A.2032,
 388.31 subdivisions 1, 2, 3, and 5, are repealed.

389.1 **ARTICLE 30**

389.2 **CONSUMER PROTECTION**

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

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

- 389.7 Subd. 2. **Duties.** The student loan advocate has the following duties:
- 389.8 (1) receive, review, and attempt to resolve complaints from borrowers, including but
- 389.9 not limited to attempts to resolve borrower complaints in collaboration with institutions of
- 389.10 higher education, student loan servicers, and any other participants in student loan lending;
- 389.11 (2) compile and analyze data on borrower complaints received under clause (1);
- 389.12 (3) help borrowers understand the rights and responsibilities under the terms of student
- 389.13 loans;
- 389.14 (4) provide information to the public, state agencies, legislators, and relevant stakeholders
- 389.15 regarding the problems and concerns of borrowers;
- 389.16 (5) make recommendations to resolve the problems of borrowers;
- 389.17 (6) analyze and monitor the development and implementation of federal, state, and local
- 389.18 laws, regulations, and policies relating to borrowers, and recommend any changes deemed
- 389.19 necessary;
- 389.20 (7) review the complete student loan history for any borrower who has provided written
- 389.21 consent to conduct the review;
- 389.22 (8) increase public awareness that the advocate is available to assist in resolving the
- 389.23 student loan servicing concerns of potential and actual borrowers, institutions of higher
- 389.24 education, student loan servicers, and any other participant in student loan lending; and
- 389.25 (9) take other actions as necessary to fulfill the duties of the advocate, as provided under
- 389.26 this section.
- 389.27 Subd. 3. **Student loan education course.** The advocate must establish and maintain a
- 389.28 borrower education course. The course must include educational presentations and materials
- 389.29 regarding important topics in student loans, including but not limited to:
- 389.30 (1) the meaning of important terminology used in student lending;
- 389.31 (2) documentation requirements;
- 390.1 (3) monthly payment obligations;
- 390.2 (4) income-based repayment options;
- 390.3 (5) the availability of state and federal loan forgiveness programs; and
- 390.4 (6) disclosure requirements.
- 390.5 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report
- 390.6 to the legislative committees with jurisdiction over commerce and higher education. The
- 390.7 report must describe (1) the advocate's implementation of this section, (2) the outcomes

- 390.8 achieved by the advocate during the previous two years, and (3) any recommendations to
390.9 improve the regulation of student loan servicers.
- 390.10 Sec. 2. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:
- 390.11 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The
390.12 commissioner of commerce shall:
- 390.13 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
390.14 to combat automobile theft, improve the administration of the automobile theft laws, and
390.15 provide a forum for identification of critical problems for those persons dealing with
390.16 automobile theft;
- 390.17 (2) coordinate the development, adoption, and implementation of plans, programs, and
390.18 strategies relating to interagency and intergovernmental cooperation with respect to
390.19 automobile theft enforcement;
- 390.20 (3) annually audit the plans and programs that have been funded in whole or in part to
390.21 evaluate the effectiveness of the plans and programs and withdraw funding should the
390.22 commissioner determine that a plan or program is ineffective or is no longer in need of
390.23 further financial support from the fund;
- 390.24 (4) develop a plan of operation including:
- 390.25 (i) an assessment of the scope of the problem of automobile theft, including areas of the
390.26 state where the problem is greatest;
- 390.27 (ii) an analysis of various methods of combating the problem of automobile theft;
- 390.28 (iii) a plan for providing financial support to combat automobile theft;
- 390.29 (iv) a plan for eliminating car hijacking; and
- 390.30 (v) an estimate of the funds required to implement the plan; and
- 391.1 (5) distribute money, in consultation with the commissioner of public safety, pursuant
391.2 to subdivision 3 from the automobile theft prevention special revenue account for automobile
391.3 theft prevention activities, including:
- 391.4 (i) paying the administrative costs of the program;
- 391.5 (ii) providing financial support to the State Patrol and local law enforcement agencies
391.6 for automobile theft enforcement teams;
- 391.7 (iii) providing financial support to state or local law enforcement agencies for programs
391.8 designed to reduce the incidence of automobile theft and for improved equipment and
391.9 techniques for responding to automobile thefts;
- 391.10 (iv) providing financial support to local prosecutors for programs designed to reduce
391.11 the incidence of automobile theft;

391.12 (v) providing financial support to judicial agencies for programs designed to reduce the
391.13 incidence of automobile theft;

391.14 (vi) providing financial support for neighborhood or community organizations or business
391.15 organizations for programs designed to reduce the incidence of automobile theft and to
391.16 educate people about the common methods of automobile theft, the models of automobiles
391.17 most likely to be stolen, and the times and places automobile theft is most likely to occur;
391.18 and

391.19 (vii) providing financial support for automobile theft educational and training programs
391.20 for state and local law enforcement officials, driver and vehicle services exam and inspections
391.21 staff, and members of the judiciary.

391.22 (b) The commissioner may not spend in any fiscal year more than ten percent of the
391.23 money in the fund for the program's administrative and operating costs. The commissioner
391.24 is annually appropriated and must distribute the amount of the proceeds credited to the
391.25 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
391.26 each year to the insurance fraud prevention account described in section 297I.11, subdivision
391.27 2.

391.28 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
391.29 in the auto theft prevention account to the insurance fraud prevention account under section
391.30 45.0135, subdivision 6.

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

392.1 Sec. 3. Minnesota Statutes 2021 Supplement, section 325E.21, subdivision 1b, is amended
392.2 to read:

392.3 Subd. 1b. **Purchase or acquisition record required.** (a) ~~Any person who purchases or~~
392.4 ~~receives a catalytic converter must comply with this section.~~

392.5 ~~(b)~~ Every scrap metal dealer, including an agent, employee, or representative of the
392.6 dealer, shall create a permanent record written in English, using an electronic record program
392.7 at the time of each purchase or acquisition of scrap metal. The record must include:

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

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

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

- 392.14 (4) the amount paid and the number of the check or electronic transfer used to purchase
392.15 the scrap metal;
- 392.16 (5) the license plate number and description of the vehicle used by the person when
392.17 delivering the scrap metal, including the vehicle make and model, and any identifying marks
392.18 on the vehicle, such as a business name, decals, or markings, if applicable;
- 392.19 (6) a statement signed by the seller, under penalty of perjury as provided in section
392.20 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances
392.21 and the seller has the right to sell it;
- 392.22 (7) a copy of the receipt, which must include at least the following information: the name
392.23 and address of the dealer, the date and time the scrap metal was received by the dealer, an
392.24 accurate description of the scrap metal, and the amount paid for the scrap metal;
- 392.25 (8) in order to purchase a detached catalytic converter, the vehicle identification number
392.26 of the car it was removed from or as an alternative any numbers, bar codes, stickers, or other
392.27 unique markings that result whether resulting from the pilot project created under subdivision
392.28 2b or some other source. The alternative number must be under a numbering system that
392.29 can be immediately linked to the vehicle identification number by law enforcement; and
- 392.30 (9) ~~the name of the person who removed the catalytic converter identity, or identifier,~~
392.31 of the employee completing the transaction.
- 393.1 ~~(b)~~ (b) The record, as well as the scrap metal purchased or received, shall at all reasonable
393.2 times be open to the inspection of any properly identified law enforcement officer.
- 393.3 ~~(c)~~ (c) Except for the purchase of detached catalytic converters, no record is required
393.4 for property purchased from merchants, manufacturers, salvage pools, insurance companies,
393.5 rental car companies, financial institutions, charities, dealers licensed under section 168.27,
393.6 or wholesale dealers, having an established place of business, or of any goods purchased at
393.7 open sale from any bankrupt stock, but a receipt as required under paragraph (b), clause
393.8 (7), shall be obtained and kept by the person, which must be shown upon demand to any
393.9 properly identified law enforcement officer.
- 393.10 ~~(d)~~ (d) The dealer must provide a copy of the receipt required under paragraph (b), clause
393.11 (7), to the seller in every transaction.
- 393.12 ~~(e)~~ (e) Law enforcement agencies in the jurisdiction where a dealer is located may conduct
393.13 regular and routine inspections to ensure compliance, refer violations to the city or county
393.14 attorney for criminal prosecution, and notify the registrar of motor vehicles.
- 393.15 ~~(f)~~ (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's
393.16 agent, employee, or representative may not disclose personal information concerning a
393.17 customer without the customer's consent unless the disclosure is required by law or made
393.18 in response to a request from a law enforcement agency. A scrap metal dealer must implement
393.19 reasonable safeguards to protect the security of the personal information and prevent
393.20 unauthorized access to or disclosure of the information. For purposes of this paragraph,

- 393.21 "personal information" is any individually identifiable information gathered in connection
393.22 with a record under paragraph (a).
- 393.23 Sec. 4. Minnesota Statutes 2020, section 325E.21, subdivision 2, is amended to read:
- 393.24 Subd. 2. **Retention required.** Records required to be maintained by ~~subdivision~~
393.25 subdivisions 1a or 1b, 11, 12, and 13, shall be retained by the scrap metal dealer for a period
393.26 of three years.
- 393.27 Sec. 5. Minnesota Statutes 2020, section 325E.21, subdivision 5, is amended to read:
- 393.28 Subd. 5. **Training.** Each scrap metal dealer shall review the educational materials
393.29 provided by the superintendent of the Bureau of Criminal Apprehension under section
393.30 299C.25 and ensure that all employees do so as well. A scrap metal dealer engaged in the
393.31 purchase of used catalytic converters shall ensure employees handling catalytic converter
394.1 transactions are specifically trained and familiar with the additional requirements for catalytic
394.2 converters.
- 394.3 Sec. 6. Minnesota Statutes 2020, section 325E.21, subdivision 6, is amended to read:
- 394.4 Subd. 6. **Criminal penalty.** (a) A scrap metal dealer, or the agent, employee, or
394.5 representative of the dealer, who intentionally violates a provision of this section, except
394.6 for subdivisions 11 to 13, is guilty of a misdemeanor.
- 394.7 (b) A person who violates subdivisions 11 to 13 is guilty of a:
- 394.8 (1) misdemeanor for possession or purchase of one catalytic converter; and
- 394.9 (2) gross misdemeanor for possession or purchase of two or more catalytic converters.
- 394.10 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
394.11 committed on or after that date.
- 394.12 Sec. 7. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
394.13 read:
- 394.14 Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful
394.15 for a person who is not a registered scrap metal dealer to possess a used catalytic converter
394.16 that is not attached to a motor vehicle except when:
- 394.17 (1) the converter is marked with (i) the date the converter was removed from the vehicle,
394.18 and (ii) the identification number of the vehicle from which the converter was removed or
394.19 an alternative number to the vehicle identification number from the vehicle from which the
394.20 converter was removed; or
- 394.21 (2) the converter has been EPA certified for reuse as a replacement part.
- 394.22 (b) If an alternative number to the vehicle identification number is used, it must be under
394.23 a numbering system that can be immediately linked to the vehicle identification number by
394.24 law enforcement. The marking of the alternative number may be made in any permanent

394.25 manner, including but not limited to an engraving or use of permanent ink. The marking
394.26 must clearly and legibly indicate (1) the date the converter was removed; and (2) the (i)
394.27 vehicle identification number, or (ii) alternative number and the method by which law
394.28 enforcement can link the converter to the vehicle identification number.

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

395.1 Sec. 8. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
395.2 read:

395.3 **Subd. 12. Prohibition.** It is unlawful for a person who is not a registered scrap metal
395.4 dealer to purchase a used catalytic converter that is not EPA certified for reuse as a
395.5 replacement part, except when the catalytic converter is attached to a motor vehicle. A used
395.6 catalytic converter that is EPA certified for reuse as a replacement part may be sold to a
395.7 person or business for reuse as a replacement part for a motor vehicle when the requirements
395.8 of subdivision 11 are met.

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

395.11 Sec. 9. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
395.12 read:

395.13 **Subd. 13. Purchase of catalytic converters.** A scrap metal dealer is prohibited from
395.14 processing, selling, or removing a catalytic converter from the dealer's premises for at least
395.15 seven days after the catalytic converter acquisition by the scrap metal dealer.

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

395.18 Sec. 10. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision
395.19 to read:

395.20 **Subd. 14. New and used motor vehicles.** Dealers, as defined in section 168.002,
395.21 subdivision 6, and dealers in used motor vehicles must mark the catalytic converters of all
395.22 motor vehicles held for sale with unique identification numbers using labels, engraving,
395.23 theft deterrence paint, or other methods that permanently mark the catalytic converter without
395.24 damaging its function. The commissioner shall advise dealers and dealers in used motor
395.25 vehicles of the best method to accomplish permanently marking the catalytic converter.

395.26 Sec. 11. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision
395.27 to read:

395.28 **Subd. 15. Audits.** The commissioner may conduct periodic audits on scrap metal dealers
395.29 to ensure compliance with the catalytic converter theft prevention requirements of this
395.30 section.

396.1 Sec. 12. [325F.6945] UNLAWFUL SOCIAL MEDIA ACTIVITIES.

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

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

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

396.8 (d) "Social media platform" means an electronic medium, including a browser-based or
396.9 application-based interactive computer service, telephone network, or data network, that
396.10 allows users to create, share, and view user-generated content. Social media platform does
396.11 not include Internet search providers, Internet service providers, or e-mail. Social media
396.12 platform does not include a communication service, including audio and video
396.13 communication technology, provided by a business to their employees and clients for use
396.14 in the course of business activities and not as part of a publicly accessible platform.

396.15 (e) "User-generated content" means any content created or shared by an account holder,
396.16 including without limitation written posts, photographs, graphics, video recordings, or audio
396.17 recordings.

396.18 Subd. 2. **Prohibitions; social media algorithm.** (a) A social media platform with more
396.19 than 1,000,000 account holders operating in Minnesota is prohibited from using a social
396.20 media algorithm to target user-generated content at an account holder under the age of 18
396.21 and who is located in Minnesota, except as provided in subdivision 3. Nothing in this section
396.22 prohibits a social media platform from allowing content to appear in a chronological manner
396.23 for an account holder under the age of 18.

396.24 (b) The social media platform is liable to an individual account holder who received
396.25 user-generated content through a social media algorithm while the individual account holder
396.26 was under the age of 18 and was using the individual account holder's own account, if the
396.27 social media platform knew or had reason to know that the individual account holder was
396.28 under the age of 18 and located in Minnesota. A social media platform subject to this
396.29 paragraph is liable to the account holder for (1) any general or special damages, (2) a statutory
396.30 penalty of \$1,000 for each violation of this section, provided that no individual account
396.31 holder may recover more than \$100,000 in statutory penalties under this subdivision in any
396.32 calendar year, and (3) any other penalties available under law.

397.1 Subd. 3. **Exceptions.** (a) An algorithm, software, or device that acts as a parental control,
397.2 or an internal control used by the social media platform that is intended to control the ability
397.3 of a minor to access content, or is used to filter content for age-appropriate or banned
397.4 material, is exempt from this section.

397.5 (b) User-generated content that is created by a federal, state, or local government or by
397.6 a public or private school, college, or university, including software and applications used

397.7 by a public or private school, college, or university that are created and used for educational
397.8 purposes, is exempt from this section.

397.9 Sec. 13. **[332.365] CREDIT COUNSELING ORGANIZATIONS; DEBTORS.**

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

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

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

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

397.31 Subd. 2. **Duties of collection agency.** Beginning September 1, 2023, a collection agency
397.32 must include the document described in subdivision 1 with the initial written communication
398.1 sent to a debtor if the initial communication is performed via United States mail, e-mail, or
398.2 text message.

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

398.4 Sec. 14. Minnesota Statutes 2020, section 609.5316, subdivision 3, is amended to read:

398.5 Subd. 3. **Weapons, telephone cloning paraphernalia, automated sales suppression**
398.6 **devices, catalytic converters, and bullet-resistant vests.** Weapons used are contraband
398.7 and must be summarily forfeited to the appropriate agency upon conviction of the weapon's
398.8 owner or possessor for a controlled substance crime; for any offense of this chapter or
398.9 chapter 624, or for a violation of an order for protection under section 518B.01, subdivision
398.10 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the
398.11 commission or attempted commission of a crime are contraband and must be summarily
398.12 forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled

398.13 substance crime or for any offense of this chapter. Telephone cloning paraphernalia used
398.14 in a violation of section 609.894, and automated sales suppression devices, phantom-ware,
398.15 and other devices containing an automated sales suppression or phantom-ware device or
398.16 software used in violation of section 289A.63, subdivision 12, are contraband and must be
398.17 summarily forfeited to the appropriate agency upon a conviction. A catalytic converter
398.18 possessed in violation of section 325E.21 is contraband and must be summarily forfeited
398.19 to the appropriate agency upon a conviction.

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