

1.1 moves to amend H.F. No. 4077 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**
1.4 **CONSUMER PROTECTION**

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

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

1.8 (1) selling or issuing payment instruments to a person located in this state;

1.9 (2) selling or issuing stored value to a person located in this state; or

1.10 (3) receiving money for transmission from a person located in this state.

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

1.13 Sec. 2. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

1.14 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
1.15 **CORPORATE OFFERING REGISTRATION.**

1.16 (a) **Federal covered securities.**

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

1.21 (A) before the initial offer of a federal covered security in this state, all records that are
1.22 part of a federal registration statement filed with the Securities and Exchange Commission

2.1 under the Securities Act of 1933 and a consent to service of process complying with section
2.2 80A.88 signed by the issuer;

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

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

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

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

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

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

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

3.1 (2) **Availability.** Registration under this section is available only to the issuer of securities
3.2 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
3.3 The issuer must be organized under the laws of one of the states or possessions of the United
3.4 States. The securities offered must be exempt from registration under the Securities Act of
3.5 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

3.10 (B) an investment company;

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

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

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

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

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

3.32 (iv) is currently subject to an order, judgment, or decree of a court of competent
3.33 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or

4.1 decree of a court of competent jurisdiction permanently restraining or enjoining the party
4.2 from engaging in or continuing any conduct or practice in connection with the purchase or
4.3 sale of any security or involving the making of a false filing with a state or with the Securities
4.4 and Exchange Commission entered within five years before the filing of the small corporate
4.5 offering registration application; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.13 Sec. 3. Minnesota Statutes 2022, section 80A.61, is amended to read:

6.14 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**
6.15 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**
6.16 **REPRESENTATIVE.**

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

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

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

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

6.29 **(c) Effectiveness of registration.** If an order is not in effect and a proceeding is not
6.30 pending under section 80A.67, registration becomes effective at noon on the 45th day after
6.31 a completed application is filed, unless the registration is denied. A rule adopted or order

7.1 issued under this chapter may set an earlier effective date or may defer the effective date
7.2 until noon on the 45th day after the filing of any amendment completing the application.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8.15 Sec. 4. Minnesota Statutes 2022, section 80A.66, is amended to read:

8.16 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

8.17 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
8.18 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
8.19 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
8.20 minimum financial requirements for broker-dealers registered or required to be registered
8.21 under this chapter and investment advisers registered or required to be registered under this
8.22 chapter.

8.23 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
8.24 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
8.25 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
8.26 chapter and an investment adviser registered or required to be registered under this chapter
8.27 shall file such financial reports as are required by a rule adopted or order issued under this
8.28 chapter. If the information contained in a record filed under this subsection is or becomes
8.29 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
8.30 amendment.

9.1 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
9.2 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
9.3 U.S.C. Section 80b-22):

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

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

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

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

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

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

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

9.27 (A) the amount of assets under management;

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

9.30 (C) counterparty credit risk exposure;

9.31 (D) trading and investment positions;

9.32 (E) valuation policies and practices of the fund;

10.1 (F) types of assets held;

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

10.4 (H) trading practices; and

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

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

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

10.23 (f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
10.24 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the
10.25 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
10.26 under this chapter may require a broker-dealer or investment adviser that has custody of or
10.27 discretionary authority over funds or securities of a customer or client to obtain insurance
10.28 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
10.29 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
10.30 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
10.31 of security may not be required of a broker-dealer registered under this chapter whose net
10.32 capital exceeds, or of an investment adviser registered under this chapter whose minimum
10.33 financial requirements exceed, the amounts required by rule or order under this chapter.
10.34 The insurance, bond, or other satisfactory form of security must permit an action by a person

11.1 to enforce any liability on the insurance, bond, or other satisfactory form of security if
11.2 instituted within the time limitations in section 80A.76(j)(2).

11.3 (g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
11.4 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
11.5 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
11.6 customer except under the supervision of a broker-dealer and an investment adviser
11.7 representative may not have custody of funds or securities of a client except under the
11.8 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
11.9 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
11.10 regarding custody of funds or securities of a customer and on an investment adviser regarding
11.11 custody of securities or funds of a client.

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

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

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

11.22 Sec. 5. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

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

11.30 Sec. 6. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

11.31 Subd. 26. **Standards of professional practice.** "Standards of professional practice"
11.32 means the version of the uniform standards of professional appraisal practice of the

12.1 ~~Appraisers Appraisal Standards Board of the Appraisal Foundation in effect as of January~~
12.2 ~~1, 1991, or other version of these standards the commissioner may by order designate on~~
12.3 ~~the date the appraiser signs the appraisal report.~~

12.4 Sec. 7. Minnesota Statutes 2022, section 82B.094, is amended to read:

12.5 **82B.094 SUPERVISION OF TRAINEE REAL PROPERTY APPRAISERS.**

12.6 (a) A certified residential real property appraiser or a certified general real property
12.7 appraiser, in good standing, may engage a trainee real property appraiser to assist in the
12.8 performance of real estate appraisals, provided that the certified residential real property
12.9 appraiser or a certified general real property appraiser:

12.10 (1) has been licensed in good standing as either a certified residential real property
12.11 appraiser or a certified general real property appraiser for the three-year period immediately
12.12 preceding the individual's application to become a supervisor;

12.13 (2) has completed a ~~six-hour~~ course, approved in advance by the commissioner and
12.14 provided by an education provider approved by the commissioner, that is specifically oriented
12.15 to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A~~
12.16 ~~course approved by the commissioner for the purposes of this section must be given the~~
12.17 ~~course title "Minnesota Supervisor/Trainee Appraiser Course";~~

12.18 (3) has not been the subject of any license or certificate suspension or revocation or has
12.19 not been prohibited from supervising activities in this state or any other state within the
12.20 three years immediately preceding the individual's application to become a supervisor;

12.21 (4) has no more than three trainee real property appraisers working under supervision
12.22 at any one time;

12.23 (5) actively and personally supervises the trainee real property appraiser, which includes
12.24 ensuring that research of general and specific data has been adequately conducted and
12.25 properly reported, application of appraisal principles and methodologies has been properly
12.26 applied, that the analysis is sound and adequately reported, and that any analyses, opinions,
12.27 or conclusions are adequately developed and reported so that the appraisal report is not
12.28 misleading;

12.29 (6) discusses with the trainee real property appraiser any necessary and appropriate
12.30 changes that are made to a report, involving any trainee appraiser, before it is transmitted
12.31 to the client. Changes not discussed with the trainee real property appraiser that are made
12.32 by the supervising appraiser must be provided in writing to the trainee real property appraiser
12.33 upon completion of the appraisal report;

13.1 (7) accompanies the trainee real property appraiser on the inspections of the subject
13.2 properties and drive-by inspections of the comparable sales on all appraisal assignments
13.3 for which the trainee will perform work until the trainee appraiser is determined to be
13.4 competent, in accordance with the competency rule of USPAP for the property type;

13.5 (8) accepts full responsibility for the appraisal report by signing and certifying that the
13.6 report complies with USPAP; and

13.7 (9) reviews and signs the trainee real property appraiser's appraisal report or reports or
13.8 if the trainee appraiser is not signing the report, states in the appraisal the name of the trainee
13.9 and scope of the trainee's significant contribution to the report.

13.10 (b) The supervising appraiser must review and sign the applicable experience log required
13.11 to be kept by the trainee real property appraiser.

13.12 (c) The supervising appraiser must notify the commissioner within ten days when the
13.13 supervision of a trainee real property appraiser has terminated or when the trainee appraiser
13.14 is no longer under the supervision of the supervising appraiser.

13.15 (d) The supervising appraiser must maintain a separate work file for each appraisal
13.16 assignment.

13.17 (e) The supervising appraiser must verify that any trainee real property appraiser that is
13.18 subject to supervision is properly licensed and in good standing with the commissioner.

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

13.20 Sec. 8. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

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

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

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

14.1 Sec. 9. Minnesota Statutes 2022, section 82B.13, subdivision 1, is amended to read:

14.2 Subdivision 1. **Trainee real property appraiser.** As a prerequisite for licensing as a
14.3 trainee real property appraiser, an applicant must present evidence satisfactory to the
14.4 commissioner that the person has successfully completed a ~~six-hour~~ course that is specifically
14.5 oriented to the requirements and responsibilities of supervisory appraisers and trainee
14.6 appraisers. ~~A course approved by the commissioner for the purposes of this subdivision~~
14.7 ~~must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This The~~
14.8 ~~course under this subdivision must not be counted toward qualifying education to upgrade~~
14.9 ~~to a higher level appraiser license.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.2 **272.12 CONVEYANCES, TAXES PAID BEFORE RECORDING.**

16.3 When:

16.4 (a) a deed or other instrument conveying land,

16.5 (b) a plat of any townsite or addition thereto,

16.6 (c) a survey required pursuant to section 508.47,

16.7 (d) a condominium plat subject to chapter 515 or 515A or a declaration that contains
16.8 such a plat, or

16.9 (e) a common interest community plat subject to chapter 515B or a declaration that
16.10 contains such a plat,

16.11 is presented to the county auditor for transfer, the auditor shall ascertain from the records
16.12 if there be taxes delinquent upon the land described therein, or if it has been sold for taxes.

16.13 An assignment of a sheriff's or referee's certificate of sale, when the certificate of sale
16.14 describes real estate, and certificates of redemption from mortgage or lien foreclosure sales,
16.15 when the certificate of redemption encompasses real estate and is issued to a junior creditor,
16.16 are considered instruments conveying land for the purposes of this section and section
16.17 272.121. If there are taxes delinquent, the auditor shall certify to the same; and upon payment
16.18 of such taxes, or in case no taxes are delinquent, shall transfer the land upon the books of
16.19 the auditor's office, and note upon the instrument, over official signature, the words, "no
16.20 delinquent taxes and transfer entered," or, if the land described has been sold or assigned
16.21 to an actual purchaser for taxes, the words "paid by sale of land described within;" and,
16.22 unless such statement is made upon such instrument, the county recorder or the registrar of
16.23 titles shall refuse to receive or record the same; provided, that sheriff's or referees' certificates
16.24 of sale on execution or foreclosure of a lien or mortgage, certificates of redemption from
16.25 mortgage or lien foreclosure sales issued to the redeeming mortgagor or lienee, documents
16.26 evidencing the termination of a contract for deed as described in section 559.213, deeds of
16.27 distribution made by a personal representative in probate proceedings, transfer on death
16.28 deeds under section 507.071, decrees and judgments, receivers receipts, patents, and copies
16.29 of town or statutory city plats, in case the original plat filed in the office of the county
16.30 recorder has been lost or destroyed, and the instruments releasing, removing and discharging
16.31 reversionary and forfeiture provisions affecting title to land and instruments releasing,
16.32 removing or discharging easement rights in land or building or other restrictions, may be
16.33 recorded without such certificate; and, provided that instruments conveying land and, as

17.1 appurtenant thereto an easement over adjacent tract or tracts of land, may be recorded
17.2 without such certificate as to the land covered by such easement; and provided further, that
17.3 any instrument granting an easement made in favor of any public utility or pipe line for
17.4 conveying gas, liquids or solids in suspension, in the nature of a right-of-way over, along,
17.5 across or under a tract of land may be recorded without such certificate as to the land covered
17.6 by such easement. Documents governing homeowners associations of condominiums,
17.7 townhouses, common interest ownership communities, and other planned unit developments
17.8 may be recorded without the auditor's certificate to the extent provided in section
17.9 515B.1-116(e).

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

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

17.19 When, as a condition to permitting the recording of deed or other instrument affecting
17.20 the title to real estate previously forfeited to the state under the provisions of sections 281.16
17.21 to 281.25, county officials, after such real estate has been purchased or repurchased, have
17.22 required the payment of taxes erroneously assumed to have accrued against such real estate
17.23 after forfeiture and before the date of purchase or repurchase, the sum required to be so paid
17.24 shall be refunded to the persons entitled thereto out of moneys in the funds in which the
17.25 sum so paid was placed. Delinquent taxes are those taxes deemed delinquent under section
17.26 279.02.

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

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

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

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

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

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

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

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

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

18.14 For the purposes of this subdivision, mandatory fee does not include taxes imposed by a
18.15 government entity.

18.16 (c) In order to comply with this subdivision, a food delivery platform must ensure that:

18.17 (1) prior to a consumer viewing and selecting menu items for purchase, a food delivery
18.18 platform must display in a clear and conspicuous manner that an additional fee to the price
18.19 of the menu items will be charged. The disclosure must include the additional fee amount.

18.20 A consumer must acknowledge the disclosure before proceeding to the menu; and

18.21 (2) after a consumer selects menu items for purchase, a food delivery platform must
18.22 display a subtotal page that itemizes the price of the menu items and the additional fee that
18.23 will be included in the total cost.

18.24 (d) A person may charge a reasonable postage or shipping fee that will be actually
18.25 incurred by a consumer who has purchased a good that requires shipping.

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

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

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

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

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

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

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

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

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

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

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

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

19.25 (6) a statement signed by the seller, under penalty of perjury as provided in section
19.26 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
19.27 or encumbrances and the seller has the right to sell it;

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

20.1 ~~(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification~~
20.2 ~~number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers,~~
20.3 ~~or other unique markings, whether resulting from the pilot project created under subdivision~~
20.4 ~~2b or some other source. The alternative number must be under a numbering system that~~
20.5 ~~can be immediately linked to the vehicle identification number by law enforcement; and~~

20.6 ~~(9)~~ (8) the identity or identifier of the employee completing the transaction.

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

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

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

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

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

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

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

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

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

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

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

21.20 **325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.**

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

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

22.2 **325F.04 FLAME RESISTANT TENTS AND SLEEPING BAGS.**

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

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

22.10 **325F.05 RULES.**

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

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

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

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

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

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

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

22.30 (1) from behind-the-counter;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25.19 (2) produces entertainment; or

25.20 (3) sells a ticket to an entertainment for original sale.

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

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

25.28 (i) "Ticket" means any evidence of the right of entry to any place of entertainment.

25.29 (j) "Ticket reseller" means a person that offers or sells tickets for resale after the original
25.30 sale to an entertainment event located in this state and includes an operator to the extent
25.31 that the operator offers or sells tickets for resale. Sales by a ticket reseller includes sales by
25.32 any means, including, but not limited to, in-person, or by telephone, mail, delivery service,

26.1 facsimile, Internet, e-mail or other electronic means. A ticket reseller does not include a
26.2 person that purchases a ticket solely for their own use or the use of their invitees, employees,
26.3 or agents.

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

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

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

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

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

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

26.21 (c) A ticket reseller and online ticket marketplace must disclose in an easily readable
26.22 and conspicuous manner on its website or electronic service:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28.5 (1) the name of a place of entertainment;

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

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

28.9 (c) A person must not:

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

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

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

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

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

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

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

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

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

28.29 Subd. 4. **Commissioner data requests; data practices.** (a) Upon request by the
28.30 commissioner, an online ticket marketplace must disclose to the commissioner information
28.31 about technology and methods used in a violation of subdivision 3, paragraph (f). Data

29.1 collected or maintained by the commissioner under this subdivision are civil investigative
29.2 data under section 13.39, and the commissioner may share with the attorney general any
29.3 not public data, as defined in section 13.02, subdivision 8a, received under this subdivision.

29.4 (b) The commissioner may enforce this section under section 45.027.

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

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

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

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

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

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

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

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

29.18 (1) sending messages or invitations to users;

29.19 (2) reporting users;

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

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

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

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

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

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

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

30.10 (i) "Device operating system provider" means a business that manages or develops
30.11 operating system software for mobile or desktop devices, including but not limited to personal
30.12 computers, smartphones, and tablets, which manage device resources and are loaded by a
30.13 boot program. Device operating system provider does not include a business that manages
30.14 or develops operating system software for a video game console, as defined by section
30.15 325E.72.

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

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

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

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

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

30.32 (o) "Social media platform" means an electronic medium, including a browser-based or
30.33 application-based interactive computer service, Internet website, telephone network, or data

31.1 network that allows an account holder to create, share, and view user-generated content for
31.2 the predominant purpose of social interaction, sharing content, or personal networking.

31.3 Social media platform does not include:

31.4 (1) an internet search provider;

31.5 (2) an internet service provider;

31.6 (3) an email or short-message-service;

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

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

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

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

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

31.18 (9) single purpose community groups for education;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32.12 (3) cellular phone system coordinates;

32.13 (4) Internet protocol device address; or

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

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

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

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

32.22 (1) is of high or low quality; and

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

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

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

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

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

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

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

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

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

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

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

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

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

33.31 (b) The default settings required in paragraph (a) may be changed only to comply with
33.32 the user's expressed preferences. A social media platform must not utilize a system, user
33.33 interface, or prompt that encourages a user to change the user's privacy settings toward

34.1 allowing the user's information or user-generated content to be shared or disseminated more
34.2 broadly.

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

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

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

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

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

34.22 (i) optimization for time spent or content consumed;

34.23 (ii) content feeds without finite endings;

34.24 (iii) autoplaying videos or other content; and

34.25 (iv) notifications that are not time sensitive; or

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

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

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

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

35.3 (3) an explanation detailing how the platform:

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

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

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

35.9 (4) statistics on the platform's use with respect to the tenth, 25th, 50th, 75th, 90th, 95th,
35.10 99th, and 99.9th percentile of all platform account holders for each distinct type of account
35.11 interaction or engagement, including but not limited to:

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

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

35.14 (iii) posting new user-generated content;

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

35.16 (v) time spent on the platform

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

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

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

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

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

35.26 and

35.27 (iii) violates platform policies.

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

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

36.5 Sec. 30. [3250.05] ENFORCEMENT.

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

36.10 Sec. 31. [3250.06] SEVERABILITY.

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

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

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

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

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

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

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

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

36.29 (d) If the contract for deed is not in recordable form, within four months of the execution
36.30 of the contract for deed the vendor must make a good faith effort to correct the defects that
36.31 rendered the contract unrecordable. A good faith effort includes but is not limited to

37.1 determining the reason or reasons why the contract was not in recordable form, and revising
37.2 and, if necessary, having all parties re-execute, the contract to render it in recordable form.
37.3 The vendee must, in good faith, cooperate with the vendor to the extent that cooperation is
37.4 necessary to correct the defects.

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

37.6 (1) "contract for deed" means an executory contract for the conveyance of residential
37.7 real property under which the seller provides financing for the purchase of the residential
37.8 real property and under which the purchaser does or has a right to go into possession.

37.9 Contract for deed does not include:

37.10 (i) a purchase agreement;

37.11 (ii) an earnest money contract;

37.12 (iii) an exercised option or a lease, including a lease with an option to purchase; or

37.13 (iv) a mortgage, as defined in section 287.01; and

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

37.18 (i) the purchaser;

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

37.21 (iii) if the purchaser is a trust, the settlor of the trust.

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

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

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

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

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

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

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

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

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

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

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

38.21 Subd. 3. **Private transfer fee.** "Private transfer fee" means a fee or charge required by
38.22 a private transfer fee obligation and payable upon the transfer of an interest in real property,
38.23 or payable for the right to make or accept the transfer, regardless of whether the fee or
38.24 charge is a fixed amount or is determined as a percentage of the value of the property, the
38.25 purchase price, or other consideration given for the transfer. The following are not private
38.26 transfer fees for purposes of this section:

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

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

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

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

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

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

39.22 ~~(7)~~ (6) a tax, fee, charge, assessment, fine, or other amount payable to or imposed by a
39.23 governmental authority;

39.24 ~~(8)~~ (7) a fee, charge, assessment, fine, or other amount payable to a homeowner's
39.25 condominium, cooperative, mobile home, or property owner's association pursuant to a
39.26 declaration or covenant or law applicable to the association, including but not limited to
39.27 fees or charges payable for estoppel letters or certificates issued by the association or its
39.28 authorized agent;

39.29 ~~(9)~~ (8) a fee, a charge, an assessment, dues, a contribution, or other amount pertaining
39.30 to the purchase or transfer of a club membership relating to real property owned by the
39.31 member, including but not limited to any amount determined by reference to the value,
39.32 purchase price, or other consideration given for the transfer of the real property; and

40.1 ~~(10)~~ (9) a mortgage from the purchaser of real property granted to the seller or to a
40.2 licensed real estate broker.

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

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

40.5 Subd. 2a. **For post 7/31/1985 contract.** If a default occurs in the conditions of a contract
40.6 for the conveyance of real estate or an interest in real estate executed on or after August 1,
40.7 1985, that gives the seller a right to terminate it, the seller may terminate the contract by
40.8 serving upon the purchaser or the purchaser's personal representatives or assigns, within or
40.9 outside of the state, a notice specifying the conditions in which default has been made. The
40.10 notice must state that the contract will terminate 60 days, or a shorter period allowed or a
40.11 longer period required in subdivision 4, after the service of the notice, unless prior to the
40.12 termination date the purchaser:

40.13 (1) complies with the conditions in default;

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

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

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

40.24 (5) if the contract for deed is executed on or after August 1, 2024, pays an amount to
40.25 apply on attorneys' fees actually expended or incurred of \$1,000; if the contract is executed
40.26 on or after August 1, 1999, and before August 1, 2024, pays an amount to apply on attorneys'
40.27 fees actually expended or incurred, of \$250 if the amount in default is less than \$1,000, and
40.28 of \$500 if the amount in default is \$1,000 or more; or if the contract is executed before
40.29 August 1, 1999, pays an amount to apply on attorneys' fees actually expended or incurred,
40.30 of \$125 if the amount in default is less than \$750, and of \$250 if the amount in default is
40.31 \$750 or more; except that no amount for attorneys' fees is required to be paid unless some
40.32 part of the conditions of default has existed for at least 30 days prior to the date of service
40.33 of the notice.

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

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

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

41.16 (b) If a person to be served is a resident individual who has departed from the state, or
41.17 cannot be found in the state; or is a nonresident individual or a foreign corporation,
41.18 partnership, or association, service may be made by publication as provided in this paragraph.
41.19 Three weeks' published notice has the same effect as personal service of the notice. The
41.20 published notice must comply with subdivision 3 and state (1) that the person to be served
41.21 is allowed 90 days after the first date of publication of the notice to comply with the
41.22 conditions of the contract, and (2) that the contract will terminate 90 days after the first date
41.23 of publication of the notice, unless before the termination date the purchaser complies with
41.24 the notice. If the real estate described in the contract is actually occupied, then, in addition
41.25 to publication, a person in possession must be personally served, in like manner as the
41.26 service of a summons in a civil action in state district court, within 30 days after the first
41.27 date of publication of the notice. If an address of a person to be served is known, then within
41.28 30 days after the first date of publication of the notice a copy of the notice must be mailed
41.29 to the person's last known address by first class mail, postage prepaid.

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

41.31 (1) complies with the conditions in default;

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

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

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

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

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

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

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

42.26 (g) For purposes of this subdivision, "investor seller" has the meaning given in section
42.27 559A.01, subdivision 5.

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

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

42.31 Subd. 4a. **Termination prohibited for certain transfers regarding residential real**
42.32 **property.** (a) Notwithstanding any provisions in a contract for deed to the contrary, the

43.1 notice under this section may not be given and no other remedies may be exercised for any
43.2 contract for deed based on any of the following transfers:

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

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

43.6 (3) a transfer by which the spouse or children of the purchaser become an owner of the
43.7 property;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44.26 (b) Upon a motion for a temporary restraining order the court has the discretion,
44.27 notwithstanding any rule of court to the contrary, to grant the order without requiring the
44.28 giving of any security or undertaking, and in exercising that discretion, the court shall
44.29 consider, as one factor, the moving party's ability to afford monetary security. Upon a motion
44.30 for a temporary injunction, the court shall condition the granting of the order either upon
44.31 the tender to the court or vendor of installments as they become due under the contract or
44.32 upon the giving of other security in a sum as the court deems proper. Upon written
44.33 application, the court may disburse from payments tendered to the court an amount the court
44.34 determines necessary to insure the timely payment of property taxes, property insurance,

45.1 installments of special assessments, mortgage installments, prior contract for deed
45.2 installments or other similar expenses directly affecting the real estate, or for any other
45.3 purpose the court deems just.

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

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

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

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

45.15 **559.213 PRIMA FACIE EVIDENCE OF TERMINATION.**

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

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

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

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

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

46.1 Subd. 3. **Churning.** "Churning" means the act of an investor seller executing a contract
46.2 for deed on or after August 1, 2024, if previously the investor had frequently or repeatedly
46.3 executed contracts for deed and subsequently terminated those contracts under section
46.4 559.21.

46.5 Subd. 4. **Contract for deed.** "Contract for deed" has the meaning given in section
46.6 507.235, subdivision 1a.

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

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

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

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

46.17 (3) a personal representative of the natural person;

46.18 (4) a devisee of the natural person;

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

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

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

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

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

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

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

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

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

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

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

47.18 (1) the purchaser;

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

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

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

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

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

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

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

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

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

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

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

48.21 (d) The first page of the disclosures must contain the disclosures required in subdivisions
48.22 2, 3, and 4 of this section, in that order. The title must be centered, be in bold, capitalized,
48.23 and underlined 20-point type, and read "IMPORTANT INFORMATION YOU NEED TO
48.24 KNOW." The disclosures required under subdivisions 5 and 6 must follow in subsequent
48.25 pages in that order.

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

48.30 Subd. 2. **Disclosure of balloon payment.** (a) The investor seller must disclose the
48.31 amount and due date of, if any, all balloon payments. For purposes of disclosure of a balloon
48.32 payment, the investor seller may assume that all prior scheduled payments were timely

49.1 made and no prepayments were made. If there is more than one balloon payment due, each
 49.2 one must be listed separately.

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

49.5 **"BALLOON PAYMENT**

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

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

49.12	<u>Amount of Balloon Payment</u>	<u>When Balloon Payment is Due</u>
49.13	<u>\$ (amount)</u>	<u>(month, year)"</u>

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

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

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

49.21 **Date Investor Seller Acquired Property:**

49.22 (date seller acquired ownership)

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

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

49.25 **Contract for Deed Purchase Price:**

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

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

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

51.4 **"KNOW WHAT YOU ARE GETTING INTO BEFORE YOU SIGN**

51.5 **1. How Contracts for Deed Work**

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

51.9 **You should get advice from a lawyer or the Minnesota Homeownership Center**
51.10 **before you sign the contract. You can contact the Homeownership Center at**
51.11 **1-(866)-462-6466 or go to www.hocmn.org.**

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

51.13 If you don't make your monthly installment payment or the balloon payment, the seller
51.14 can cancel the contract in only 120 days from the date you missed the payment. If the
51.15 contract is cancelled, **you lose your home and all the money you have paid, including**
51.16 **any down payment, all the monthly payments, and any improvements to the property**
51.17 **you have made.**

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

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

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

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

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

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

52.1 **A. Waiting Period After Getting Disclosures** There is a 10 calendar day waiting period
52.2 after you get these disclosures. The contract for deed cannot be signed by you or the seller
52.3 during that 10 calendar day period.

52.4 **B. Cancelling a Purchase Agreement** You have 10 calendar days after you get these
52.5 disclosures to cancel your purchase agreement and get back any money you paid."

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

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

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

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

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

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

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

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

52.29 (2) in the contract:

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

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

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

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

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

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

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

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

53.24 (2) any delinquent payments;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

55.20 Subdivision 1. **Definition.** For the purposes of this section, "material violation of section
55.21 559A.03" means:

55.22 (1) if applicable, failure to disclose any balloon payment as required under section
55.23 559A.03, subdivision 2;

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

55.26 (3) failure to disclose the other essential terms of the contact as required under section
55.27 559A.03, subdivision 4;

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

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

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

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

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

56.4 **Subd. 2. Remedy for violation of disclosure requirements or churning. (a)**

56.5 Notwithstanding any provision in the purchase agreement or contract for deed to the contrary,
56.6 a purchaser may, within two years of the execution of the contract for deed, bring an action
56.7 for relief for a material violation of section 559A.03 or a violation of 559A.04, subdivision
56.8 4. A prevailing purchaser may rescind a contract and, in conjunction with the rescission,
56.9 may recover against the investor seller a sum equal to:

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

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

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

56.16 (4) reasonable attorneys' fees and costs.

56.17 (b) A claim for rescission and a money judgment awarded under this subdivision shall
56.18 not affect any rights or responsibilities of a successor in interest to the investor seller prior
56.19 to the filing of a lis pendens in the action in which such relief is sought, unless it is established
56.20 by clear and convincing evidence that the successor in interest had prior knowledge that
56.21 the contract for deed was executed in violation of the requirements of section 559A.03 or
56.22 559A.04, subdivision 4.

56.23 (c) A purchaser barred under paragraph (b) from making a claim against a successor in
56.24 interest to the investor seller may, within two years of the execution of the contract for deed,
56.25 bring a claim for violation of the requirements of section 559A.03 or 559A.04, subdivision
56.26 4, against the original investor seller who entered into the contract for deed and may recover
56.27 the greater of actual damages or statutory damages of \$5,000, plus reasonable attorneys'
56.28 fees and costs. The original investor seller shall have no claim for indemnification or
56.29 contribution against the successor in interest.

56.30 **Subd. 3. Remedy for failure of investor seller to procure agreement with mortgage**
56.31 **holder. (a) If a mortgage holder commences foreclosure of its mortgage based on the sale**
56.32 **to a purchaser under the contract for deed and notwithstanding any provision in the purchase**
56.33 **agreement or contract for deed to the contrary, a purchaser may bring an action for the**

57.1 failure of the investor seller to procure the agreement with the mortgage holder as required
57.2 under section 559A.04, subdivision 2. A prevailing purchaser may rescind a contract and
57.3 may recover against the investor seller a sum equal to:

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

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

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

57.10 (4) reasonable attorneys' fees and costs.

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

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

57.22 (d) Nothing in this subdivision shall be construed to bar or limit any other claim by a
57.23 purchaser arising from the investor seller's breach of a senior mortgage.

57.24 Subd. 4. **Defense to termination.** A purchaser's right to the remedy under subdivision
57.25 2 or 3 shall constitute grounds for injunctive relief under section 559.211.

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

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

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

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

58.5 Sec. 47. **RULEMAKING.**

58.6 The commissioner of commerce must adopt rules to conform with the changes made in
58.7 sections 3 and 4 with respect to investment adviser registration continuing education and
58.8 franchise fees deferral, respectively. The commissioner of commerce may use the good
58.9 cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to
58.10 amend the rule under this section, and Minnesota Statutes, section 14.386, does not apply
58.11 except as provided under Minnesota Statutes, section 14.388.

58.12 Sec. 48. **REPEALER.**

58.13 Minnesota Statutes 2022, section 239.791, subdivision 3, is repealed.

58.14 Sec. 49. **REPEALER.**

58.15 (a) Minnesota Statutes 2022, section 45.014, is repealed.

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

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

58.18 Sec. 50. **REPEALER.**

58.19 Minnesota Statutes 2022, sections 559.201; and 559.202, are repealed.

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

58.21 Sec. 51. **EFFECTIVE DATE.**

58.22 This act is effective July 1, 2025.

58.23 **ARTICLE 2**

58.24 **MONETARY AND FINANCIAL INSTITUTION POLICY**

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

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

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

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

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

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

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

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

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

59.23 (b) Consumer does not include an individual who:

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

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

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

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

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

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

- 60.1 (2) obtains a loan from a financial institution;
- 60.2 (3) purchases an insurance product from a financial institution;
- 60.3 (4) holds an investment product through a financial institution, including but not limited
60.4 to when the financial institution acts as a custodian for securities or for assets in an individual
60.5 retirement arrangement;
- 60.6 (5) enters into an agreement or understanding with a financial institution whereby the
60.7 financial institution undertakes to arrange or broker a home mortgage loan, or credit to
60.8 purchase a vehicle, for the consumer;
- 60.9 (6) enters into a lease of personal property on a nonoperating basis with a financial
60.10 institution;
- 60.11 (7) obtains financial, investment, or economic advisory services from a financial
60.12 institution for a fee;
- 60.13 (8) becomes a financial institution's client to obtain tax preparation or credit counseling
60.14 services from the financial institution;
- 60.15 (9) obtains career counseling while: (i) seeking employment with a financial institution
60.16 or the finance, accounting, or audit department of any company; or (ii) employed by a
60.17 financial institution or department of any company;
- 60.18 (10) is obligated on an account that a financial institution purchases from another financial
60.19 institution, regardless of whether the account is in default when purchased, unless the
60.20 financial institution does not locate the consumer or attempt to collect any amount from the
60.21 consumer on the account;
- 60.22 (11) obtains real estate settlement services from a financial institution; or
- 60.23 (12) has a loan for which a financial institution owns the servicing rights.
- 60.24 (b) Continuing relationship does not include situations where:
- 60.25 (1) the consumer obtains a financial product or service from a financial institution only
60.26 in isolated transactions, including but not limited to: (i) using a financial institution's
60.27 automated teller machine to withdraw cash from an account at another financial institution;
60.28 (ii) purchasing a money order from a financial institution; (iii) cashing a check with a
60.29 financial institution; or (iv) making a wire transfer through a financial institution;
- 60.30 (2) a financial institution sells the consumer's loan and does not retain the rights to service
60.31 the loan;

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

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

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

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

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

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

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

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

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

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

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

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

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

62.22 (1) knowledge factors, including but not limited to a password;

62.23 (2) possession factors, including but not limited to a token; or

62.24 (3) inherence factors, including but not limited to biometric characteristics.

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

62.27 (1) personally identifiable financial information; or

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

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

63.1 (c) Nonpublic personal information does not include:

63.2 (1) publicly available information, except as included on a list described in paragraph
63.3 (a), clause (2);

63.4 (2) any list, description, or other grouping of consumers, including publicly available
63.5 information pertaining to the list, description, or other grouping of consumers, that is derived
63.6 without using any personally identifiable financial information that is not publicly available;
63.7 or

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

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

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

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

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

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

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

63.30 (b) Personally identifiable financial information includes:

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

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

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

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

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

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

64.13 (7) information from a consumer report.

64.14 (c) Personally identifiable financial information does not include:

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

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

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

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

64.24 (2) widely distributed media; or

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

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

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

64.29 (2) with respect to widely distributed media, information from a telephone book, a
64.30 television or radio program, a newspaper, or a website that is available to the general public
64.31 on an unrestricted basis. A website is not restricted merely because an Internet service

65.1 provider or a site operator requires a fee or a password, provided that access is available to
65.2 the general public.

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

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

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

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

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

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

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

66.1 (c) The information security program must include the elements set forth in section
66.2 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as
66.3 established under subdivision 2.

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

66.5 (1) ensure the security and confidentiality of customer information;

66.6 (2) protect against any anticipated threats or hazards to the security or integrity of
66.7 customer information; and

66.8 (3) protect against unauthorized access to or use of customer information that might
66.9 result in substantial harm or inconvenience to a customer.

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

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

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

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

66.19 (1) retain responsibility for complying with this chapter;

66.20 (2) designate a senior member of the financial institution's personnel to be responsible
66.21 for directing and overseeing the qualified individual's activities; and

66.22 (3) require the service provider or affiliate to maintain an information security program
66.23 that protects the financial institution in a manner that complies with the requirements of
66.24 this chapter.

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

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

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

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

67.4 (1) criteria to evaluate and categorize identified security risks or threats the financial
67.5 institution faces;

67.6 (2) criteria to assess the confidentiality, integrity, and availability of the financial
67.7 institution's information systems and customer information, including the adequacy of
67.8 existing controls in the context of the identified risks or threats the financial institution
67.9 faces; and

67.10 (3) requirements describing how:

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

67.12 (ii) the information security program addresses the risks.

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

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

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

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

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

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

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

67.30 (2) identifying and managing the data, personnel, devices, systems, and facilities that
67.31 enable the financial institution to achieve business purposes in accordance with the business

68.1 purpose's relative importance to business objectives and the financial institution's risk
68.2 strategy;

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

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

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

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

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

68.24 (8) adopting procedures for change management; and

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

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

68.32 (b) For information systems, monitoring and testing must include continuous monitoring
68.33 or periodic penetration testing and vulnerability assessments. Absent effective continuous

69.1 monitoring or other systems to detect on an ongoing basis any changes in information
69.2 systems that may create vulnerabilities, a financial institution must conduct:

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

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

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

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

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

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

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

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

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

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

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

69.31 Subd. 8. **Information security program; evaluation; adjustment.** A financial institution
69.32 must evaluate and adjust the financial institution's information security program to reflect:

70.1 (1) the results of the testing and monitoring required under subdivision 5; (2) any material
70.2 changes to the financial institution's operations or business arrangements; (3) the results of
70.3 risk assessments performed under subdivision 3, paragraph (c); or (4) any other circumstances
70.4 that the financial institution knows or has reason to know may have a material impact on
70.5 the financial institution's information security program.

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

70.10 (1) the goals of the incident response plan;

70.11 (2) the internal processes to respond to a security event;

70.12 (3) clear roles, responsibilities, and levels of decision making authority;

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

70.14 (5) requirements to remediate any identified weaknesses in information systems and
70.15 associated controls;

70.16 (6) documentation and reporting regarding security events and related incident response
70.17 activities; and

70.18 (7) evaluation and revision of the incident response plan as necessary after a security
70.19 event.

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

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

70.26 (1) the overall status of the financial institution's information security program, including
70.27 compliance with this chapter and associated administrative rules; and

70.28 (2) material matters related to the financial institution's information security program,
70.29 including but not limited to addressing issues pertaining to: (i) the risk assessment; (ii) risk
70.30 management and control decisions; (iii) service provider arrangements; (iv) testing results;
70.31 (v) security events or violations and management's responses to the security event or
70.32 violation; and (vi) recommendations for changes in the information security program.

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

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

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

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

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

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

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

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

71.17 Subdivision 1. **Notification requirement.** (a) Upon discovering a notification event as
71.18 described in subdivision 2, if the notification event involves the information of at least 500
71.19 consumers, a financial institution must notify the commissioner as soon as possible, but no
71.20 later than 30 days after the date the event is discovered. The notice must be made (1) in a
71.21 format specified by the commissioner, and (2) electronically on a form located on the
71.22 department's website.

71.23 (b) The notice must include:

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

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

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

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

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

71.29 (6) a statement (i) disclosing whether a law enforcement official has provided the financial
71.30 institution with a written determination indicating that providing notice to the public regarding

72.1 the breach would impede a criminal investigation or cause damage to national security, and
72.2 (ii) if a written determination described under item (i) was provided to the financial
72.3 institution, providing contact information that enables the commissioner to contact the law
72.4 enforcement official. A law enforcement official may request an initial delay of up to 30
72.5 days following the date that notice was provided to the commissioner. The delay may be
72.6 extended for an additional period of up to 60 days if the law enforcement official seeks an
72.7 extension in writing. An additional delay may be permitted only if the commissioner
72.8 determines that public disclosure of a security event continues to impede a criminal
72.9 investigation or cause damage to national security.

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

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

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

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

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

72.24 Subdivision 1. **Financial institution information.** (a) Any documents, materials, or
72.25 other information in the control or possession of the department that are furnished by a
72.26 licensee or a licensee's employee or agent acting on behalf of a financial institution pursuant
72.27 to section 46A.06 or that are obtained by the commissioner in an investigation or examination
72.28 pursuant to section 46A.07: (1) are classified as confidential, protected nonpublic, or both;
72.29 (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence
72.30 in any private civil action.

72.31 (b) Notwithstanding paragraph (a), clauses (1) to (3), the commissioner is authorized to
72.32 use the documents, materials, or other information in the furtherance of any regulatory or
72.33 legal action brought as a part of the commissioner's duties.

73.1 Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who
73.2 received documents, materials, or other information while acting under the authority of the
73.3 commissioner is permitted or required to testify in a private civil action concerning
73.4 confidential documents, materials, or information subject to subdivision 1.

73.5 Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's
73.6 duties under sections 46A.01 to 46A.08, the commissioner may:

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

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

73.22 (3) share documents, materials, or other information subject to subdivision 1 with a
73.23 third-party consultant or vendor, provided the consultant agrees in writing to maintain the
73.24 confidentiality and privileged status of the document, material, or other information; and

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

73.27 Subd. 5. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the
73.28 commissioner from releasing final, adjudicated actions that are open to public inspection
73.29 pursuant to chapter 13 to a database or other clearinghouse service maintained by the
73.30 Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates,
73.31 or the Conference of State Bank Supervisors' subsidiaries.

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

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

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

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

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

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

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

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

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

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

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

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

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

75.31 (6) "Forward commitment fee" means a fee or other consideration paid to a lender for
75.32 the purpose of securing a binding forward commitment by or through the lender to make
75.33 conventional loans to two or more credit worthy purchasers, including future purchasers,
75.34 of residential units, or a fee or other consideration paid to a lender for the purpose of securing
75.35 a binding forward commitment by or through the lender to make conventional loans to two

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

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

76.16 (8) "Borrower's loan commitment" means a binding commitment made by a lender to a
76.17 borrower wherein the lender agrees to make a conventional or cooperative apartment loan
76.18 pursuant to the provisions, including the interest rate, of the commitment, provided that the
76.19 commitment rate of interest does not exceed the maximum lawful rate of interest effective
76.20 as of the date the commitment is issued and the commitment when issued and agreed to
76.21 shall constitute a legally binding obligation on the part of the mortgagee or lender to make
76.22 a conventional or cooperative apartment loan within a specified time period in the future at
76.23 a rate of interest not exceeding the maximum lawful rate of interest effective as of the date
76.24 the commitment is issued by the lender to the borrower; provided that a lender who issues
76.25 a borrower's loan commitment pursuant to the provisions of a forward commitment is
76.26 authorized to issue the borrower's loan commitment at a rate of interest not to exceed the
76.27 maximum lawful rate of interest effective as of the date the forward commitment is issued
76.28 by the lender.

76.29 (9) "Finance charge" means the total cost of a conventional or cooperative apartment
76.30 loan including extensions or grant of credit regardless of the characterization of the same
76.31 and includes interest, finders fees, and other charges levied by a lender directly or indirectly
76.32 against the person obtaining the conventional or cooperative apartment loan or against a
76.33 seller of real property securing a conventional loan or a seller of a share or shares of stock
76.34 or a membership certificate or certificates in a cooperative apartment corporation securing
76.35 a cooperative apartment loan, or any other party to the transaction except any actual closing

77.1 costs and any forward commitment fee. The finance charges plus the actual closing costs
77.2 and any forward commitment fee, charged by a lender shall include all charges made by a
77.3 lender other than the principal of the conventional or cooperative apartment loan. The finance
77.4 charge, with respect to wraparound mortgages, shall be computed based upon the face
77.5 amount of the wraparound mortgage note, which face amount shall consist of the aggregate
77.6 of those funds actually advanced by the wraparound lender and the total outstanding principal
77.7 balances of the prior note or notes which have been made a part of the wraparound mortgage
77.8 note.

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

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

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

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

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

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

78.2 Subd. 2. **Approval order.** (a) If no objection is received by the commissioner within
 78.3 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must
 78.4 provide written consent approving the application without a hearing if ~~it is found~~ the
 78.5 commissioner finds that ~~(a):~~ (1) the applicant bank meets current industry standards of
 78.6 capital adequacy, management quality, and asset condition, ~~(b);~~ (2) the establishment of the
 78.7 proposed detached facility ~~will improve~~ improves the quality or increase the availability of
 78.8 banking services in the community to be served; ~~and (c);~~ (3) the establishment of the proposed
 78.9 detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing
 78.10 financial institutions in the community to be served.

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

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

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

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

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

79.3 Subd. 2. **Application.** (a) Extensions of credit or purchases of extensions of credit by
79.4 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, 48.153, 48.185,
79.5 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061 to
79.6 334.19 may, but need not, be made according to those sections in lieu of the authority set
79.7 forth in this section to the extent those sections authorize the financial institution to make
79.8 extensions of credit or purchase extensions of credit under those sections. If a financial
79.9 institution elects to make an extension of credit or to purchase an extension of credit under
79.10 those other sections, the extension of credit or the purchase of an extension of credit is
79.11 subject to those sections and not this section, except this subdivision, and except as expressly
79.12 provided in those sections. A financial institution may also charge an organization a rate of
79.13 interest and any charges agreed to by the organization and may calculate and collect finance
79.14 and other charges in any manner agreed to by that organization. Except for extensions of
79.15 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
79.16 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made
79.17 according to this section or the sections listed in this subdivision. This subdivision does not
79.18 authorize a financial institution to extend credit or purchase an extension of credit under
79.19 any of the sections listed in this subdivision if the financial institution is not authorized to
79.20 do so under those sections. A financial institution extending credit under any of the sections
79.21 listed in this subdivision shall specify in the promissory note, contract, or other loan document
79.22 the section under which the extension of credit is made.

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

79.33 (c) A consumer loan is deemed to be made in Minnesota and is subject to this section
79.34 and other applicable laws of Minnesota if the borrower is a Minnesota resident and the

80.1 borrower completes the transaction, either personally or electronically, while physically
80.2 located in Minnesota.

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

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

80.8 (1) an annual percentage rate not exceeding 21.75 percent; or

80.9 (2) the total of:

80.10 (i) 33 percent per year on that part of the unpaid balance of the principal amount not
80.11 exceeding \$1,350; and

80.12 (ii) 19 percent per year on that part of the unpaid balance of the principal amount
80.13 exceeding \$1,350.

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

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

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

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

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

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

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

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

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

82.1 index. The index for December 2011 is the reference base index for adjustments of dollar
82.2 amounts.

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

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

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

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

82.20 (l) The commissioner shall:

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

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

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

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

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

83.3 Sec. 14. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

83.4 Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus
83.5 made upon first mortgage security on improved real estate in any state in which the bank
83.6 or a ~~branch established under section 49.411~~ detached facility of the bank is located, or in
83.7 any state adjoining a state in which the bank or a ~~branch established under section 49.411~~
83.8 detached facility of the bank is located, shall not constitute a liability of the maker of the
83.9 notes secured by such mortgages within the meaning of the foregoing provision limiting
83.10 liability, but shall be an actual liability of the maker. These mortgage loans shall be limited
83.11 to, and in no case exceed, 50 percent of the cash value of the security covered by the
83.12 mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment
83.13 Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee
83.14 or for which a conditional guarantee has been issued, which loans shall in no case exceed
83.15 60 percent of the cash value of the security covered by such mortgage. For the purposes of
83.16 this subdivision, real estate is improved when substantial and permanent development or
83.17 construction has contributed substantially to its value, and agricultural land is improved
83.18 when farm crops are regularly raised on such land without further substantial improvements.

83.19 Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
83.20 subdivision to read:

83.21 Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of
83.22 a string of characters that act as a record of and provides proof that the transaction was
83.23 verified and added to the blockchain.

83.24 Sec. 16. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
83.25 subdivision to read:

83.26 Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric
83.27 identifier representing a destination for a virtual currency transfer that is associated with a
83.28 virtual currency wallet.

84.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
84.2 subdivision to read:

84.3 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal
84.4 acting as a mechanical agent of the licensee to enable the licensee to facilitate the exchange
84.5 of virtual currency for money, bank credit, or other virtual currency, including but not
84.6 limited to by (1) connecting directly to a separate virtual currency exchanger that performs
84.7 the actual virtual currency transmission, or (2) drawing upon the virtual currency in the
84.8 possession of the electronic terminal's licensee.

84.9 Sec. 18. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
84.10 subdivision to read:

84.11 Subd. 11. **Virtual currency wallet.** "Virtual currency wallet" means a software
84.12 application or other mechanism providing a means to hold, store, or transfer virtual currency.

84.13 Sec. 19. [53B.75] **VIRTUAL CURRENCY KIOSKS.**

84.14 Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual
84.15 currency transaction for, on behalf of, or with a person, the virtual currency kiosk licensee
84.16 must disclose in clear, conspicuous, and legibly written English all material risks generally
84.17 associated with virtual currency. The disclosures must be displayed on the screen of the
84.18 virtual currency kiosk with the ability for a person to acknowledge the receipt of the
84.19 disclosures. The disclosures must include at least the following information:

84.20 (1) virtual currency is not backed or insured by the government, and accounts and value
84.21 balances are not subject to Federal Deposit Insurance Corporation, National Credit Union
84.22 Administration, or Securities Investor Protection Corporation protections;

84.23 (2) some virtual currency transactions are deemed to be made when recorded on a public
84.24 ledger, which may not be the date or time when the person initiates the transaction;

84.25 (3) virtual currency's value may be derived from market participants' continued
84.26 willingness to exchange fiat currency for virtual currency, which may result in the permanent
84.27 and total loss of a particular virtual currency's value if the market for virtual currency
84.28 disappears;

84.29 (4) a person who accepts a virtual currency as payment today is not required to accept
84.30 and might not accept virtual currency in the future;

84.31 (5) the volatility and unpredictability of the price of virtual currency relative to fiat
84.32 currency may result in a significant loss over a short period;

85.1 (6) the nature of virtual currency may lead to an increased risk of fraud or cyber attack;

85.2 (7) the nature of virtual currency means that any technological difficulties experienced
85.3 by the licensees may prevent access to or use of a person's virtual currency; and

85.4 (8) any bond maintained by the licensee for the benefit of a person may not cover all
85.5 losses a person incurs.

85.6 (b) The virtual currency kiosk licensee must provide an additional disclosure, which
85.7 must be acknowledged by the person, written prominently and in bold type, and provided
85.8 separately from the disclosures above, stating: "WARNING: LOSSES DUE TO
85.9 FRAUDULENT OR ACCIDENTAL TRANSACTIONS MAY NOT BE RECOVERABLE
85.10 AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE."

85.11 Subd. 2. **New account disclosures.** When opening an account for a person a virtual
85.12 currency kiosk licensee has not previously opened an account for, and before entering into
85.13 an initial virtual currency transaction for, on behalf of, or with the person, a virtual currency
85.14 kiosk licensee must disclose all relevant terms and conditions generally associated with the
85.15 products, services, and activities of the licensee and virtual currency. A virtual currency
85.16 licensee must make the disclosures in clear, conspicuous, and legibly written English, using
85.17 at least 48-point sans serif type font. The disclosures under this subdivision must address
85.18 at least the following:

85.19 (1) the person's liability for unauthorized virtual currency transactions;

85.20 (2) the person's right to:

85.21 (i) stop payment of a preauthorized virtual currency transfer and the procedure to stop
85.22 payment;

85.23 (ii) receive periodic account statements and valuations from the licensee;

85.24 (iii) receive a receipt, trade ticket, or other evidence of a transaction; and

85.25 (iv) prior notice of a change in the licensee's rules or policies;

85.26 (3) under what circumstances the licensee, without a court or government order, discloses
85.27 a person's account information to third parties; and

85.28 (4) other disclosures that are customarily provided in connection with opening a person's
85.29 account.

85.30 Subd. 3. **Prior to transaction disclosures.** Before each virtual currency transaction for,
85.31 on behalf of, or with a person, a virtual currency kiosk licensee must disclose the transaction's

86.1 terms and conditions in clear, conspicuous, and legibly written English, using at least 48-point
86.2 sans serif type font. The disclosures under this subdivision must address at least the following:

86.3 (1) the amount of the transaction;

86.4 (2) any fees, expenses, and charges, including applicable exchange rates;

86.5 (3) the type and nature of the transaction;

86.6 (4) a warning that once completed, the transaction may not be reversed, if applicable;

86.7 (5) a daily virtual currency transaction limit of no more than \$1,000;

86.8 (6) the difference in the virtual currency's sale price versus the current market price; and

86.9 (7) other disclosures that are customarily given in connection with a virtual currency

86.10 transaction.

86.11 Subd. 4. **Acknowledgment of disclosures.** A virtual currency kiosk licensee must ensure
86.12 that each person who engages in a virtual currency transaction using the virtual currency
86.13 licensee's kiosk acknowledges receipt of all the disclosures required under this section.

86.14 Additionally, upon a transaction's completion, the virtual currency licensee must provide a
86.15 person with a receipt containing the following information:

86.16 (1) the licensee's name and contact information, including a telephone number to answer
86.17 questions and register complaints;

86.18 (2) the type, value, date, and precise time of the transaction, transactional hash, and each
86.19 virtual currency address;

86.20 (3) the fee charged;

86.21 (4) the exchange rate, if applicable;

86.22 (5) a statement of the licensee's liability for nondelivery or delayed delivery;

86.23 (6) a statement of the licensee's refund policy; and

86.24 (7) any additional information the commissioner of commerce may require.

86.25 Subd. 5. **Fees.** The licensee of a virtual currency kiosk is prohibited from collecting fees,
86.26 whether direct or indirect, from a person related to a single digital financial asset transaction
86.27 that exceeds the greater of either:

86.28 (1) \$5; or

87.1 (2) ten percent of the United States dollar equivalent of digital financial assets involved
87.2 in the transaction, according to the publicly quoted market price of the digital asset on a
87.3 licensed digital financial asset exchange at the time the person initiates the transaction.

87.4 Subd. 6. **Cancellation and refund.** A virtual currency kiosk licensee must, at the
87.5 licensee's cost and within 72 hours after a virtual currency transaction, allow the person to
87.6 cancel and receive a full refund for the virtual currency transaction if the virtual currency
87.7 transaction is:

87.8 (1) the person's first virtual currency transaction with the licensee; and

87.9 (2) to a virtual currency wallet or exchange located outside of the United States.

87.10 Sec. 20. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to
87.11 read:

87.12 Subd. 15a. **Nationwide Multistate Licensing System and Registry.** "Nationwide
87.13 Multistate Licensing System and Registry" has the meaning given in section 58A.02,
87.14 subdivision 8.

87.15 Sec. 21. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

87.16 Subd. 18. **Residential mortgage loan.** "Residential mortgage loan" means a loan secured
87.17 primarily by either: (1) a mortgage, deed of trust, or other equivalent security interest on
87.18 residential real ~~property~~ estate; or (2) certificates of stock or other evidence of ownership
87.19 interest in and proprietary lease from corporations, partnerships, or other forms of business
87.20 organizations formed for the purpose of cooperative ownership of residential real ~~property~~
87.21 estate.

87.22 Sec. 22. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

87.23 Subd. 21. **Residential real estate.** "Residential real estate" means real property located
87.24 in Minnesota upon which a dwelling, as defined in United States Code, title 15, section
87.25 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies
87.26 the real property.

87.27 Sec. 23. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

87.28 Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person
87.29 shall act as a residential mortgage originator, or make residential mortgage loans without

88.1 first obtaining a license from the commissioner according to the licensing procedures
88.2 provided in this chapter.

88.3 (b) A licensee must be either a partnership, limited liability partnership, association,
88.4 limited liability company, corporation, or other form of business organization, and must
88.5 have and maintain a surety bond in the amounts prescribed under section 58.08.

88.6 (c) The following persons are exempt from the residential mortgage originator licensing
88.7 requirements:

88.8 (1) a person who is not in the business of making residential mortgage loans and who
88.9 makes no more than three such loans, with its own funds, during any 12-month period;

88.10 (2) a financial institution as defined in section 58.02, subdivision 10;

88.11 (3) an agency of the federal government, or of a state or municipal government;

88.12 (4) an employee or employer pension plan making loans only to its participants;

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

88.15 (6) a person who is a bona fide nonprofit organization that meets all the criteria required
88.16 by the federal Secure and Fair Enforcement Licensing Act in Regulation H, adopted pursuant
88.17 to Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii);

88.18 ~~(6)~~ (7) a person exempted by order of the commissioner; or

88.19 ~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b,
88.20 or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

88.21 (i) performs only clerical or support duties in connection with assisting a consumer in
88.22 filling out a residential mortgage loan application but does not in any way offer or negotiate
88.23 loan terms, or hold themselves out as a housing counselor;

88.24 (ii) does not receive any direct or indirect compensation or gain from any individual or
88.25 company for assisting consumers with a residential mortgage loan application, in excess of
88.26 the customary salary or commission from the employer in connection with the sales
88.27 transaction; and

88.28 (iii) discloses to the borrower in writing:

88.29 (A) if a corporate affiliation with a lender exists;

88.30 (B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the
88.31 lowest or best terms available and the consumer has the right to choose their lender; and

89.1 (C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated
89.2 lender.

89.3 (d) For the purposes of this subdivision, "housing counselor" means an individual who
89.4 provides assistance and guidance about residential mortgage loan terms including rates,
89.5 fees, or other costs.

89.6 (e) The disclosures required under paragraph (c), clause ~~(7)~~ (8), item (iii), must be made
89.7 on a one-page form prescribed by the commissioner and developed in consultation with the
89.8 Manufactured and Modular Home Association. The form must be posted on the department's
89.9 website.

89.10 Sec. 24. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

89.11 Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August
89.12 1, 1999, no person shall engage in activities or practices that fall within the definition of
89.13 "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first
89.14 obtaining a license from the commissioner according to the licensing procedures provided
89.15 in this chapter.

89.16 (b) The following persons are exempt from the residential mortgage servicer licensing
89.17 requirements:

89.18 (1) a person licensed as a residential mortgage originator;

89.19 (2) an employee of one licensee or one person holding a certificate of exemption based
89.20 on an exemption under this subdivision;

89.21 (3) a person servicing loans made with its own funds, if no more than three such loans
89.22 are made in any 12-month period;

89.23 (4) a financial institution as defined in section 58.02, subdivision 10;

89.24 (5) an agency of the federal government, or of a state or municipal government;

89.25 (6) an employee or employer pension plan making loans only to its participants;

89.26 (7) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a
89.27 specific order issued by a court of competent jurisdiction; ~~or~~

89.28 (8) a person who is a bona fide nonprofit organization that meets all the criteria required
89.29 by the federal Secure and Fair Enforcement Licensing Act in Regulation H, Code of Federal
89.30 Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii); or

89.31 ~~(8)~~ (9) a person exempted by order of the commissioner.

90.1 Sec. 25. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

90.2 Subdivision 1. **Exempt person.** (a) An exempt person, as defined by section 58.04,
 90.3 subdivision 1, paragraph (c), and subdivision 2, paragraph (b), is exempt from the licensing
 90.4 requirements of this chapter, but is subject to all other provisions of this chapter.

90.5 (b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision
 90.6 4, even if the institution is otherwise an exempt person.

90.7 Sec. 26. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

90.8 Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a
 90.9 certificate of exemption from the commissioner to qualify as an exempt person under section
 90.10 58.04, subdivision 1, paragraph (c), ~~a financial institution under clause (2);~~:

90.11 (1) a bona fide nonprofit organization under section 58.04, subdivision 1, paragraph (c),
 90.12 clause (6); or

90.13 (2) a person exempted by order of the commissioner under section 58.04, subdivision
 90.14 1, paragraph (c), clause (6); or (7).

90.15 (b) The following persons must obtain a certificate of exemption from the commissioner
 90.16 to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b), as a
 90.17 financial institution under clause (4);

90.18 (1) a bona fide nonprofit organization under section 58.04, subdivision 2, paragraph (b),
 90.19 clause (8); or

90.20 (2) a person exempted by order of the commissioner under section 58.04, subdivision
 90.21 2, paragraph (b), clause (8) (9).

90.22 Sec. 27. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to
 90.23 read:

90.24 Subd. 5. **Background checks.** In connection with an application for a residential mortgage
 90.25 loan originator or servicer license, any person in control of an applicant must, at a minimum,
 90.26 provide the Nationwide Multistate Licensing System and Registry information concerning
 90.27 the person's identity, including:

90.28 (1) fingerprints for submission to the Federal Bureau of Investigation and a governmental
 90.29 agency or entity authorized to receive the information for a state, national, and international
 90.30 criminal history background check; and

91.1 (2) personal history and experience in a form prescribed by the Nationwide Multistate
 91.2 Licensing System and Registry, including the submission of authorization for the Nationwide
 91.3 Multistate Licensing System and Registry and the commissioner to obtain:

91.4 (i) an independent credit report obtained from a consumer reporting agency described
 91.5 in United States Code, title 15, section 1681a(p); and

91.6 (ii) information related to administrative, civil, or criminal findings by a governmental
 91.7 jurisdiction.

91.8 Sec. 28. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to
 91.9 read:

91.10 Subd. 6. **Requesting and distributing criminal information; agency.** For the purposes
 91.11 of this section and in order to reduce the points of contact the Federal Bureau of Investigation
 91.12 may have to maintain for purposes of subdivision 5, clauses (1) and (2), the commissioner
 91.13 may use the Nationwide Multistate Licensing System and Registry as a channeling agent
 91.14 to request information from and distribute information to the United States Department of
 91.15 Justice or any governmental agency.

91.16 Sec. 29. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to
 91.17 read:

91.18 Subd. 7. **Requesting and distributing noncriminal information; agency.** For the
 91.19 purposes of this section and in order to reduce the points of contact the commissioner may
 91.20 have to maintain for purposes of subdivision 5, clause (2), the commissioner may use the
 91.21 Nationwide Multistate Licensing System and Registry as a channeling agent to request and
 91.22 distribute information from and to any source, as directed by the commissioner.

91.23 Sec. 30. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

91.24 **Subd. 1a. Residential mortgage originators.** (a) An applicant for a residential mortgage
 91.25 originator license must file with the department a surety bond in the amount of ~~\$100,000~~
 91.26 \$125,000, issued by an insurance company authorized to do so in this state. The bond must
 91.27 cover all mortgage loan originators who are employees or independent agents of the applicant.
 91.28 The bond must be available for the recovery of expenses, fines, and fees levied by the
 91.29 commissioner under this chapter and for losses incurred by borrowers as a result of a
 91.30 licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48,
 91.31 and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

92.1 (b) The bond must be submitted with the originator's license application and evidence
 92.2 of continued coverage must be submitted with each renewal. Any change in the bond must
 92.3 be submitted for approval by the commissioner, within ten days of its execution. The bond
 92.4 or a substitute bond shall remain in effect during all periods of licensing.

92.5 (c) Upon filing of the mortgage call report as required by section ~~58A.17~~ 58.141, a
 92.6 licensee shall maintain or increase ~~its~~ the licensee's surety bond to reflect the total dollar
 92.7 amount of the closed residential mortgage loans originated in this state in the preceding
 92.8 year according to the table in this paragraph. A licensee may decrease ~~its~~ the licensee's
 92.9 surety bond according to the table in this paragraph if the surety bond required is less than
 92.10 the amount of the surety bond on file with the department.

92.11	Dollar Amount of Closed Residential	Surety Bond Required
92.12	Mortgage Loans	
92.13	\$0 to \$5,000,000 <u>\$10,000,000</u>	\$100,000 <u>\$125,000</u>
92.14	\$5,000,000.01 <u>\$10,000,000.01</u> to \$10,000,000	
92.15	<u>\$25,000,000</u>	\$125,000 <u>\$150,000</u>
92.16	\$10,000,000.01 <u>\$25,000,000.01</u> to	
92.17	\$25,000,000 <u>\$100,000,000</u>	\$150,000 <u>\$200,000</u>
92.18	Over \$25,000,000 <u>\$100,000,000</u>	\$200,000 <u>\$300,000</u>

92.19 For purposes of this subdivision, "mortgage loan originator" has the meaning given the
 92.20 term in section 58A.02, subdivision 7.

92.21 Sec. 31. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

92.22 Subd. 2. **Residential mortgage servicers.** (a) A residential mortgage servicer licensee
 92.23 shall continuously maintain a surety bond or irrevocable letter of credit in an amount not
 92.24 less than ~~\$100,000~~ \$125,000 in a form approved by the commissioner, issued by an insurance
 92.25 company or bank authorized to do so in this state. The bond or irrevocable letter of credit
 92.26 must be available for the recovery of expenses, fines, and fees levied by the commissioner
 92.27 under this chapter, and for losses or damages incurred by borrowers or other aggrieved
 92.28 parties as the result of a licensee's noncompliance with the requirements of this chapter,
 92.29 sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to
 92.30 activities regulated by this chapter.

92.31 (b) The bond or irrevocable letter of credit must be submitted with the servicer's license
 92.32 application and evidence of continued coverage must be submitted with each renewal. Any
 92.33 change in the bond or letter of credit must be submitted for approval by the commissioner,
 92.34 within ten days of its execution. The bond or a substitute bond must remain in effect during
 92.35 all periods of a license.

93.1 (c) Upon filing the mortgage call report under section 58.141, a licensee must maintain
 93.2 or increase the licensee's surety bond to reflect the total dollar amount of unpaid principal
 93.3 balance for residential mortgage loans serviced in Minnesota during the preceding quarter
 93.4 according to the table in this paragraph. A licensee may decrease the licensee's surety bond
 93.5 according to the table in this paragraph if the surety bond required is less than the amount
 93.6 of the surety bond on file with the department.

93.7	<u>Dollar Amount of Unpaid Principal Balance</u>	<u>Surety Bond Required</u>
93.8	<u>for Serviced Residential Mortgage Loans</u>	
93.9	<u>\$0 to \$10,000,000</u>	<u>\$125,000</u>
93.10	<u>\$10,000,000.01 to \$50,000,000</u>	<u>\$200,000</u>
93.11	<u>Over \$50,000,000</u>	<u>\$300,000</u>

93.12 Sec. 32. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

93.13 Subd. 3. **Consumer education account; money credited and appropriated.** (a) The
 93.14 consumer education account is created in the special revenue fund. Money credited to this
 93.15 account may be appropriated to the commissioner ~~for the purpose of making~~ to: (1) make
 93.16 grants to programs and campaigns designed to help consumers avoid being victimized by
 93.17 unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner
 93.18 incurs to provide outreach and education related to affordable housing and home ownership
 93.19 education. The commissioner must give preference ~~shall be given~~ for grants to programs
 93.20 and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies,
 93.21 institutions, companies, and organizations.

93.22 (b) A sum sufficient is appropriated annually from the consumer education account to
 93.23 the commissioner to make the grants described in paragraph (a).

93.24 Sec. 33. Minnesota Statutes 2022, section 58.115, is amended to read:

93.25 **58.115 EXAMINATIONS.**

93.26 The commissioner has under this chapter the same powers with respect to examinations
 93.27 that the commissioner has under section 46.04. In addition to the powers under section
 93.28 46.04, the commissioner may accept examination reports prepared by a state agency that
 93.29 has comparable supervisory powers and examination procedures. The authority under section
 93.30 49.411, subdivision 7, applies to examinations of institutions under this chapter.

94.1 Sec. 34. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

94.2 Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or
94.3 servicer, including a person required to be licensed under this chapter, and no person exempt
94.4 from the licensing requirements of this chapter under section 58.04, except as otherwise
94.5 provided in paragraph (b), shall:

94.6 (1) fail to maintain a trust account to hold trust funds received in connection with a
94.7 residential mortgage loan;

94.8 (2) fail to deposit all trust funds into a trust account within three business days of receipt;
94.9 commingle trust funds with funds belonging to the licensee or exempt person; or use trust
94.10 account funds for any purpose other than that for which they are received;

94.11 (3) unreasonably delay the processing of a residential mortgage loan application, or the
94.12 closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable
94.13 delay includes but is not limited to those factors identified in section 47.206, subdivision
94.14 7, paragraph (d);

94.15 (4) fail to disburse funds according to its contractual or statutory obligations;

94.16 (5) fail to perform in conformance with its written agreements with borrowers, investors,
94.17 other licensees, or exempt persons;

94.18 (6) charge a fee for a product or service where the product or service is not actually
94.19 provided, or misrepresent the amount charged by or paid to a third party for a product or
94.20 service;

94.21 (7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property
94.22 law;

94.23 (8) violate any provision of any other applicable state or federal law regulating residential
94.24 mortgage loans including, without limitation, sections 47.20 to 47.208 and 47.58;

94.25 (9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading
94.26 statement or representation in connection with a residential loan transaction including,
94.27 without limitation, a false, deceptive, or misleading statement or representation regarding
94.28 the borrower's ability to qualify for any mortgage product;

94.29 (10) conduct residential mortgage loan business under any name other than that under
94.30 which the license or certificate of exemption was issued;

94.31 (11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for
94.32 the purpose of influencing the independent judgment of the appraiser with respect to the

95.1 value of real estate that is to be covered by a residential mortgage or is being offered as
95.2 security according to an application for a residential mortgage loan;

95.3 (12) issue any document indicating conditional qualification or conditional approval for
95.4 a residential mortgage loan, unless the document also clearly indicates that final qualification
95.5 or approval is not guaranteed, and may be subject to additional review;

95.6 (13) make or assist in making any residential mortgage loan with the intent that the loan
95.7 will not be repaid and that the residential mortgage originator will obtain title to the property
95.8 through foreclosure;

95.9 (14) provide or offer to provide for a borrower, any brokering or lending services under
95.10 an arrangement with a person other than a licensee or exempt person, provided that a person
95.11 may rely upon a written representation by the residential mortgage originator that it is in
95.12 compliance with the licensing requirements of this chapter;

95.13 (15) claim to represent a licensee or exempt person, unless the person is an employee
95.14 of the licensee or exempt person or unless the person has entered into a written agency
95.15 agreement with the licensee or exempt person;

95.16 (16) fail to comply with the record keeping and notification requirements identified in
95.17 section 58.14 or fail to abide by the affirmations made on the application for licensure;

95.18 (17) represent that the licensee or exempt person is acting as the borrower's agent after
95.19 providing the nonagency disclosure required by section 58.15, unless the disclosure is
95.20 retracted and the licensee or exempt person complies with all of the requirements of section
95.21 58.16;

95.22 (18) make, provide, or arrange for a residential mortgage loan that is of a lower investment
95.23 grade if the borrower's credit score or, if the originator does not utilize credit scoring or if
95.24 a credit score is unavailable, then comparable underwriting data, indicates that the borrower
95.25 may qualify for a residential mortgage loan, available from or through the originator, that
95.26 is of a higher investment grade, unless the borrower is informed that the borrower may
95.27 qualify for a higher investment grade loan with a lower interest rate and/or lower discount
95.28 points, and consents in writing to receipt of the lower investment grade loan;

95.29 For purposes of this section, "investment grade" refers to a system of categorizing
95.30 residential mortgage loans in which the loans are distinguished by interest rate or discount
95.31 points or both charged to the borrower, which vary according to the degree of perceived
95.32 risk of default based on factors such as the borrower's credit, including credit score and

96.1 credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior
96.2 bankruptcy or foreclosure;

96.3 (19) make, publish, disseminate, circulate, place before the public, or cause to be made,
96.4 directly or indirectly, any advertisement or marketing materials of any type, or any statement
96.5 or representation relating to the business of residential mortgage loans that is false, deceptive,
96.6 or misleading;

96.7 (20) advertise loan types or terms that are not available from or through the licensee or
96.8 exempt person on the date advertised, or on the date specified in the advertisement. For
96.9 purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage
96.10 terms, including interest rates, discount points, and closing costs provided by licensees or
96.11 exempt persons to a print or electronic medium that presents the information to the public;

96.12 (21) use or employ phrases, pictures, return addresses, geographic designations, or other
96.13 means that create the impression, directly or indirectly, that a licensee or other person is a
96.14 governmental agency, or is associated with, sponsored by, or in any manner connected to,
96.15 related to, or endorsed by a governmental agency, if that is not the case;

96.16 (22) violate section 82.77, relating to table funding;

96.17 (23) make, provide, or arrange for a residential mortgage loan all or a portion of the
96.18 proceeds of which are used to fully or partially pay off a "special mortgage" unless the
96.19 borrower has obtained a written certification from an authorized independent loan counselor
96.20 that the borrower has received counseling on the advisability of the loan transaction. For
96.21 purposes of this section, "special mortgage" means a residential mortgage loan originated,
96.22 subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit
96.23 organization, that bears one or more of the following nonstandard payment terms which
96.24 substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or
96.25 or interest are not required or can be deferred under specified conditions; (iii) principal or
96.26 interest is forgivable under specified conditions; or (iv) where no interest or an annual
96.27 interest rate of two percent or less is charged in connection with the loan. For purposes of
96.28 this section, "authorized independent loan counselor" means a nonprofit, third-party
96.29 individual or organization providing home buyer education programs, foreclosure prevention
96.30 services, mortgage loan counseling, or credit counseling certified by the United States
96.31 Department of Housing and Urban Development, the Minnesota Home Ownership Center,
96.32 the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks
96.33 America;

97.1 (24) make, provide, or arrange for a residential mortgage loan without verifying the
97.2 borrower's reasonable ability to pay the scheduled payments of the following, as applicable:
97.3 principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage
97.4 insurance premiums. For loans in which the interest rate may vary, the reasonable ability
97.5 to pay shall be determined based on a fully indexed rate and a repayment schedule which
97.6 achieves full amortization over the life of the loan. For all residential mortgage loans, the
97.7 borrower's income and financial resources must be verified by tax returns, payroll receipts,
97.8 bank records, or other similarly reliable documents.

97.9 Nothing in this section shall be construed to limit a mortgage originator's or exempt
97.10 person's ability to rely on criteria other than the borrower's income and financial resources
97.11 to establish the borrower's reasonable ability to repay the residential mortgage loan, including
97.12 criteria established by the United States Department of Veterans Affairs or the United States
97.13 Department of Housing and Urban Development for interest rate reduction refinancing loans
97.14 or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage
97.15 Association or Federal Home Loan Mortgage Corporation; however, such other criteria
97.16 must be verified through reasonably reliable methods and documentation. The mortgage
97.17 originator's analysis of the borrower's reasonable ability to repay may include, but is not
97.18 limited to, consideration of the following items, if verified: (1) the borrower's current and
97.19 expected income; (2) current and expected cash flow; (3) net worth and other financial
97.20 resources other than the consumer's equity in the dwelling that secures the loan; (4) current
97.21 financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7)
97.22 employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax
97.23 returns; (12) pension statements; and (13) employment payment records, provided that no
97.24 mortgage originator shall disregard facts and circumstances that indicate that the financial
97.25 or other information submitted by the consumer is inaccurate or incomplete. A statement
97.26 by the borrower to the residential mortgage originator or exempt person of the borrower's
97.27 income and resources or sole reliance on any single item listed above is not sufficient to
97.28 establish the existence of the income or resources when verifying the reasonable ability to
97.29 pay;

97.30 (25) engage in "churning." As used in this section, "churning" means knowingly or
97.31 intentionally making, providing, or arranging for a residential mortgage loan when the new
97.32 residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower
97.33 considering all of the circumstances, including the terms of both the new and refinanced
97.34 loans, the cost of the new loan, and the borrower's circumstances; In order to demonstrate
97.35 a reasonable, tangible net benefit to the borrower, the circumstances at the time of the

98.1 application must be documented in writing and must be signed by the borrower prior to the
98.2 closing date;

98.3 (26) the first time a residential mortgage originator orally informs a borrower of the
98.4 anticipated or actual periodic payment amount for a first-lien residential mortgage loan
98.5 which does not include an amount for payment of property taxes and hazard insurance, the
98.6 residential mortgage originator must inform the borrower that an additional amount will be
98.7 due for taxes and insurance and, if known, disclose to the borrower the amount of the
98.8 anticipated or actual periodic payments for property taxes and hazard insurance. This same
98.9 oral disclosure must be made each time the residential mortgage originator orally informs
98.10 the borrower of a different anticipated or actual periodic payment amount change from the
98.11 amount previously disclosed. A residential mortgage originator need not make this disclosure
98.12 concerning a refinancing loan if the residential mortgage originator knows that the borrower's
98.13 existing loan that is anticipated to be refinanced does not have an escrow account; or

98.14 (27) make, provide, or arrange for a residential mortgage loan, other than a reverse
98.15 mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance
98.16 with any repayment option offered pursuant to the terms of the loan will result in negative
98.17 amortization during any six-month period.

98.18 (b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered
98.19 bank, savings bank, or credit union, an institution chartered by Congress under the Farm
98.20 Credit Act, or to a person making, providing, or arranging a residential mortgage loan
98.21 originated or purchased by a state agency or a tribal or local unit of government. This
98.22 paragraph supersedes any inconsistent provision of this chapter.

98.23 Sec. 35. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

98.24 Subdivision 1. Mortgage call reports. A residential mortgage originator or servicer
98.25 must submit reports of condition to the Nationwide Multistate Licensing System and Registry.
98.26 Reports submitted under this subdivision must be in the form and contain the information
98.27 required by the Nationwide Multistate Licensing System and Registry.

98.28 Subd. 2. Report to Nationwide Multistate Licensing System and Registry. Subject
98.29 to section 58A.14, the commissioner must regularly report violations of this chapter, as well
98.30 as enforcement actions and other relevant information, to the Nationwide Multistate Licensing
98.31 System and Registry.

98.32 Subd. 3. Unique identifier; display. The unique identifier of any person originating a
98.33 residential mortgage loan must be clearly displayed on all residential mortgage loan

99.1 application forms, solicitations, or advertisements, including business cards or websites,
 99.2 and any other documents the commissioner establishes by rule or order.

99.3 Sec. 36. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended
 99.4 to read:

99.5 Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's
 99.6 name that has been incurred as a result of:

99.7 (1) the use of the debtor's personal information without the debtor's knowledge,
 99.8 authorization, or consent;

99.9 (2) the use or threat of force, intimidation, undue influence, ~~harassment~~, fraud, deception,
 99.10 coercion, or other similar means against the debtor; or

99.11 (3) economic abuse perpetrated against the debtor.

99.12 (b) Coerced debt does not include secured debt.

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

99.14 Sec. 37. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended
 99.15 to read:

99.16 Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse,
 99.17 ~~harassment~~ economic abuse, or sex or labor trafficking, and (2) owes coerced debt.

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

99.19 Sec. 38. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended
 99.20 to read:

99.21 Subd. 5. **Documentation.** "Documentation" means ~~a writing that identifies a debt or a~~
 99.22 ~~portion of a debt as coerced debt, describes the circumstances under which the coerced debt~~
 99.23 ~~was incurred, and takes the form of:~~

99.24 (1) a police report;

99.25 (2) a Federal Trade Commission identity theft report;

99.26 (3) an order in a dissolution proceeding under chapter 518 that declares that one or more
 99.27 debts are coerced; or

99.28 (4) a sworn written certification.

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

100.1 Sec. 39. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended
100.2 to read:

100.3 Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic
100.4 relationship that controls, restrains, restricts, impairs, or interferes with the ability of a ~~victim~~
100.5 ~~of domestic abuse, harassment, or sex or labor trafficking~~ debtor to acquire, use, or maintain
100.6 economic resources, including but not limited to:

100.7 (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or
100.8 financial information;

100.9 (2) interfering with the victim's ability to work and earn wages; or

100.10 (3) exerting undue influence over a person's financial and economic behavior or decisions.

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

100.12 Sec. 40. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

100.13 **332.72 COERCED DEBT PROHIBITED.**

100.14 (a) A person is prohibited from causing another person to incur coerced debt.

100.15 (b) A person who causes another person to incur a coerced debt in violation of this
100.16 section is civilly liable to the creditor for the amount of the debt, or portion thereof,
100.17 determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and
100.18 costs, provided the creditor follows the procedures under section 332.74, subdivision 3,
100.19 paragraph (b).

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

100.21 Sec. 41. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended
100.22 to read:

100.23 Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74,
100.24 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on
100.25 which the creditor demands payment is coerced debt and request that the creditor cease all
100.26 collection activity on the coerced debt. The notification and request must be in writing and
100.27 include documentation. If not already included in documentation, the notification must
100.28 include a signed statement that includes:

100.29 (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or
100.30 labor trafficking;

101.1 (2) a recitation of the facts supporting the claim that the debt is coerced; and

101.2 (3) if only a portion of the debt is claimed to be coerced debt, an itemization of the
101.3 portion of the debt that is claimed to be coerced debt.

101.4 (b) The creditor, within 30 days of the date the notification and request is received, must
101.5 notify the debtor in writing of the creditor's decision to either immediately cease all collection
101.6 activity or continue to pursue collection. If a creditor ceases collection but subsequently
101.7 decides to resume collection activity, the creditor must notify the debtor ten days prior to
101.8 the date the collection activity resumes.

101.9 ~~(b) If a creditor ceases collection but subsequently decides to resume collection activity,~~
101.10 ~~the creditor must notify the debtor ten days prior to the date the collection activity resumes.~~

101.11 (c) A debtor must not proceed with an action under section 332.74 until the 30-day
101.12 period provided under paragraph (a) has expired.

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

101.14 Sec. 42. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended
101.15 to read:

101.16 Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor
101.17 has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced
101.18 debt, the debtor is entitled to one or more of the following:

101.19 (1) a declaratory judgment that the debt or portion of a debt is coerced debt;

101.20 (2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor
101.21 liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced
101.22 debt; and

101.23 (3) an order dismissing any cause of action brought by the creditor to enforce or collect
101.24 the coerced debt from the debtor or, if only a portion of the debt is established as coerced
101.25 debt, an order directing that the judgment, if any, in the action be amended to reflect only
101.26 the portion of the debt that is not coerced debt.

101.27 (b) If the court orders relief for the debtor under paragraph (a), the court, after the
101.28 creditor's motion has been personally served on the person who violated section 332.72, or
101.29 if personal service cannot be made, after service by United States mail to the last known
101.30 address of the person who violated section 332.72 and one-week published notice under
101.31 section 645.11, shall must issue a judgment in favor of the creditor against the person in
101.32 the amount of the debt or a portion thereof.

102.1 (c) This subdivision applies regardless of the judicial district in which the creditor's
102.2 action or the debtor's petition was filed.

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

102.4 Sec. 43. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended
102.5 to read:

102.6 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative
102.7 defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance
102.8 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor
102.9 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced
102.10 debt has been ~~criminally convicted, entered a guilty plea, or entered an Alford plea under~~
102.11 of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or
102.12 609.527.

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

102.14 Sec. 44. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

102.15 Subd. 2. ~~**Bible and musical instrument**~~ **Sacred possessions.** The family Bible, ~~library,~~
102.16 ~~and musical instruments~~ Torah, Qur'an, prayer rug, other religions items in an aggregate
102.17 amount not exceeding \$2,000.

102.18 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
102.19 of action commenced on or after that date.

102.20 Sec. 45. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
102.21 read:

102.22 Subd. 2a. **Library.** A personal library in an aggregate amount not exceeding \$2,000.

102.23 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
102.24 of action commenced on or after that date.

102.25 Sec. 46. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
102.26 read:

102.27 Subd. 2b. **Musical instrument.** Musical instruments in an aggregate amount not
102.28 exceeding \$2,000.

102.29 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
102.30 of action commenced on or after that date.

103.1 Sec. 47. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

103.2 Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs
103.3 of the debtor and the debtor's family.

103.4 (b) Household furniture, household appliances, ~~phonographs, radio and television~~
103.5 ~~receivers~~ radios, computers, tablets, televisions, printers, cell phones, smart phones, and
103.6 other consumer electronics of the debtor and the debtor's family, not exceeding \$11,250 in
103.7 value.

103.8 (c) The debtor's aggregate interest, not exceeding \$3,062.50 in value, in ~~wedding rings~~
103.9 ~~or other religious or culturally recognized symbols of marriage exchanged between the~~
103.10 ~~debtor and spouse at the time of the marriage and in the debtor's possession~~ jewelry.

103.11 The exemption provided by this subdivision may not be waived except with regard to
103.12 purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase
103.13 money security interest in the property exempt under this subdivision is void.

103.14 If a debtor has property of the type which would qualify for the exemption under clause
103.15 (b), of a value in excess of \$11,250 an itemized list of the exempt property, together with
103.16 the value of each item listed, shall be attached to the security agreement at the time a security
103.17 interest is taken, and a creditor may take a nonpurchase money security interest in the excess
103.18 over \$11,250 by requiring the debtor to select the exemption in writing at the time the loan
103.19 is made.

103.20 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
103.21 of action commenced on or after that date.

103.22 Sec. 48. Minnesota Statutes 2022, section 550.37, subdivision 6, is amended to read:

103.23 Subd. 6. **Tools of trade.** The tools, implements, machines, vehicles, instruments, office
103.24 furniture, stock in trade, and library reasonably necessary in the trade, business, or profession
103.25 of the debtor, not exceeding \$12,500 in value.

103.26 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
103.27 of action commenced on or after that date.

103.28 Sec. 49. Minnesota Statutes 2022, section 550.37, subdivision 12a, is amended to read:

103.29 Subd. 12a. **Motor vehicles.** One of the following: (1) one motor vehicle, to the extent
103.30 of a value not exceeding \$5,000 \$10,000; (2) one motor vehicle that is regularly used by or
103.31 for the benefit of a physically disabled person, as defined under section 169.345, subdivision

104.1 2, to the extent of a value not exceeding \$25,000; or (3) one motor vehicle, to the extent of
 104.2 a value not exceeding \$50,000 \$100,000, that has been designed or modified, at a cost of
 104.3 not less than \$3,750, to accommodate the physical disability making a disabled person
 104.4 eligible for a certificate authorized by section 169.345.

104.5 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 104.6 of action commenced on or after that date.

104.7 Sec. 50. Minnesota Statutes 2022, section 550.37, subdivision 14, is amended to read:

104.8 Subd. 14. **Public assistance.** All government assistance based on need, and the earnings
 104.9 or salary of a person who is a recipient of government assistance based on need, shall be
 104.10 exempt from all claims of creditors including any contractual setoff or security interest
 104.11 asserted by a financial institution. For the purposes of this chapter, government assistance
 104.12 based on need includes but is not limited to Minnesota family investment program;
 104.13 Supplemental Security Income; medical assistance; received by the person or by the person's
 104.14 dependent child; MinnesotaCare; received by the person or by the person's dependent child;
 104.15 payment of Medicare part B premiums or receipt of part D extra help; MFIP diversionary
 104.16 work program; work participation cash benefit; Minnesota supplemental assistance;
 104.17 emergency Minnesota supplemental assistance; general assistance; emergency general
 104.18 assistance; emergency assistance or county crisis funds; energy or fuel assistance, and;
 104.19 Supplemental Nutrition Assistance Program (SNAP); and the portion of any tax refund
 104.20 attributable to a state or federal tax credit, including but not limited to the earned income
 104.21 tax credit, state or federal child tax credit, Minnesota working family credit, renter's credit,
 104.22 or any low-income tax credit. The salary or earnings of any debtor who is or has been an
 104.23 eligible recipient of government assistance based on need, or an inmate of a correctional
 104.24 institution shall, upon the debtor's return to private employment or farming after having
 104.25 been an eligible recipient of government assistance based on need, or an inmate of a
 104.26 correctional institution, be exempt from attachment, garnishment, or levy of execution for
 104.27 a period of six months after the debtor's return to employment or farming and after all public
 104.28 assistance for which eligibility existed has been terminated. Any portion of an income tax
 104.29 refund consisting of income that was exempt when the income was earned is also exempt
 104.30 under this subdivision. The exemption provisions contained in this subdivision also apply
 104.31 ~~for 60 days~~ after deposit in any financial institution, whether in a single or joint account. In
 104.32 tracing the funds, the first-in first-out method of accounting shall be used. The burden of
 104.33 establishing that funds are exempt rests upon the debtor. Agencies distributing government
 104.34 assistance and the correctional institutions shall, at the request of creditors, inform them

105.1 whether or not any debtor has been an eligible recipient of government assistance based on
105.2 need, or an inmate of a correctional institution, within the preceding six months.

105.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
105.4 of action commenced on or after that date.

105.5 Sec. 51. Minnesota Statutes 2022, section 550.37, subdivision 20, is amended to read:

105.6 Subd. 20. **Traceable funds.** The exemption of funds from creditors' claims, provided
105.7 by subdivisions 9, 10, 11, 15, 22, and 24, shall not be affected by the subsequent deposit of
105.8 the funds in a bank or any other financial institution, whether in a single or joint account,
105.9 if the funds are traceable to ~~their~~ the funds' exempt source. In tracing the funds, the first-in
105.10 first-out method of accounting shall be used. The burden of establishing that funds are
105.11 exempt rests upon the debtor. No bank or other financial institution shall be liable for
105.12 damages for complying with process duly issued out of any court for the collection of a
105.13 debt even if the funds affected by the process are subsequently determined to have been
105.14 exempt.

105.15 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
105.16 of action commenced on or after that date.

105.17 Sec. 52. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

105.18 Subd. 22. **Rights of action.** Rights of action or money received for injuries to the person
105.19 of the debtor or of a relative whether or not resulting in death. Injuries to the person include
105.20 physical, mental, and emotional injuries. The exemption under this subdivision applies to
105.21 the right to receive, annuities being paid, and money already received.

105.22 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
105.23 of action commenced on or after that date.

105.24 Sec. 53. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

105.25 Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to
105.26 exceed in value \$10,000 in any accrued ~~dividend~~ dividends or interest under or loan value
105.27 of any unmaturing life insurance ~~contract~~ contracts owned by the debtor under which the
105.28 insured is the debtor or an individual of whom the debtor is a dependent.

105.29 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
105.30 of action commenced on or after that date.

106.1 Sec. 54. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
106.2 read:

106.3 Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to
106.4 exceed \$3,000, in household tools and equipment, including but not limited to hand and
106.5 power tools, snow removal equipment, and lawnmowers.

106.6 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
106.7 of action commenced on or after that date.

106.8 Sec. 55. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
106.9 read:

106.10 Subd. 28. **Property tax refunds.** Any refund due under chapter 290A, up to a present
106.11 value of \$3,000.

106.12 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
106.13 of action commenced on or after that date.

106.14 Sec. 56. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
106.15 read:

106.16 Subd. 29. **Funds in a depository account.** An amount up to an aggregate of \$4,000 in
106.17 financial institutions in which the debtor has a depository account, regardless of the sources
106.18 of the funds, is exempt from garnishment under sections 571.91 to 571.915. This exemption
106.19 cannot be claimed in conjunction with the exemption under subdivision 30.

106.20 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to
106.21 garnishment levied on or after that date.

106.22 Sec. 57. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
106.23 read:

106.24 Subd. 30. **Wild card exemption in bankruptcy.** In a bankruptcy, a debtor may exempt
106.25 any property, including funds in a bank account, up to \$4,000 in value. A debtor cannot
106.26 claim this exemption if they are already protecting funds in a bank account under subdivision
106.27 29, nor may they use this subdivision in conjunction with subdivision 29.

106.28 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemptions
106.29 claimed on or after that date.

107.1 Sec. 58. **[550.3711] MOTOR VEHICLE; BANKRUPTCY DEBTOR'S RIGHT TO**
107.2 **RETAIN.**

107.3 Subdivision 1. **No default.** If a buyer does not default in performing the buyer's
107.4 obligations under the contract, the seller or holder is prohibited from (1) accelerating the
107.5 maturity of part or the entire amount due under the contract, or (2) repossessing the motor
107.6 vehicle.

107.7 Subd. 2. **Bankruptcy.** (a) Neither of the following constitutes a default in the performance
107.8 of the buyer's obligations under the contract: (1) the buyer or another individual liable under
107.9 the contract files a petition commencing a case for bankruptcy under United States Code,
107.10 title 11; or (2) the buyer or another individual liable under the contract is a debtor in
107.11 bankruptcy.

107.12 (b) The act or status under paragraph (a), clauses (1) and (2), with respect to the buyer
107.13 or another individual liable on the contract, must not be used by a seller or holder to: (1)
107.14 accelerate the maturity of a portion of or the entire amount due under the contract; or (2)
107.15 repossess the motor vehicle.

107.16 (c) A contract provision that states an act or status under paragraph (a), clauses (1) and
107.17 (2), with respect to the buyer or another individual liable on the contract, constitutes a default
107.18 is void and unenforceable.

107.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
107.20 of action commenced on or after that date.

107.21 Sec. 59. Minnesota Statutes 2022, section 550.39, is amended to read:

107.22 **550.39 EXEMPTION OF INSURANCE POLICIES.**

107.23 The net amount payable to any insured or to any beneficiary under any policy of accident
107.24 or disability insurance or under accident or disability clauses attached to any policy of life
107.25 insurance shall be exempt and free and clear from the claims of all creditors of such insured
107.26 or such beneficiary and from all legal and judicial processes of execution, attachment,
107.27 garnishment, or otherwise, up to a total amount of \$1,000,000 per claim and subsequent
107.28 award.

107.29 Sec. 60. Minnesota Statutes 2022, section 563.01, subdivision 3, is amended to read:

107.30 Subd. 3. **Court fee waiver; authorization of in forma pauperis.** (a) Any court of the
107.31 state of Minnesota or any political subdivision thereof may authorize the commencement
107.32 or defense of any civil action, or appeal therein, without prepayment of fees, costs and

108.1 security for costs by a natural person who makes affidavit stating (a) the nature of the action,
108.2 defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is
108.3 financially unable to pay the fees, costs and security for costs.

108.4 (b) Upon a finding by the court that the action is not of a frivolous nature, the court shall
108.5 allow the person to proceed ~~in forma pauperis~~ with a court fee waiver if the affidavit is
108.6 substantially in the language required by this subdivision and is not found by the court to
108.7 be untrue. Persons meeting the requirements of this subdivision include, but are not limited
108.8 to, a person who is receiving public assistance described in section 550.37, subdivision 14,
108.9 who is represented by an attorney on behalf of a civil legal services program or a volunteer
108.10 attorney program based on indigency, or who has an annual income not greater than 125
108.11 percent of the poverty line established under United States Code, title 42, section 9902(2),
108.12 except as otherwise provided by section 563.02.

108.13 (c) If, at commencement of the action, the court finds that a party does not meet the
108.14 eligibility criteria under paragraph (b), but the court also finds that the party is not able to
108.15 pay all of the fees, costs, and security for costs, the court may order payment of a fee of \$75
108.16 or partial payment of the fees, costs, and security for costs, to be paid as directed by the
108.17 court.

108.18 The court administrator shall transmit any fees or payments to the commissioner of
108.19 management and budget for deposit in the state treasury and credit to the general fund.

108.20 Sec. 61. Minnesota Statutes 2022, section 563.01, subdivision 4, is amended to read:

108.21 Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the
108.22 sheriff of any Minnesota county shall perform their duties without charge to the person
108.23 proceeding ~~in forma pauperis~~ with a court fee waiver. The court shall direct payment of the
108.24 reasonable expense of service of process pursuant to subdivision 2 if served by a private
108.25 process server, if the sheriff is unavailable, or by publication.

108.26 Sec. 62. Minnesota Statutes 2022, section 563.01, subdivision 8, is amended to read:

108.27 Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting
108.28 permission to proceed ~~in forma pauperis~~ with a court fee waiver following application in
108.29 the manner provided in subdivision 3, direct payment of the reasonable expenses incurred
108.30 in obtaining the record and reproducing the appellate briefs.

109.1 Sec. 63. Minnesota Statutes 2022, section 563.01, subdivision 9, is amended to read:

109.2 Subd. 9. **Rescinding ~~in forma pauperis status~~ court fee waiver.** Upon motion, the
109.3 court may rescind ~~its~~ permission to proceed ~~in forma pauperis~~ with a court fee waiver if ~~it~~
109.4 the court finds the allegations of poverty contained in the affidavit are untrue, or if, following
109.5 commencement of the action, the party becomes able to pay the fees, costs and security for
109.6 the costs. In such cases, the court may direct the party to pay to the court administrator any
109.7 costs allowing the action to proceed. The court administrator shall transmit the costs to the
109.8 commissioner of management and budget for deposit in the state treasury and credit them
109.9 to the general fund.

109.10 Sec. 64. Minnesota Statutes 2022, section 563.01, subdivision 10, is amended to read:

109.11 Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action
109.12 as in other cases. In the event any person recovers moneys by either settlement or judgment
109.13 as a result of commencing or defending an action ~~in forma pauperis~~ with a court fee waiver,
109.14 the costs deferred and the expenses directed by the court to be paid under this section shall
109.15 be included in such moneys and shall be paid directly to the court administrator by the
109.16 opposing party. The court administrator shall transmit the costs to the commissioner of
109.17 management and budget for deposit in the state treasury and credit them to the general fund.

109.18 Sec. 65. Minnesota Statutes 2022, section 563.02, subdivision 2, is amended to read:

109.19 Subd. 2. **Inmate request to ~~proceed in forma pauperis~~ waive court fees.** (a) An inmate
109.20 who wishes to commence a civil action ~~by proceeding in forma pauperis~~ with court fee
109.21 waived must meet the following requirements, in addition to the requirements of section
109.22 563.01, subdivision 3:

109.23 (1) exhaust the inmate complaint procedure developed under the commissioner of
109.24 corrections policy and procedure before commencing a civil action against the department,
109.25 and state in the application to ~~proceed in forma pauperis~~ wave court fees that the inmate
109.26 has done so; and

109.27 (2) include the following information in an affidavit submitted under section 563.01:

109.28 (i) a statement that the inmate's claim is not substantially similar to a previous claim
109.29 brought by the inmate against the same party, arising from the same operative facts, and in
109.30 which there was an action that operated as an adjudication on the merits;

110.1 (ii) complete information on the inmate's identity, the nature and amount of the inmate's
110.2 income, spouse's income, if available to the inmate, real property owned by the inmate, and
110.3 the inmate's bank accounts, debts, monthly expenses, and number of dependents; and

110.4 (iii) the most recent monthly statement provided by the commissioner of corrections
110.5 showing the balance in the inmate's inmate account.

110.6 (b) The inmate shall also attach a written authorization for the court to obtain at any
110.7 time during pendency of the present action, without further authorization from the inmate,
110.8 a current statement of the inmate's inmate account balance, if needed to determine eligibility
110.9 to proceed with bringing a civil action ~~in forma pauperis~~ with court fees waived. An inmate
110.10 who has no funds in an inmate account satisfies the requirement of section 563.01,
110.11 subdivision 3, clause (c).

110.12 (c) An inmate who seeks to proceed as a plaintiff ~~in forma pauperis~~ with court fees
110.13 waived must file with the court the complaint in the action and the affidavit under this
110.14 section before serving the complaint on an opposing party.

110.15 (d) An inmate who has funds in an inmate account may only proceed as a plaintiff in a
110.16 civil action by paying the lesser of:

110.17 (1) the applicable court filing fee; or

110.18 (2) 50 percent of the balance shown in the inmate's account according to the statement
110.19 filed with the court under this subdivision, consistent with the requirements of section
110.20 243.23, subdivision 3.

110.21 (e) If an inmate elects to proceed under paragraph (d), the court shall notify the
110.22 commissioner of corrections to withdraw from the inmate's account the amount required
110.23 under this section and forward the amount to the court administrator in the county where
110.24 the action was commenced. The court shall also notify the commissioner of corrections of
110.25 the amount of the filing fee remaining unpaid. The commissioner shall continue making
110.26 withdrawals from the inmate's account and forwarding the amounts withdrawn to the court
110.27 administrator, at intervals as the applicable funds in the inmate's account equal at least \$10,
110.28 until the entire filing fee and any costs have been paid in full.

110.29 Sec. 66. Minnesota Statutes 2022, section 571.72, subdivision 6, is amended to read:

110.30 Subd. 6. **Bad faith claim.** If, in a proceeding brought under subdivision 9, section 571.91,
110.31 or a similar proceeding under this chapter to determine a claim of exemption, the claim of
110.32 exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor
110.33 shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional

111.1 proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and
 111.2 the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor
 111.3 shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional
 111.4 proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified
 111.5 to reflect assessment of damages, costs, and attorney fees. However, if the party in whose
 111.6 favor a penalty assessment is made is not actually indebted to that party's attorney for fees,
 111.7 the attorney's fee award shall be made directly to the attorney and if not paid an appropriate
 111.8 judgment in favor of the attorney shall be entered.

111.9 Sec. 67. Minnesota Statutes 2022, section 571.72, subdivision 8, is amended to read:

111.10 Subd. 8. **Exemption notice.** In every garnishment where the debtor is a natural person,
 111.11 the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing
 111.12 earnings, the earnings exemption notice provided in section 571.924 must be served ten or
 111.13 more days before the service of the first garnishment summons. If the creditor is garnishing
 111.14 funds in a financial institution, the exemption notice provided in section 571.912 must be
 111.15 served with the garnishment summons. In all other cases, the exemption notice must be in
 111.16 the following form and served on the debtor with a copy of the garnishment summons.

111.17	STATE OF MINNESOTA	DISTRICT COURT
111.18	COUNTY OF .....	.....JUDICIAL DISTRICT
111.19	.....(Creditor)	
111.20	against	
111.21	.....(Debtor)	EXEMPTION NOTICE
111.22	and	
111.23	.....(Garnishee)	

111.24 A Garnishment Summons is being served upon you. Some of your property may be
 111.25 exempt and cannot be garnished. The following is a list of some of the more common
 111.26 exemptions. It is not complete and is subject to section 550.37 of the Minnesota Statutes
 111.27 and other state and federal laws. The dollar amounts contained in this list are subject to the
 111.28 provisions of section 550.37, subdivision 4a, at the time of garnishment. If you have questions
 111.29 about an exemption, you should obtain legal advice.

- 111.30 (1) a homestead or the proceeds from the sale of a homestead;
- 111.31 (2) household furniture, appliances, phonographs, radios, and televisions up to a total
 111.32 current value of \$5,850;
- 111.33 (3) a manufactured (mobile) home used as your home;

112.1 (4) one motor vehicle currently worth less than \$2,600 after deducting any security
112.2 interest;

112.3 (5) farm machinery used by an individual principally engaged in farming, or tools,
112.4 machines, or office furniture used in your business or trade. This exemption is limited to
112.5 \$13,000;

112.6 (6) relief based on need. This includes:

112.7 (i) Minnesota Family Investment Program (MFIP) and Work First Program;

112.8 (ii) Medical Assistance (MA), whether received by you or by your dependent child;

112.9 (iii) General Assistance (GA);

112.10 (iv) Emergency General Assistance (EGA);

112.11 (v) Minnesota Supplemental AID (MSA);

112.12 (vi) MSA-Emergency Assistance (MSA-EA);

112.13 (vii) Supplemental Security Income (SSI);

112.14 (viii) Energy Assistance; and

112.15 (ix) Emergency Assistance (EA);

112.16 (7) Social Security benefits;

112.17 (8) unemployment benefits, workers' compensation, or veteran's benefits;

112.18 (9) an accident, disability, or retirement pension or annuity;

112.19 (10) life insurance proceeds;

112.20 (11) earnings of your minor child; and

112.21 (12) money from a claim for damage or destruction of exempt property (such as household
112.22 goods, farm tools, business equipment, a manufactured (mobile) home, or a car).

112.23 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemption
112.24 notices provided on or after that date.

112.25 Sec. 68. Minnesota Statutes 2022, section 571.72, subdivision 9, is amended to read:

112.26 Subd. 9. **Motion to determine objections.** (a) This subdivision applies to all garnishment
112.27 proceedings governed by this chapter. An objection regarding a garnishment must be
112.28 interposed as provided in section 571.914, subdivision 1, in the form provided under section
112.29 571.914, subdivision 2.

113.1 (b) Upon motion of any party in interest, on notice, the court shall determine the validity
 113.2 of any claim of exemption and may make any order necessary to protect the rights of those
 113.3 interested.

113.4 (c) Upon receipt of a claim of exemption by the debtor, the creditor must comply with
 113.5 the claim or interpose an objection within ten business days of the date the exemption claim
 113.6 was received. An objection must be interposed by:

113.7 (1) in the district court that issued the judgment, filing the Notice of Objection and
 113.8 requesting a hearing; and

113.9 (2) mailing or delivering one copy of the Notice of Objection and Notice of Hearing to
 113.10 the garnishee and one copy of the Notice of Objection and Notice of Hearing to the debtor.

113.11 (d) For the purposes of subdivision 6, there is a rebuttable presumption of bad faith if
 113.12 the court finds that the creditor failed to comply with the requirements of this subdivision.

113.13 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 113.14 of action commenced on or after that date.

113.15 Sec. 69. Minnesota Statutes 2022, section 571.72, subdivision 10, is amended to read:

113.16 Subd. 10. **Exemption notice for prejudgment garnishment.**

113.17 **EXEMPTION NOTICE**

113.18 **IMPORTANT NOTICE: A garnishment summons may be served on your employer,**
 113.19 **bank, or other third parties without any further court proceeding or notice to you.**
 113.20 **See the attached Notice of Intent to Garnish for more information.**

113.21 **The following money and wages may be protected (the legal word is exempt) from**
 113.22 **garnishment:**

113.23 **1. Financial institutions/bank**

113.24 Some of the money in your account may be protected because you receive government
 113.25 benefits from one or more of the following places:

113.26 **MFIP - Minnesota family investment program,**

113.27 **MFIP Diversionary Work Program,**

113.28 **Work participation cash benefit,**

113.29 **GA - general assistance,**

113.30 **EA - emergency assistance,**

114.1 **MA** - medical assistance, whether received by you or by your dependent child,

114.2 **EGA** - emergency general assistance or county crisis funds,

114.3 **MSA** - Minnesota supplemental aid,

114.4 **MSA-EA** - MSA emergency assistance,

114.5 **Supplemental Nutrition Assistance Program (SNAP),**

114.6 **SSI - Supplemental Security Income,**

114.7 **MinnesotaCare,** whether received by you or by your dependent child,

114.8 **Medicare Part B premium payments,**

114.9 **Medicare Part D extra help,**

114.10 **Energy or fuel assistance,**

114.11 **Social Security benefits,**

114.12 **Unemployment benefits,**

114.13 **Workers' compensation,**

114.14 **Veterans benefits.**

114.15 **Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK**

114.16 **STATEMENTS that show what was in your account for the past 60 days may give the**

114.17 **creditor enough information about your exemption claim to avoid a garnishment.**

114.18 **2. Earnings**

114.19 All or some of your earnings may be completely protected from garnishment if:

114.20 **All of your earnings (wages) may be protected if:**

114.21 You get government benefits (see list of government benefits)

114.22 You currently receive other assistance based on need

114.23 You have received government benefits in the last six months

114.24 You were in jail or prison in the last six months

114.25 Your wages are only protected for 60 days after they are deposited in your account so

114.26 **it would be helpful if you immediately send the undersigned creditor a copy of BANK**

114.27 **STATEMENTS that show what was in your account for the past 60 days.**

114.28 **Some of your earnings (wages) may be protected if:**

115.1 If all of your earnings are not exempt, some of your earnings may still be protected for
115.2 20 days after they were deposited in your account. The amount protected is the larger amount
115.3 of:

115.4 75 percent of your wages (after taxes are taken out); or
115.5 (insert the sum of the current federal minimum wage) multiplied by 40.

115.6 **The money from the following are also exempt for 20 days after they are deposited**
115.7 **in your account.**

115.8 **An accident, disability, or retirement pension or annuity**

115.9 **Payments to you from a life insurance policy**

115.10 **Earnings of your child who is under 18 years of age**

115.11 **Child support**

115.12 **Money paid to you from a claim for damage or destruction of property.** Property
115.13 includes household goods, farm tools or machinery, tools for your job, business equipment,
115.14 a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or
115.15 appliances.

115.16 **Death benefits paid to you.**

115.17 **YOU WILL BE ABLE TO CLAIM THESE EXEMPTIONS WHEN YOU**
115.18 **RECEIVE A NOTICE. You will get the notice at least ten days BEFORE a wage**
115.19 **garnishment. BUT if the creditor garnishes your bank account, you will not get the**
115.20 **notice until AFTER the account has been frozen. IF YOU BELIEVE THE MONEY**
115.21 **IN YOUR BANK ACCOUNT OR YOUR WAGES ARE EXEMPT, YOU SHOULD**
115.22 **IMMEDIATELY CONTACT THE PERSON BELOW. YOU SHOULD TELL THEM**
115.23 **WHY YOU THINK YOUR ACCOUNT OR WAGES ARE EXEMPT TO SEE IF**
115.24 **YOU CAN AVOID GARNISHMENT.**

115.25 Creditor

115.26 Creditor address

115.27 Creditor telephone number

115.28 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to exemption
115.29 **notices provided on or after that date.**

116.1 Sec. 70. Minnesota Statutes 2022, section 571.911, is amended to read:

116.2 **571.911 EXEMPTION NOTICE; DUTY OF FINANCIAL INSTITUTION.**

116.3 (a) If the garnishment summons is used to garnish funds of a debtor who is a natural
116.4 person and if the funds to be garnished are held on deposit at a financial institution, the
116.5 creditor shall serve with the garnishee summons a notice, instructions, and two copies of
116.6 an exemption notice. The notice, instructions, and exemption notices must be substantially
116.7 in the forms set forth in section 571.912. Failure of the creditor to send the exemption notice
116.8 renders the garnishment void, and the financial institution shall take no action.

116.9 (b) Unless the total amount in the depository accounts under the debtor's name is less
116.10 than the amount specified under section 550.37, subdivision 29, upon receipt of the
116.11 garnishment summons and exemption notices, the financial institution shall retain as much
116.12 of the amount under section 571.73 as the financial institution has on deposit owing to the
116.13 debtor, but not more than 110 percent of the creditor's claim. If the amount in the account
116.14 does not exceed the amount specified under section 550.37, subdivision 29, the bank must
116.15 notify the creditor that no funds are retained.

116.16 (c) If the creditor receives notice from the financial institution that no funds are retained,
116.17 the creditor is prohibited from sending the notice under section 571.912.

116.18 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
116.19 of action commenced on or after that date.

116.20 Sec. 71. Minnesota Statutes 2022, section 571.914, subdivision 1, is amended to read:

116.21 ~~Subdivision 1. **Objections and request for hearing.** An objection shall be interposed,~~
116.22 ~~within six business days of receipt by the creditor of an exemption claim from the debtor,~~
116.23 ~~by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the~~
116.24 ~~financial institution and one copy of the Notice of Objection and Notice of Hearing to the~~
116.25 ~~debtor.~~

116.26 (a) The Notice of Objection and Notice of Hearing form must be substantially in the
116.27 form set out in subdivision 2.

116.28 (b) The court administrator may charge a fee of \$1 for the filing of a Notice of Objection
116.29 and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the
116.30 court administrator shall schedule the matter for hearing no sooner than five business days
116.31 but no later than seven business days from the date of filing. A debtor may request
116.32 continuance of the hearing by notifying the creditor and the court. The court shall schedule
116.33 the continued hearing within seven days of the original hearing date.

117.1 (c) An order stating whether the debtor's funds are exempt shall be issued by the court
117.2 within three days of the date of the hearing.

117.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
117.4 of action commenced on or after that date.

117.5 Sec. 72. Minnesota Statutes 2022, section 571.92, is amended to read:

117.6 **571.92 GARNISHMENT OF EARNINGS.**

117.7 Sections 571.921 to 571.926 relate to the garnishment of earnings. The exemptions
117.8 available under section 550.37 apply to the garnishment of earnings if the debtor is a resident
117.9 of Minnesota and the debtor's place of employment is in Minnesota, regardless of where
117.10 the employer is domiciled.

117.11 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
117.12 of action commenced on or after that date.

117.13 Sec. 73. Minnesota Statutes 2022, section 571.921, is amended to read:

117.14 **571.921 DEFINITIONS.**

117.15 For purposes of sections 571.921 to 571.926, the following terms have the meanings
117.16 given them:

117.17 (a) "Earnings" means:

117.18 (1) compensation paid or payable to an employee, independent contractor, or
117.19 self-employed person for personal service whether denominated as wages, salary,
117.20 commissions, bonus, payments, profit-sharing distribution, severance payment, fees, or
117.21 otherwise, and includes periodic payments pursuant to a pension or retirement program;

117.22 (2) compensation paid or payable to the producer for the sale of agricultural products;
117.23 livestock or livestock products; milk or milk products; or fruit or other horticultural products
117.24 produced when the producer is operating a family farm, a family farm corporation, or an
117.25 authorized farm corporation, as defined in section 500.24, subdivision 2; or

117.26 (3) maintenance as defined in section 518.003, subdivision 3a.

117.27 (b) "Disposable earnings" means that part of the earnings of an individual remaining
117.28 after the deduction from those earnings of amounts required by law to be withheld.

117.29 (c) "Employee" means an individual ~~who performs services subject to the right of the~~
117.30 ~~employer to control both what is done and how it is done.,~~ whether currently or formerly
117.31 employed, who is owed earnings and who:

118.1 (1) is treated by an employer as an employee for federal employment tax purposes; or
118.2 (2) receives earnings from an employer through periodic payments and is not treated by
118.3 the employer as an employee for federal employment tax purposes.

118.4 (d) "Employer" means a person ~~for whom an individual performs services as an employee~~
118.5 who owes or will owe earnings to an employee.

118.6 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
118.7 of action commenced on or after that date.

118.8 Sec. 74. Minnesota Statutes 2022, section 571.922, is amended to read:

118.9 **571.922 LIMITATION ON WAGE GARNISHMENT.**

118.10 (a) Unless the judgment is for child support, the maximum part of the aggregate
118.11 disposable earnings of an individual for any pay period subjected to garnishment may not
118.12 exceed the lesser of:

118.13 (1) 25 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds
118.14 120 times the greater of the hourly wage described in section 571.922, paragraph (a), clause
118.15 (4); or

118.16 (2) 15 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds
118.17 80 times, but is less than or equal to 120 times, the greater of the hourly wages described
118.18 in section 571.922, paragraph (a), clause (4); or

118.19 (3) five percent of the debtor's disposable earnings, if the debtor's weekly income exceeds
118.20 40 times, but is less than or equal to 80 times, the greater of the hourly wages described in
118.21 section 571.922, paragraph (a), clause (4).

118.22 (b) The amount by which the debtor's disposable earnings exceed the greater of:

118.23 ~~(i)~~ (1) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph
118.24 (b), clause (1), item (iii); or

118.25 ~~(ii)~~ (2) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the
118.26 Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The
118.27 calculation of the amount that is subject to garnishment must be based on the hourly wage
118.28 in effect at the time the earnings are payable, times the number of work weeks in the pay
118.29 period. When a pay period consists of other than a whole number of work weeks, each day
118.30 of that pay period in excess of the number of completed work weeks shall be counted as a
118.31 fraction of a work week equal to the number of excess workdays divided by the number of
118.32 days in the normal work week.

119.1 ~~(b)~~ (c) If the judgment is for child support, the garnishment may not exceed:

119.2 (1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is
119.3 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
119.4 to be calculated to the beginning of the work week in which the execution levy is received);

119.5 (2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is
119.6 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
119.7 to be calculated to the beginning of the work week in which the garnishment summons is
119.8 received);

119.9 (3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not
119.10 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
119.11 to be calculated to the beginning of the work week in which the execution levy is received);
119.12 or

119.13 (4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not
119.14 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
119.15 to be calculated to the beginning of the work week in which the garnishment summons is
119.16 received).

119.17 Wage garnishments on judgments for child support are effective until the judgments are
119.18 satisfied if the judgment creditor is a county and the employer is notified by the county
119.19 when the judgment is satisfied.

119.20 ~~(e)~~ (d) No court may make, execute, or enforce an order or any process in violation of
119.21 this section.

119.22 Sec. 75. Minnesota Statutes 2022, section 571.924, subdivision 1, is amended to read:

119.23 Subdivision 1. **Requirement.** The creditor shall serve upon the debtor, no less than ten
119.24 days before the service of the garnishment summons, a notice that a summons may be issued.
119.25 The notice shall: (1) be substantially in the form set out in section 571.925; (2) be served
119.26 personally, in the manner of a summons and complaint, or by first class mail to the last
119.27 known address of the debtor; (3) inform the debtor that a garnishment summons may be
119.28 served on the debtor's employer after ten days, and that the debtor may, within that time,
119.29 cause to be served on the creditor a signed statement under penalties of perjury asserting
119.30 an entitlement to an exemption from garnishment; (4) inform the debtor of the earnings
119.31 garnishment exemptions contained in section 550.37, subdivision 14; ~~and~~ (5) advise the
119.32 debtor of the relief set forth in this chapter to which the debtor may be entitled if a creditor
119.33 in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed

120.1 against a debtor who in bad faith falsely claims an exemption or in bad faith takes action
 120.2 to frustrate the garnishment process; and (6) provide in type that is at least two points larger
 120.3 than the body of the notice: (i) the date upon which the notice is mailed; (ii) a mailing
 120.4 address and an email address for delivery of an exemption claim; and (iii) a telephone
 120.5 number for the creditor's attorney or the creditor.

120.6 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 120.7 of action commenced on or after that date.

120.8 Sec. 76. Minnesota Statutes 2022, section 571.925, is amended to read:

120.9 **571.925 FORM OF NOTICE.**

120.10 The ten-day notice informing a debtor that a garnishment summons may be used to
 120.11 garnish the earnings of an individual must be substantially in the following form:

120.12	STATE OF MINNESOTA	DISTRICT COURT
120.13	COUNTY OF .....	.....JUDICIAL DISTRICT
120.14	.....(Creditor)	
120.15	against	
120.16		GARNISHMENT EXEMPTION
120.17	.....(Debtor)	NOTICE AND NOTICE OF
120.18	and	INTENT TO GARNISH EARNINGS
120.19	.....(Garnishee)	

120.20 PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon
 120.21 your employer or other third parties, without any further court proceedings or notice to you,
 120.22 ten days or more from the date hereof. Some or all of your earnings are exempt from
 120.23 garnishment. If your earnings are garnished, your employer must show you how the amount
 120.24 that is garnished from your earnings was calculated. You have the right to request a hearing
 120.25 if you claim the garnishment is incorrect.

120.26 Your earnings are completely exempt from garnishment if you are now a recipient of
 120.27 assistance based on need, if you have been a recipient of assistance based on need within
 120.28 the last six months, or if you have been an inmate of a correctional institution in the last six
 120.29 months.

120.30 Assistance based on need includes, but is not limited to:

- 120.31 **MFIP - Minnesota family investment program,**
- 120.32 **MFIP Diversionary Work Program,**
- 120.33 **Work participation cash benefit,**

- 121.1 **GA** - general assistance,
- 121.2 **EA** - emergency assistance,
- 121.3 **MA** - medical assistance, whether received by you or by your dependent child,
- 121.4 **EGA** - emergency general assistance,
- 121.5 **MSA** - Minnesota supplemental aid,
- 121.6 **MSA-EA** - MSA emergency assistance,
- 121.7 **Supplemental Nutrition Assistance Program (SNAP),**
- 121.8 **SSI - Supplemental Security Income,**
- 121.9 **MinnesotaCare,** whether received by you or by your dependent child,
- 121.10 **Medicare Part B premium payments,**
- 121.11 **Medicare Part D extra help,**
- 121.12 **Energy or fuel assistance.**

121.13 If you wish to claim an exemption, you should fill out the appropriate form below, sign
 121.14 it, and send it to the creditor's attorney and the garnishee.

121.15 You may wish to contact the attorney for the creditor in order to arrange for a settlement
 121.16 of the debt or contact an attorney to advise you about exemptions or other rights.

121.17 **PENALTIES**

121.18 (1) Be advised that even if you claim an exemption, a garnishment summons may still
 121.19 be served on your employer. If your earnings are garnished after you claim an exemption,
 121.20 you may petition the court for a determination of your exemption. If the court finds that
 121.21 the creditor disregarded your claim of exemption in bad faith, you will be entitled to
 121.22 costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

121.23 (2) **HOWEVER, BE WARNED** if you claim an exemption, the creditor can also petition
 121.24 the court for a determination of your exemption, and if the court finds that you claimed
 121.25 an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus
 121.26 an amount not to exceed \$100.

121.27 (3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment,
 121.28 thus requiring the creditor to petition the court to resolve the problem, you will be liable
 121.29 to the creditor for costs and reasonable attorney's fees plus an amount not to exceed
 121.30 \$100.

121.31 Dated:
 121.32 (Attorney for) Creditor
 121.33
 121.34 Address

122.1
122.2 Telephone

122.3 DEBTOR'S EXEMPTION CLAIM NOTICE

122.4 I hereby claim that my earnings are exempt from garnishment because:

122.5 (1) I am presently a recipient of relief based on need. (Specify the program, case number,
122.6 and the county from which relief is being received.)

122.7
122.8 Program Case Number (if known) County

122.9 (2) I am not now receiving relief based on need, but I have received relief based on need
122.10 within the last six months. (Specify the program, case number, and the county from
122.11 which relief has been received.)

122.12
122.13 Program Case Number (if known) County

122.14 (3) I have been an inmate of a correctional institution within the last six months. (Specify
122.15 the correctional institution and location.)

122.16
122.17 Correctional Institution Location

122.18 I hereby authorize any agency that has distributed relief to me or any correctional
122.19 institution in which I was an inmate to disclose to the above-named creditor or the creditor's
122.20 attorney only whether or not I am or have been a recipient of relief based on need or an
122.21 inmate of a correctional institution within the last six months. I have mailed or delivered a
122.22 copy of this form to the creditor or creditor's attorney.

122.23
122.24 Date Debtor

122.25
122.26 Address

122.27
122.28 Debtor Telephone Number

122.29 STATE OF MINNESOTA DISTRICT COURT
122.30 COUNTY OFJUDICIAL DISTRICT

122.31(Creditor)
122.32(Debtor)
122.33(Financial institution)

123.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to notices
123.2 provided on or after that date.

123.3 Sec. 77. **GARNISHMENT FORMS REVISION.**

123.4 (a) The attorney general must review and make recommendations to revise into plain
123.5 language the notices and forms found in Minnesota Statutes, sections 571.72, subdivisions
123.6 8 and 10; 571.74; 571.75, subdivision 2; 571.912; and 571.925.

123.7 (b) The attorney general must review and determine whether the forms contained in
123.8 Minnesota Statutes, sections 571.711, subdivision 11; 571.914; 571.931, subdivision 6; and
123.9 571.932, subdivision 2, should be revised into a more easily readable and understandable
123.10 format. If the attorney general determines the forms should be revised, the attorney general
123.11 must make recommendations for legislative revisions to the forms.

123.12 (c) The recommendations made under paragraphs (a) and (b) must include proposals to
123.13 (1) explain in simple terms the meaning of garnishment in any form that uses the term
123.14 garnishment, and (2) prominently place on forms the name, telephone, and email address
123.15 of the creditor.

123.16 (d) When developing the recommendations, the attorney general must consult with the
123.17 Center for Plain Language and other plain language experts the attorney general may identify,
123.18 and must collaborate with the commissioner of commerce and affected business and consumer
123.19 groups, including but not limited to:

123.20 (1) the Minnesota Creditors' Rights Association;

123.21 (2) the Great Lakes Credit and Collections Association;

123.22 (3) the Minnesota Bankers' Association;

123.23 (4) the Minnesota Credit Union Network;

123.24 (5) BankIn Minnesota;

123.25 (6) Mid-Minnesota Legal Aid;

123.26 (7) the Minnesota chapter of the National Association of Consumer Advocates;

123.27 (8) the Minnesota chapter of the National Association of Consumer Bankruptcy Attorneys;

123.28 (9) Lutheran Social Service; and

123.29 (10) Family Means.

124.1 (e) For the purposes of this section, "plain language" means communication in which
124.2 the wording, structure, and design are so clear that the intended reader can easily: (1) find
124.3 what they need; (2) understand what they need; and (3) use what they find to meet their
124.4 needs.

124.5 Sec. 78. **RULEMAKING.**

124.6 The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply
124.7 with the changes made in this act. The commissioner of commerce may use the good cause
124.8 exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend
124.9 the rule under this section. Minnesota Statutes, section 14.386, does not apply, except as
124.10 provided under Minnesota Statutes, section 14.388.

124.11 Sec. 79. **REPEALER.**

124.12 Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

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

124.14 Sec. 80. **REPEALER.**

124.15 Minnesota Statutes 2022, section 58.08, subdivision 3, is repealed.

124.16 Sec. 81. **EFFECTIVE DATE.**

124.17 Sections 1 and 2 are effective August 1, 2024, and apply to loans executed on or after
124.18 that date.

124.19 **ARTICLE 3**

124.20 **INSURANCE**

124.21 Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:

124.22 Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A,
124.23 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph
124.24 (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78;
124.25 471.617; ~~and~~ 471.982; and 513.80, unless the context indicates otherwise, the terms defined
124.26 in this section have the meanings given them.

125.1 Sec. 2. **[60A.43] DISABILITY INCOME COVERAGE; DISCLOSURE.**

125.2 (a) No contract or policy of long-term disability insurance that limits the duration of
125.3 coverage for mental health or substance use disorders shall be offered in this state without
125.4 a disclosure, provided at the time of application, that includes the following:

125.5 (1) a notification that the long-term disability coverage selected by the potential
125.6 policyholder or plan sponsor limits the duration of coverage for mental health or substance
125.7 use disorders; and

125.8 (2) that the potential policyholder or plan sponsor has the right to request more
125.9 information about the limitation and other coverage options that include an unlimited
125.10 duration, if available.

125.11 (b) Receipt of the disclosure described in paragraph (a) must be acknowledged by the
125.12 potential policyholder or plan sponsor and evidence of the disclosure and acknowledgment
125.13 must be retained by the insurance company offering such coverage for a period of no less
125.14 than two years.

125.15 Sec. 3. **[62Q.585] GENDER-AFFIRMING CARE COVERAGE; MEDICALLY**
125.16 **NECESSARY CARE.**

125.17 Subdivision 1. **Requirement.** No health plan that covers physical or mental health
125.18 services may be offered, sold, issued, or renewed in this state that:

125.19 (1) excludes coverage for medically necessary gender-affirming care; or

125.20 (2) requires gender-affirming treatments to satisfy a definition of "medically necessary
125.21 care," "medical necessity," or any similar term that is more restrictive than the definition
125.22 provided in subdivision 2.

125.23 Subd. 2. **Minimum definition.** "Medically necessary care" means health care services
125.24 appropriate in terms of type, frequency, level, setting, and duration to the enrollee's diagnosis
125.25 or condition and diagnostic testing and preventive services. Medically necessary care must
125.26 be consistent with generally accepted practice parameters as determined by health care
125.27 providers in the same or similar general specialty as typically manages the condition,
125.28 procedure, or treatment at issue and must:

125.29 (1) help restore or maintain the enrollee's health; or

125.30 (2) prevent deterioration of the enrollee's condition.

125.31 Subd. 3. **Definitions.** (a) For purposes of this section, the following terms have the
125.32 meanings given.

126.1 (b) "Gender affirming care" means all medical, surgical, counseling, or referral services,
126.2 including telehealth services, that an individual may receive to support and affirm the
126.3 individual's gender identity or gender expression and that are legal under the laws of this
126.4 state.

126.5 (c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes
126.6 the coverages listed in section 62A.011, subdivision 3, clauses (7) and (10).

126.7 Sec. 4. Minnesota Statutes 2022, section 65A.29, subdivision 7, is amended to read:

126.8 Subd. 7. **Renewal; notice requirement.** (a) No insurer shall refuse to renew, or reduce
126.9 limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it
126.10 mails or delivers to the insured, at the address shown in the policy, at least 60 days' advance
126.11 notice of its intention. The notice must contain the specific underwriting or other reason or
126.12 reasons for the indicated action and must state the name of the insurer and the date the notice
126.13 is issued.

126.14 (b) For purposes of this section and any rules adopted pursuant to subdivision 8,
126.15 increasing or revising a homeowner's insurance policy deductible, including, but not limited
126.16 to, obligating a policyholder to pay a percentage of an insured loss as part of the deductible,
126.17 is not a refusal to renew, a reduction in coverage limits, or an elimination of coverage.

126.18 (c) Proof of mailing this notice to the insured at the address shown in the policy is
126.19 sufficient proof that the notice required by this section has been given.

126.20 Sec. 5. Minnesota Statutes 2022, section 65A.29, subdivision 8, is amended to read:

126.21 Subd. 8. **Rules.** (a) The commissioner may adopt rules pursuant to chapter 14, to specify
126.22 the grounds for nonrenewal, reduction in limits of coverage, or elimination of coverage of
126.23 a homeowner's policy. The rules must limit the grounds to the following factors:

126.24 (1) reasons stated for cancellation in section 65A.01, subdivision 3a;

126.25 (2) reasons stated in section 72A.20, subdivision 13;

126.26 (3) insured's loss experience, ~~not to include~~ including natural causes, which may include
126.27 but are not limited to lightning, rain, wind, and hail; and

126.28 (4) other factors deemed reasonable by the commissioner.

126.29 The rules may give consideration to the form and content of the termination notice to
126.30 the insured, a statement as to what constitutes receipt of the termination notice, and the
126.31 procedure by which the insured may appeal a termination notice.

127.1 The rules adopted under this subdivision may provide for imposition of a monetary
127.2 penalty not greater than \$500 per occurrence upon insurers who are found to be in violation
127.3 of the law or the rules.

127.4 (b) In addition to any rules adopted under this subdivision, an insured may appeal any
127.5 nonrenewal under this section to the commissioner of commerce. If the commissioner finds
127.6 that the nonrenewal is unjustified, arbitrary, or capricious, the commissioner shall order the
127.7 insurer to reinstate the insured's policy. The commissioner's order may be appealed pursuant
127.8 to chapter 14. The insured's policy shall continue in force pending the conclusion of the
127.9 appeal to the commissioner. The insurer must notify the insured of the insured's right to
127.10 appeal the nonrenewal to the commissioner in the notice of nonrenewal required under
127.11 subdivision 7.

127.12 Sec. 6. [65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES;
127.13 COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.

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

127.16 (b) "Association" has the meaning given in section 515B.1-103, clause (4).

127.17 (c) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

127.18 Subd. 2. Loss assessment. (a) If a loss assessment is charged by an association to an
127.19 individual unit owner the insurance policy in force at the time of the assessable loss must
127.20 pay the loss assessment, up to the limits provided in the policy, notwithstanding any policy
127.21 provisions regarding when loss assessment coverage accrues, and subject to any other terms,
127.22 conditions, and exclusions in the policy, if the following conditions are met:

127.23 (1) the unit owner at the time of the assessable loss is the owner of the property listed
127.24 on the policy at the time the loss assessment is charged; and

127.25 (2) if the insurance policy in force at the time of the assessable loss provides loss
127.26 assessment coverage.

127.27 (b) If a loss assessment is charged by an association to an individual unit owner the
127.28 insurance policy in force at the time the loss assessment is charged must pay the assessment,
127.29 up to the limits provided in the policy, notwithstanding any policy provisions regarding
127.30 when loss assessment coverage accrues, and subject to any other terms, conditions, and
127.31 exclusions in the policy, if the following conditions are met:

128.1 (1) the unit owner at the time of the loss assessment is charged is different than the unit
128.2 owner at the time of the assessable loss; and

128.3 (2) the insurance policy in force at the time the loss assessment is charged provides loss
128.4 assessment coverage.

128.5 (c) For a loss assessment under paragraph (b), an insurer may require evidence
128.6 documenting that the transfer of ownership occurred prior to the assessment before the
128.7 insurer affords coverage.

128.8 Sec. 7. Minnesota Statutes 2022, section 70A.05, is amended to read:

128.9 **70A.05 RATING METHODS.**

128.10 The compliance of rates with the standards of section 70A.04 shall be determined by
128.11 considering the following matters:

128.12 (1) **Factors in rates.** Due consideration shall be given to past and prospective loss and
128.13 expense experience within and outside this state, to a reasonable provision for catastrophe
128.14 hazards and contingencies, to clearly discernible trends within and outside this state, to
128.15 dividends or savings allowed or returned by insurers to their policyholders, members or
128.16 subscribers, and to all other relevant factors, including the judgment of underwriters and
128.17 raters and, with respect to property and homeowners insurance, the impact of losses caused
128.18 by natural causes, including but not limited to lightning, rain, wind, and hail.

128.19 (2) **Classification.** Risks may be classified by any reasonable method for the
128.20 establishment of rates and minimum premiums. Classifications may not be based on race,
128.21 color, creed or national origin. Rates thus produced may be modified for individual risks
128.22 in accordance with rating plans or schedules which establish standards for measuring probable
128.23 variations in hazards, expenses, or both.

128.24 (3) **Profits.** The rates may contain an allowance permitting a profit that is not
128.25 unreasonable.

128.26 Sec. 8. Minnesota Statutes 2022, section 72A.20, subdivision 13, is amended to read:

128.27 Subd. 13. **Refusal to renew.** Refusing to renew, declining to offer or write, or charging
128.28 differential rates for an equivalent amount of homeowner's insurance coverage, as defined
128.29 by section 65A.27, for property located in a ~~town or statutory or home rule charter city of~~
128.30 the first class, in which the insurer offers to sell or writes homeowner's insurance, solely
128.31 because:

129.1 (a) of the geographic area in which the property is located;

129.2 (b) of the age of the primary structure sought to be insured;

129.3 (c) the insured or prospective insured was denied coverage of the property by another
129.4 insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason
129.5 other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e);

129.6 (d) the property of the insured or prospective insured has been insured under the
129.7 Minnesota FAIR Plan Act, shall constitute an unfair method of competition and an unfair
129.8 and deceptive act or practice; or

129.9 (e) the insured has inquired about coverage for a hypothetical claim or has made an
129.10 inquiry to the insured's agent regarding a potential claim.

129.11 This subdivision prohibits an insurer from filing or charging different rates for different
129.12 zip code areas within the same town or statutory or home rule charter city.

129.13 This subdivision shall not prohibit the insurer from applying underwriting or rating
129.14 standards which the insurer applies generally in all other locations in the state and which
129.15 are not specifically prohibited by clauses (a) to (e). Such underwriting or rating standards
129.16 shall specifically include but not be limited to standards based upon the proximity of the
129.17 insured property to an extraordinary hazard or based upon the quality or availability of fire
129.18 protection services or based upon the density or concentration of the insurer's risks. Clause
129.19 (b) shall not prohibit the use of rating standards based upon the age of the insured structure's
129.20 plumbing, electrical, heating or cooling system or other part of the structure, the age of
129.21 which affects the risk of loss. Any insurer's failure to comply with section 65A.29,
129.22 subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice
129.23 or statement or (2) by failing to state specifically a bona fide underwriting or other reason
129.24 for the refusal to write shall create a presumption that the insurer has violated this subdivision.

129.25 Sec. 9. **[332.3352] WAIVER OF LICENSING AND REGISTRATION.**

129.26 The commissioner of commerce may, by order, waive the licensing and registration
129.27 requirements of this chapter for a nonresident collection agency and its affiliated collectors
129.28 if: (1) a written reciprocal licensing agreement is in effect between the commissioner and
129.29 the licensing officials of the collection agency's home state; and (2) the collection agency
129.30 is licensed in good standing in that state.

130.1 Sec. 10. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS;**
130.2 **UNFAIR SERVICE AGREEMENTS.**

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

130.5 (b) "County recorder" has the meaning given in section 13.045, subdivision 1.

130.6 (c) "Person" means natural persons, corporations both foreign and domestic, trusts,
130.7 partnerships both limited and general, incorporated or unincorporated associations,
130.8 companies, business entities, and any other legal entity or any other group associated in fact
130.9 although not a legal entity or any agent, assignee, heir, employee, representative, or servant
130.10 thereof.

130.11 (d) "Record" or "recording" means placement of a document or instrument in the official
130.12 county public land records.

130.13 (e) "Residential real property" means real property that is located in Minnesota occupied,
130.14 or intended to be occupied, by one to four families as their residence.

130.15 (f) "Service agreement" means a contract under which a person agrees to provide real
130.16 estate broker services as defined in section 82.55, subdivision 19, in connection with the
130.17 purchase or sale of residential real property.

130.18 (g) "Service provider" means an individual or entity that provides services to a person
130.19 pursuant to a service agreement.

130.20 Subd. 2. Unfair service agreements; prohibition. (a) A service agreement subject to
130.21 this section is unfair and prohibited if any part of the agreement provides an exclusive right
130.22 to a service provider for a term in excess of one year after the time the service agreement
130.23 is entered into and:

130.24 (1) purports to run with the land or to be binding on future owners of interests in the real
130.25 property;

130.26 (2) allows for assignment of the right to provide service without notice to and consent
130.27 of the residential real property's owner, including a contract for deed vendee;

130.28 (3) is recorded or purports to create a lien, encumbrance, or other real property security
130.29 interest; or

130.30 (4) contains a provision that purports to automatically renew the agreement upon its
130.31 expiration.

130.32 (b) The following are not unfair service agreements under this section:

- 131.1 (1) a home warranty or similar product that covers the cost of maintaining a major home
131.2 system or appliance for a fixed period;
- 131.3 (2) an insurance contract;
- 131.4 (3) a mortgage loan or a commitment to make or receive a mortgage loan;
- 131.5 (4) an option or right of refusal to purchase a residential real property;
- 131.6 (5) a declaration of any covenants, conditions, or restrictions created in the formation
131.7 of a homeowners association, a group of condominium owners, or other common interest
131.8 community or an amendment to the covenants, conditions, or restrictions;
- 131.9 (6) a maintenance or service agreement entered by a homeowners association in a
131.10 common interest community;
- 131.11 (7) a security agreement governed by chapter 336 that relates to the sale or rental of
131.12 personal property or fixtures; or
- 131.13 (8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service
131.14 provider.
- 131.15 (c) This section does not impair any lien right granted under Minnesota law or that is
131.16 judicially imposed.
- 131.17 **Subd. 3. Recording prohibited.** (a) A person is prohibited from:
- 131.18 (1) presenting or sending an unfair service agreement or notice or memorandum of an
131.19 unfair service agreement to any county recorder to record; or
- 131.20 (2) causing an unfair service agreement or notice or memorandum of an unfair service
131.21 agreement to be recorded by a county recorder.
- 131.22 (b) If a county recorder records an unfair service agreement, the county recorder does
131.23 not incur liability.
- 131.24 (c) If an unfair service agreement is recorded, the recording does not create a lien or
131.25 provide constructive notice to any third party, bona fide purchaser, or creditor.
- 131.26 **Subd. 4. Unfair service agreements unenforceable.** A service agreement that is unfair
131.27 under this section is unenforceable and does not create a contractual obligation or relationship.
131.28 Any waiver of a consumer right, including a right to trial by jury, in an unfair service
131.29 agreement is void.
- 131.30 **Subd. 5. Unfair service agreements; solicitation.** Encouraging any consumer to enter
131.31 into an unfair service agreement by any service provider constitutes:

132.1 (1) an unfair method of competition; and

132.2 (2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph
132.3 (c), and section 325F.69.

132.4 Subd. 6. **Enforcement authority.** (a) This section may be enforced by the attorney
132.5 general under section 8.31, except that any private cause of action brought under subdivision
132.6 7 is subject to the limitation under subdivision 7, paragraph (d).

132.7 (b) The commissioner of commerce may enforce this section with respect to a service
132.8 provider's real estate license.

132.9 Subd. 7. **Remedies.** (a) A consumer that is party to an unfair service agreement related
132.10 to residential real property or a person with an interest in the property that is the subject of
132.11 that agreement may bring an action under section 8.31 or section 325F.70 in district court
132.12 in the county where the property is located.

132.13 (b) If an unfair service agreement or a notice or memorandum of an unfair service
132.14 agreement is recorded against any residential real property, any judgment obtained under
132.15 this section, after being certified by the clerk having custody of the unfair service agreement
132.16 or notice or memorandum of the unfair service agreement, may be recorded and indexed
132.17 against the real property encumbered or clouded by the unfair service agreement.

132.18 (c) The remedies provided under this section are not exclusive and do not reduce any
132.19 other rights or remedies a party may have in equity or in law.

132.20 (d) No private action may be brought under this section more than six years after the
132.21 date the term printed in the unfair service agreement expires.

132.22 Sec. 11. Minnesota Statutes 2022, section 604.18, subdivision 1, is amended to read:

132.23 Subdivision 1. **Terms.** For purposes of this section, the following terms have the
132.24 meanings given them.

132.25 (a) "Insurance policy" means a written agreement between an insured and an insurer
132.26 that obligates an insurer to pay proceeds directly to an insured. Insurance policy does not
132.27 include provisions of a written agreement obligating an insurer to defend an insured,
132.28 reimburse an insured's defense expenses, provide for any other type of defense obligation,
132.29 or provide indemnification for judgments or settlements. Insurance policy does not include:

132.30 (1) coverage for workers' compensation insurance under chapter 176;

132.31 (2) a written agreement of a health carrier, as defined in section 62A.011, with the
132.32 exception of coverage that is limited to disability or income protection or a long-term care

133.1 policy or insurance, as defined under sections 62A.46, subdivision 2, and 62S.01, subdivision
 133.2 18;

133.3 (3) a contract issued by a nonprofit health service plan corporation regulated under
 133.4 chapter 62C that provides only dental coverage;

133.5 (4) a written agreement authorized under section 60A.06, subdivision 1, clause (4) or
 133.6 (6), or 64B.16, subdivision 1; or

133.7 (5) a written agreement issued pursuant to section 67A.191.

133.8 (b) "Insured" means a person who, or an entity which, qualifies as an insured under the
 133.9 terms of an insurance policy on which a claim for coverage is made. An insured does not
 133.10 include any person or entity claiming a third-party beneficiary status under an insurance
 133.11 policy.

133.12 (c) "Insurer" means every insurer, corporation, business trust, or association engaged in
 133.13 insurance as a principal licensed or authorized to transact insurance under section 60A.06,
 133.14 but for purposes of this section an insurer does not include a political subdivision providing
 133.15 self-insurance or a pool of political subdivisions under section 471.981, subdivision 3. The
 133.16 term does not include the Joint Underwriting Association operating under chapter 62F or
 133.17 62I.

133.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 133.19 applies to claims made or commenced under this section on or after that date.

133.20 Sec. 12. **REPEALER.**

133.21 Minnesota Statutes 2022, section 332.3351, is repealed.

133.22 **ARTICLE 4**

133.23 **TELECOMMUNICATIONS POLICY**

133.24 Section 1. Minnesota Statutes 2022, section 116J.39, subdivision 1, is amended to read:

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

133.27 (b) "Broadband" or "broadband service" means ~~any~~ a service ~~providing advanced~~
 133.28 ~~telecommunications capability and~~ that offers to a person or company high-speed Internet
 133.29 access with transmission speeds that, at a minimum, meet the Federal Communications
 133.30 Commission definition for broadband.

134.1 (c) "Local unit of government" has the meaning given in section 116G.03, subdivision
134.2 3.

134.3 (d) "Office" means the Office of Broadband Development established in subdivision 2,
134.4 paragraph (a).

134.5 Sec. 2. Minnesota Statutes 2022, section 116J.394, is amended to read:

134.6 **116J.394 DEFINITIONS.**

134.7 (a) For the purposes of sections 116J.394 to ~~116J.398~~ 116J.399, the following terms
134.8 have the meanings given them.

134.9 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
134.10 subdivision 1, paragraph (b).

134.11 (c) "Broadband infrastructure" means networks of deployed ~~telecommunications~~
134.12 equipment and technologies necessary to provide ~~high-speed Internet access and other~~
134.13 ~~advanced telecommunications services for~~ broadband to end users.

134.14 (d) "Commissioner" means the commissioner of employment and economic development.

134.15 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg
134.16 connecting the broadband service provider's network to the end-use customer's on-premises
134.17 telecommunications equipment.

134.18 (f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband
134.19 service provider's core network infrastructure to last-mile infrastructure.

134.20 (g) "Political subdivision" means any county, city, town, school district, special district
134.21 or other political subdivision, or public corporation.

134.22 (h) "Underserved areas" means areas of Minnesota in which households or businesses
134.23 lack access to wire-line broadband service at speeds of at least 100 megabits per second
134.24 download and at least 20 megabits per second upload.

134.25 (i) "Unserved areas" means areas of Minnesota in which households or businesses lack
134.26 access to wire-line broadband service, as defined in section 116J.39.

134.27 Sec. 3. Minnesota Statutes 2022, section 116J.399, subdivision 1, is amended to read:

134.28 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have
134.29 the meanings given:

135.1 ~~(1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph~~
 135.2 ~~(e);~~

135.3 ~~(2) (1) "broadband service" has the meaning given in section 116J.394, paragraph (b)~~
 135.4 116J.39, subdivision 1, paragraph (b); and

135.5 ~~(3) (2) "provider" means a broadband service provider, but does not include an electric~~
 135.6 cooperative association organized under chapter 308A that provides broadband service.

135.7 Sec. 4. Minnesota Statutes 2022, section 116J.399, subdivision 8, is amended to read:

135.8 Subd. 8. **Local governmental right-of-way management preserved.** (a) The placement
 135.9 of broadband infrastructure to provide broadband service under subdivisions 2 to 7: (1) is
 135.10 subject to local government permitting and right-of-way management authority under section
 135.11 237.163, franchising or other municipal authorization under subdivision 10; and (2) must
 135.12 be coordinated with the relevant local government unit in order to minimize potential future
 135.13 relocations. The provider must notify a local government unit prior to placing infrastructure
 135.14 for broadband service in an easement that is in or adjacent to the local government unit's
 135.15 public right-of-way.

135.16 (b) Nothing in this section applies to a public utility easement.

135.17 Sec. 5. Minnesota Statutes 2022, section 116J.399, is amended by adding a subdivision
 135.18 to read:

135.19 Subd. 10. **Political subdivisions; franchise or municipal authorization.** (a) A political
 135.20 subdivision may require a provider furnishing broadband within the political subdivision
 135.21 to obtain a franchise or other municipal authorization in accordance with the terms,
 135.22 conditions, and limitations of the political subdivision's regulatory acts, including but not
 135.23 limited to regulatory acts governing the placing of lines and facilities above ground or
 135.24 underground.

135.25 (b) Pursuant to a franchise or other municipal authorization required under paragraph
 135.26 (a), a political subdivision may require a provider to pay the political subdivision fees to
 135.27 (1) raise revenue, (2) defray increased municipal costs that accrue as a result of right-of-way
 135.28 occupation, or (3) both. The fee may include but is not limited to a sum of money based on
 135.29 the gross operating revenues or gross earnings resulting from the provider's operations to
 135.30 provide broadband within the political subdivision for the duration of time the provider
 135.31 continues to operate within the political subdivision.

136.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 222.37, subdivision 1, is amended
136.2 to read:

136.3 Subdivision 1. **Use requirements.** (a) Any water power, telegraph, telephone, broadband,
136.4 pneumatic tube, pipeline, community antenna television, cable communications or electric
136.5 light, heat, power company, entity that receives a route permit under chapter 216E for a
136.6 high-voltage transmission line necessary to interconnect an electric power generating facility
136.7 with transmission lines or associated facilities of an entity that directly, or through its
136.8 members or agents, provides retail electric service in the state, or fire department may use
136.9 public roads for the purpose of constructing, using, operating, and maintaining lines, subways,
136.10 canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such
136.11 lines shall be so located as in no way to interfere with the safety and convenience of ordinary
136.12 travel along or over the same; and, in the construction and maintenance of such line, subway,
136.13 canal, conduit, transmission lines, hydrants, or dry hydrants, the entity ~~shall be~~ is subject
136.14 to municipal franchising requirements under section 116J.399, subdivision 10, including
136.15 compensation, as well as all reasonable regulations imposed by the governing body of any
136.16 county, town or city in which such public road may be.

136.17 (b) If the governing body does not require the entity to obtain a franchise or permit, an
136.18 entity shall notify the governing body of any county, town, or city having jurisdiction over
136.19 a public road prior to the construction or major repair, involving extensive excavation on
136.20 the road right-of-way, of the entity's equipment along, over, or under the public road, unless
136.21 the governing body waives the notice requirement. A waiver of the notice requirement must
136.22 be renewed on an annual basis.

136.23 (c) For emergency repair an entity shall notify the governing body as soon as practical
136.24 after the repair is made.

136.25 (d) Nothing herein shall be construed to grant to any person any rights ~~for the maintenance~~
136.26 ~~of to construct and maintain a telegraph, telephone, pneumatic tube, community antenna~~
136.27 ~~television system, system or network that provides telecommunications, broadband, cable~~
136.28 ~~communications system, or light, heat, power system, electric power generating system,~~
136.29 ~~high-voltage transmission line, or hydrant system, gas, electric, or other utility service~~ within
136.30 the corporate limits of any city until ~~such~~ the person shall have has obtained a franchise or
136.31 other municipal authorization that grants the right to construct and maintain such the system
136.32 within ~~such~~ the city or for a period beyond that for which the right to operate ~~such~~ the system
136.33 is granted by ~~such~~ the city. Authority granted under this paragraph must be granted before
136.34 the person provides the service. A company that provides multiple services to the public
136.35 must obtain a franchise or specific municipal authorization to provide each service.

137.1 Sec. 7. Minnesota Statutes 2022, section 237.121, is amended to read:

137.2 **237.121 PROHIBITED PRACTICES.**

137.3 (a) A telephone company or telecommunications carrier may not do any of the following
137.4 with respect to services regulated by the commission:

137.5 (1) upon request, fail to disclose in a timely and uniform manner information necessary
137.6 for the design of equipment and services that will meet the specifications for interconnection;

137.7 (2) intentionally impair the speed, quality, or efficiency of services, products, or facilities
137.8 offered to a consumer under a tariff, contract, or price list;

137.9 (3) fail to provide a service, product, or facility to a consumer other than a telephone
137.10 company or telecommunications carrier in accordance with its applicable tariffs, price lists,
137.11 or contracts and with the commission's rules and orders;

137.12 (4) refuse to provide a service, product, or facility to a telephone company or
137.13 telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts
137.14 and with the commission's rules and orders;

137.15 (5) impose unreasonable or discriminatory restrictions on the resale of its services,
137.16 provided that:

137.17 (i) it may require that residential service may not be resold as a different class of service;
137.18 and

137.19 (ii) the commission may prohibit resale of services it has approved for provision for
137.20 not-for-profit entities at rates less than those offered to the general public; ~~or~~

137.21 (6) provide telephone service to a person acting as a telephone company or
137.22 telecommunications carrier if the commission has ordered the telephone company or
137.23 telecommunications carrier to discontinue service to that person; or

137.24 (7) upon cancellation of a service, refuse to provide a prorated refund of payment made
137.25 in advance by a customer.

137.26 (b) A telephone company or telecommunications carrier may not violate a provision of
137.27 sections 325F.692 and 325F.693, with regard to any of the services provided by the company
137.28 or carrier.

137.29 Sec. 8. Minnesota Statutes 2022, section 237.162, subdivision 4, is amended to read:

137.30 Subd. 4. **Telecommunications right-of-way user.** (a) "Telecommunications right-of-way
137.31 user" means a person owning or controlling a facility in the public right-of-way, or seeking

138.1 to own or control a facility in the public right-of-way, that is used or is intended to be used
138.2 ~~for providing wireless service, or transporting to provide~~ telecommunications ~~or other voice~~
138.3 ~~or data information~~ service.

138.4 (b) For purposes of this section and section 237.163, telecommunications service does
138.5 not include: (1) cable service, as defined under United States Code, title 47, section 522(6);
138.6 or (2) broadband service, as defined under section 116J.39, subdivision 1.

138.7 ~~(b)~~ (c) A cable communication system defined and regulated under chapter 238, ~~and an~~
138.8 entity that solely provides broadband services, as defined under section 116.39, subdivision
138.9 1, telecommunications activities related to providing natural gas or electric energy services,
138.10 a public utility as defined in section 216B.02, a municipality, a municipal gas or power
138.11 agency organized under chapter 453 or 453A, or a cooperative electric association organized
138.12 under chapter 308A, are not telecommunications right-of-way users for the purposes of this
138.13 section and section 237.163, ~~except to the extent these entities are offering wireless services.~~

138.14 Sec. 9. Minnesota Statutes 2022, section 237.163, subdivision 2, is amended to read:

138.15 Subd. 2. **Generally.** (a) Subject to this section, a telecommunications right-of-way user
138.16 authorized to do business under the laws of this state or by license of the Federal
138.17 Communications Commission may construct, maintain, and operate small wireless facilities,
138.18 conduit, cable, switches, and related appurtenances and facilities along, across, upon, above,
138.19 and under any public right-of-way.

138.20 (b) Subject to this section, a local government unit has the authority to franchise and
138.21 manage its public rights-of-way, receive compensation for use and occupancy, and to recover
138.22 its rights-of-way management costs. Except as provided in subdivisions 3a, 3b, and 3c, the
138.23 authority defined in this section may be exercised at the option of the local government unit
138.24 and is not mandated under this section. A local government unit may, by ordinance:

138.25 (1) require a telecommunications right-of-way user seeking to excavate or obstruct a
138.26 public right-of-way for the purpose of providing telecommunications services to obtain a
138.27 right-of-way permit to do so and to impose permit conditions consistent with the local
138.28 government unit's management of the right-of-way;

138.29 (2) require a telecommunications right-of-way user using, occupying, or seeking to use
138.30 or occupy a public right-of-way for the purpose of providing telecommunications services
138.31 to register with the local government unit by providing the local government unit with the
138.32 following information:

139.1 (i) the applicant's name, gopher state one-call registration number under section 216D.03,
139.2 address, and telephone and facsimile numbers;

139.3 (ii) the name, address, and telephone and facsimile numbers of the applicant's local
139.4 representative;

139.5 (iii) proof of adequate insurance; and

139.6 (iv) other information deemed reasonably necessary by the local government unit for
139.7 the efficient administration of the public right-of-way; and

139.8 (3) require telecommunications right-of-way users to submit to the local government
139.9 unit plans for construction and major maintenance that provide reasonable notice to the
139.10 local government unit of projects that the telecommunications right-of-way user expects to
139.11 undertake that may require excavation and obstruction of public rights-of-way.

139.12 (c) A local government unit may also require a telecommunications right-of-way user
139.13 that is registered with the local government unit pursuant to paragraph (b), clause (2), to
139.14 periodically update the information in its registration application.

139.15 (d) Notwithstanding sections 394.34 and 462.355, or any other law, a local government
139.16 unit must not establish a moratorium with respect to:

139.17 (1) filing, receiving, or processing applications for right-of-way or small wireless facility
139.18 permits; or

139.19 (2) issuing or approving right-of-way or small wireless facility permits.

139.20 (e) A telecommunications right-of-way user may place a new wireless support structure
139.21 or collocate small wireless facilities on wireless support structures located within a public
139.22 right-of-way, subject to the approval procedures under this section and, for collocation on
139.23 wireless support structures owned by a local government unit, the reasonable terms,
139.24 conditions, and rates set forth under this section. A local government unit may prohibit,
139.25 regulate, or charge a fee to install wireless support structures or to collocate small wireless
139.26 facilities only as provided in this section.

139.27 (f) The placement of small wireless facilities and wireless support structures to
139.28 accommodate small wireless facilities are a permitted use in a public right-of-way, except
139.29 that a local government unit may require a person to obtain a special or conditional land
139.30 use permit to install a new wireless support structure for the siting of a small wireless facility
139.31 in a right-of-way in a district or area zoned for single-family residential use or within a
139.32 historic district established by federal or state law or city ordinance as of the date of
139.33 application for a small wireless facility permit. This paragraph does not apply to areas

140.1 outside a public right-of-way that are zoned and used exclusively for single-family residential
140.2 use.

140.3 Sec. 10. Minnesota Statutes 2022, section 237.163, subdivision 6, is amended to read:

140.4 Subd. 6. **Fees.** (a) In addition to franchise consideration, which may include compensation
140.5 for use and occupancy, a local government unit may recover its right-of-way management
140.6 costs by imposing a fee for registration, a fee for each right-of-way or small wireless facility
140.7 permit, or, when appropriate, a fee applicable to a particular telecommunications right-of-way
140.8 user when that user causes the local government unit to incur costs as a result of actions or
140.9 inactions of that user. A local government unit may not recover costs from a
140.10 telecommunications right-of-way user or an owner of a cable communications system
140.11 awarded a franchise under chapter 238 caused by another entity's activity in the right-of-way.

140.12 (b) Fees, or other right-of-way obligations, imposed by a local government unit on
140.13 telecommunications right-of-way users under this section to recover right-of-way
140.14 management costs must be:

140.15 ~~(1) based on the actual costs incurred by the local government unit in managing the~~
140.16 ~~public right-of-way;~~

140.17 ~~(2) based on an allocation among all users of the public right-of-way, including the local~~
140.18 ~~government unit itself, which shall reflect the proportionate costs imposed on the local~~
140.19 ~~government unit by each of the various types of uses of the public rights-of-way;~~

140.20 ~~(3)~~ (1) imposed on a competitively neutral basis; and

140.21 ~~(4)~~ (2) imposed in a manner so that aboveground uses of public rights-of-way do not
140.22 bear costs incurred by the local government unit to regulate underground uses of public
140.23 rights-of-way.

140.24 (c) The rights, duties, and obligations regarding the use of the public right-of-way
140.25 imposed under this section must be applied to all users of the public right-of-way, including
140.26 the local government unit while recognizing regulation must reflect the distinct engineering,
140.27 construction, operation, maintenance and public and worker safety requirements, and
140.28 standards applicable to various users of the public rights-of-way. For users subject to the
140.29 franchising authority of a local government unit, to the extent those rights, duties, and
140.30 obligations are addressed in the terms of an applicable franchise agreement, the terms of
140.31 the franchise shall prevail over any conflicting provision in an ordinance.

140.32 (d) A wireless service provider may collocate small wireless facilities on wireless support
140.33 structures owned or controlled by a local government unit and located within the public

141.1 roads or rights-of-way without being required to apply for or enter into any individual
141.2 license, franchise, or other agreement with the local government unit or any other entity,
141.3 other than a standard small wireless facility collocation agreement under subdivision 3a,
141.4 paragraph (f), if the local unit of government elects to utilize such an agreement.

141.5 (e) Any initial engineering survey and preparatory construction work associated with
141.6 collocation must be paid by the cost causer in the form of a onetime, nonrecurring,
141.7 commercially reasonable, nondiscriminatory, and competitively neutral charge to recover
141.8 the costs associated with a proposed attachment.

141.9 (f) Total application fees for a small wireless facility permit must comply with this
141.10 subdivision with respect to costs related to the permit.

141.11 (g) A local government unit may elect to charge each small wireless facility attached to
141.12 a wireless support structure owned by the local government unit a fee, in addition to other
141.13 fees or charges allowed under this subdivision, consisting of:

141.14 (1) up to \$150 per year for rent to occupy space on a wireless support structure;

141.15 (2) up to \$25 per year for maintenance associated with the space occupied on a wireless
141.16 support structure; and

141.17 (3) a monthly fee for electricity used to operate a small wireless facility, if not purchased
141.18 directly from a utility, at the rate of:

141.19 (i) \$73 per radio node less than or equal to 100 max watts;

141.20 (ii) \$182 per radio node over 100 max watts; or

141.21 (iii) the actual costs of electricity, if the actual costs exceed the amount in item (i) or
141.22 (ii).

141.23 Sec. 11. Minnesota Statutes 2022, section 237.163, subdivision 7, is amended to read:

141.24 Subd. 7. **Additional right-of-way provisions.** (a) In managing the public rights-of-way
141.25 and in imposing fees under this section, no local government unit may:

141.26 (1) unlawfully discriminate among telecommunications right-of-way users;

141.27 (2) grant a preference to any telecommunications right-of-way user; or

141.28 (3) create or erect any unreasonable requirement for entry to the public rights-of-way
141.29 by telecommunications right-of-way users; ~~or.~~

141.30 ~~(4) require a telecommunications right-of-way user to obtain a franchise or pay for the~~
141.31 ~~use of the right-of-way.~~

142.1 (b) A telecommunications right-of-way user need not apply for or obtain right-of-way
142.2 permits for facilities that are located in public rights-of-way on May 10, 1997, for which
142.3 the user has obtained the required consent of the local government unit, or that are otherwise
142.4 lawfully occupying the public right-of-way. However, the telecommunications right-of-way
142.5 user may be required to: (1) comply with all requirements imposed as allowed under this
142.6 section; and (2) register and to obtain a right-of-way permit for an excavation or obstruction
142.7 of existing facilities within the public right-of-way after May 10, 1997.

142.8 (c) Data and documents exchanged between a local government unit and a
142.9 telecommunications right-of-way user are subject to the terms of chapter 13. A local
142.10 government unit not complying with this paragraph is subject to the penalties set forth in
142.11 section 13.08.

142.12 ~~(d) A local government unit may not collect a fee imposed under this section through~~
142.13 ~~the provision of in-kind services by a telecommunications right-of-way user, nor may a~~
142.14 ~~local government unit require the provision of in-kind services as a condition of consent to~~
142.15 ~~use the local government unit's public right-of-way or to obtain a small wireless facility~~
142.16 ~~permit.~~

142.17 ~~(e) Except as provided in this chapter or required by federal law, a local government~~
142.18 ~~unit shall not adopt or enforce any regulation on the placement or operation of~~
142.19 ~~communications facilities in the right-of-way where the entity is already authorized to~~
142.20 ~~operate in the right-of-way, and shall not regulate or impose or collect fees on~~
142.21 ~~communications services except to the extent specifically provided for in the existing~~
142.22 ~~authorization, and unless expressly required by state or federal statute.~~

142.23 Sec. 12. **[237.185] MISSED REPAIR APPOINTMENTS; CREDIT.**

142.24 Subdivision 1. Credit required; limitation; exception. (a) A local exchange carrier
142.25 that schedules a repair appointment with a customer for any service, either to provide the
142.26 service directly or by contracting with a third party, must provide an immediate \$25 credit
142.27 to the customer if a repair technician fails to appear at the scheduled appointment time and
142.28 at the location where the repair is required. A customer is not required to request the
142.29 immediate credit.

142.30 (b) The immediate credit under paragraph (a) applies only if the customer, prior to the
142.31 scheduled repair appointment, provides notice to the local exchange carrier that the customer's
142.32 compromised health requires continued access to emergency services. The customer is not
142.33 required to provide the local exchange carrier with medical documentation when providing
142.34 notice under this paragraph.

143.1 (c) The local exchange carrier is not required to provide an immediate credit if the local
143.2 exchange carrier (1) notifies the customer that a change in scheduling is necessary, and (2)
143.3 provides the notice to the customer at least 24 hours before the scheduled appointment.

143.4 Subd. 2. Notice. (a) A local exchange carrier must notify the local exchange carrier's
143.5 customers (1) of the right to an immediate credit for a missed repair appointment, and (2)
143.6 that a health notice from the customer must be on file in order for the customer to obtain
143.7 the immediate credit.

143.8 (b) The notice must be given to a new customer within 45 days of the date that service
143.9 to the customer is commenced and at least annually thereafter. The notice must be provided
143.10 in a writing labeled "NOTICE OF RIGHT TO IMMEDIATE CREDIT FOR MISSED
143.11 REPAIR APPOINTMENTS FOR CERTAIN HEALTH COMPROMISED CUSTOMERS."
143.12 The notification must be printed in a sufficient size so that it is clearly legible.

143.13 Sec. 13. Minnesota Statutes 2022, section 237.19, is amended to read:

143.14 **237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.**

143.15 Any municipality shall have the right to own and operate a telephone exchange within
143.16 its own borders, subject to the provisions of this chapter. It may construct such plant, or
143.17 purchase an existing plant by agreement with the owner, or where it cannot agree with the
143.18 owner on price, it may acquire an existing plant by condemnation, ~~as hereinafter provided,~~
143.19 ~~but in no case shall a municipality construct or purchase such a plant or proceed to acquire~~
143.20 ~~an existing plant by condemnation until such action by it is authorized by a majority of the~~
143.21 ~~electors voting upon the proposition at a general election or a special election called for that~~
143.22 ~~purpose, and if the proposal is to construct a new exchange where an exchange already~~
143.23 ~~exists, it shall not be authorized to do so unless 65 percent of those voting thereon vote in~~
143.24 ~~favor of the undertaking.~~ A municipality that owns and operates a telephone exchange may
143.25 enter into a joint venture as a partner or shareholder with a telecommunications organization
143.26 to provide telecommunications services within its service area.

143.27 Sec. 14. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

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

143.30 (b) "Broadband Internet access service" means:

144.1 (1) a mass-market retail service by wire or radio that provides the capability, including
144.2 any capability that is incidental to and enables the operation of the communications service,
144.3 to transmit data to and receive data from all or substantially all Internet endpoints;

144.4 (2) any service that provides a functional equivalent of the service described in clause
144.5 (1); or

144.6 (3) any service that is used to evade the protections established under this section.

144.7 Broadband Internet access service includes a service that serves end users at fixed endpoints
144.8 using stationary equipment or end users using mobile stations, but does not include dial-up
144.9 Internet access service.

144.10 (c) "Edge provider" means any person or entity that provides:

144.11 (1) any content, application, or service over the Internet; or

144.12 (2) a device used to access any content, application, or service over the Internet.

144.13 Edge provider does not include a person or entity providing obscene material, as defined
144.14 in section 617.241.

144.15 (d) "Impairing or degrading lawful Internet traffic on the basis of Internet content,
144.16 application, or service, or use of a nonharmful device" means impairing or degrading any
144.17 of the following:

144.18 (1) particular content, applications, or services;

144.19 (2) particular classes of content, applications, or services;

144.20 (3) lawful Internet traffic to particular nonharmful devices; or

144.21 (4) lawful Internet traffic to particular classes of nonharmful devices.

144.22 Impairing or degrading lawful Internet traffic on the basis of Internet content, application,
144.23 or service, or use of a nonharmful device includes, without limitation, differentiating
144.24 positively or negatively between any of the following:

144.25 (i) particular content, applications, or services;

144.26 (ii) particular classes of content, applications, or services;

144.27 (iii) lawful Internet traffic to particular nonharmful devices; or

144.28 (iv) lawful Internet traffic to particular classes of nonharmful devices.

144.29 (e) "Internet service provider" means a business that provides broadband Internet access
144.30 service to a customer in Minnesota.

145.1 (f) "Paid prioritization" means the management of an Internet service provider's network
145.2 to directly or indirectly favor some traffic over other traffic:

145.3 (1) in exchange for monetary or other consideration from a third party; or

145.4 (2) to benefit an affiliated entity.

145.5 (g) "Reasonable network management" means a network management practice that has
145.6 a primarily technical network-management justification, but does not include other business
145.7 practices, which is reasonable if it is primarily used for and tailored to achieving a legitimate
145.8 network-management purpose, taking into account the particular network architecture and
145.9 technology of the broadband Internet access service, and is as application-agnostic as
145.10 possible.

145.11 (h) "Zero-rating" means exempting some Internet traffic from a customer's data usage
145.12 allowance.

145.13 Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging
145.14 in any of the following activities with respect to any of the Internet service provider's
145.15 Minnesota customers:

145.16 (1) subject to reasonable network management, blocking lawful content, applications,
145.17 services, or nonharmful devices;

145.18 (2) subject to reasonable network management, impairing, impeding, or degrading lawful
145.19 Internet traffic on the basis of (i) Internet content, application, or service, or (ii) use of a
145.20 nonharmful device;

145.21 (3) engaging in paid prioritization;

145.22 (4) unreasonably interfering with or unreasonably disadvantaging:

145.23 (i) a customer's ability to select, access, and use broadband Internet service or lawful
145.24 Internet content, applications, services, or devices of the customer's choice; or

145.25 (ii) an edge provider's ability to provide lawful Internet content, applications, services,
145.26 or devices to a customer;

145.27 (5) engaging in deceptive or misleading marketing practices that misrepresent the
145.28 treatment of Internet traffic or content;

145.29 (6) engaging in zero-rating in exchange for consideration, monetary or otherwise, from
145.30 a third party; or

146.1 (7) zero-rating some Internet content, applications, services, or devices in a category of
146.2 Internet content, applications, services, or devices, but not the entire category.

146.3 Subd. 3. **Exceptions.** This section does not apply to software or applications sponsored
146.4 by the federal government, a state government, or a federally recognized Tribal government
146.5 when the Internet service provider allows an advantage to customers for free or improved
146.6 access, or data for access to government services and programs.

146.7 Subd. 4. **Other laws.** This section does not: (1) supersede any obligation or authorization
146.8 an Internet service provider may have to address the needs of emergency communications
146.9 or law enforcement, public safety, or national security authorities, consistent with or as
146.10 permitted by applicable law; or (2) limit the provider's ability to meet, address, or comply
146.11 with the needs identified in clause (1).

146.12 Subd. 5. **Enforcement.** A violation of subdivision 2 may be enforced by the commissioner
146.13 of commerce under section 45.027. The venue for enforcement proceedings is Ramsey
146.14 County.

146.15 Sec. 15. Minnesota Statutes 2022, section 412.221, subdivision 6, is amended to read:

146.16 Subd. 6. **Public ways and grounds.** (a) The council ~~shall have~~ has the power to lay out,
146.17 open, change, widen or extend streets, alleys, parks, squares, and other public ways and
146.18 grounds and to grade, pave, repair, control, and maintain the same; to establish and maintain
146.19 drains, canals, and sewers; to alter, widen or straighten watercourses; to lay, repair, or
146.20 otherwise improve or discontinue sidewalks, paths, and crosswalks.

146.21 ~~It shall have~~ (b) The council has the power: (1) to franchise the occupants and users of
146.22 public right-of-way; (2) to receive compensation; and (3) by ordinance to regulate the use
146.23 of streets and other public grounds to the extent provided in other applicable law, to prevent
146.24 encumbrances or obstructions, and to require the owners or occupants of buildings and the
146.25 owners of vacant lots to remove any snow, ice, dirt, or rubbish from the sidewalks adjacent
146.26 thereto and in default thereof to cause such encumbrances, obstructions, or substances to
146.27 be removed and the cost to be assessed against the property as a special assessment.

146.28 Sec. 16. Minnesota Statutes 2022, section 429.021, subdivision 1, is amended to read:

146.29 Subdivision 1. **Improvements authorized.** The council of a municipality shall have
146.30 power to make the following improvements:

146.31 (1) To acquire, open, and widen any street, and to improve the same by constructing,
146.32 reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking

147.1 strips of any material, or by grading, graveling, oiling, or otherwise improving the same,
147.2 including the beautification thereof and including storm sewers or other street drainage and
147.3 connections from sewer, water, or similar mains to curb lines.

147.4 (2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary
147.5 sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps,
147.6 lift stations, service connections, and other appurtenances of a sewer system, within and
147.7 without the corporate limits.

147.8 (3) To construct, reconstruct, extend, and maintain steam heating mains.

147.9 (4) To install, replace, extend, and maintain street lights and street lighting systems and
147.10 special lighting systems.

147.11 (5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems,
147.12 including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks,
147.13 treatment plants, and other appurtenances of a water works system, within and without the
147.14 corporate limits.

147.15 (6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational
147.16 facilities within or without the corporate limits.

147.17 (7) To plant trees on streets and provide for their trimming, care, and removal.

147.18 (8) To abate nuisances and to drain swamps, marshes, and ponds on public or private
147.19 property and to fill the same.

147.20 (9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

147.21 (10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

147.22 (11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and
147.23 promote a pedestrian skyway system. Such improvement may be made upon a petition
147.24 pursuant to section 429.031, subdivision 3.

147.25 (12) To acquire, construct, reconstruct, extend, operate, maintain, and promote
147.26 underground pedestrian concourses.

147.27 (13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public
147.28 malls, plazas or courtyards.

147.29 (14) To construct, reconstruct, extend, and maintain district heating systems.

148.1 (15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection
148.2 systems in existing buildings, but only upon a petition pursuant to section 429.031,
148.3 subdivision 3.

148.4 (16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway
148.5 sound barriers.

148.6 (17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution
148.7 facilities owned by a municipal gas or electric utility.

148.8 (18) To purchase, install, and maintain signs, posts, and other markers for addressing
148.9 related to the operation of enhanced 911 telephone service.

148.10 (19) To improve, construct, extend, and maintain facilities for Internet access and other
148.11 communications purposes, ~~if the council finds that:~~ provided that the municipality must:

148.12 ~~(i) the facilities are necessary to make available Internet access or other communications~~
148.13 ~~services that are not and will not be available through other providers or the private market~~
148.14 ~~in the reasonably foreseeable future; and~~

148.15 ~~(ii) the service to be provided by the facilities will not compete with service provided~~
148.16 ~~by private entities.~~

148.17 (i) not discriminate in favor of the municipality's own communications facilities by
148.18 granting the municipality more favorable or less burdensome terms and conditions than a
148.19 competitive service provider with respect to: (A) access and use of public rights-of-way;
148.20 (B) access and use of municipally owned or controlled conduit, towers, and utility poles;
148.21 and (C) permitting fees charged to access municipally owned and managed facilities;

148.22 (ii) maintain separation between the municipality's role as a regulator over firms that
148.23 offer services in competition with the services offered by the municipality over the
148.24 municipality's communications service facilities, and the municipality's role as a competitive
148.25 provider of services over the municipality's communications service facilities; and

148.26 (iii) not share inside information between employees or contractors responsible for
148.27 executing the municipality's role as a regulator over firms that offer communications services
148.28 in competition with the communication services offered by the municipality, and employees
148.29 or contractors responsible for executing the municipality's role as a competitive
148.30 communications services provider.

148.31 (20) To assess affected property owners for all or a portion of the costs agreed to with
148.32 an electric utility, telecommunications carrier, or cable system operator to bury or alter a
148.33 new or existing distribution system within the public right-of-way that exceeds the utility's

149.1 design and construction standards, or those set by law, tariff, or franchise, but only upon
149.2 petition under section 429.031, subdivision 3.

149.3 (21) To assess affected property owners for repayment of voluntary energy improvement
149.4 financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.

149.5 (22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy
149.6 improvement projects in existing buildings, provided that:

149.7 (i) a petition for the improvement is made by a property owner under section 429.031,
149.8 subdivision 3;

149.9 (ii) the municipality funds and administers the energy improvement project;

149.10 (iii) project funds are only used for the installation of improvements to heating,
149.11 ventilation, and air conditioning equipment and building envelope and for the installation
149.12 of renewable energy systems;

149.13 (iv) each property owner petitioning for the improvement receives notice that free or
149.14 low-cost energy improvements may be available under federal, state, or utility programs;

149.15 (v) for energy improvement projects on residential property, only residential property
149.16 having five or more units may obtain financing for projects under this clause; and

149.17 (vi) prior to financing an energy improvement project or imposing an assessment for a
149.18 project, written notice is provided to the mortgage lender of any mortgage encumbering or
149.19 otherwise secured by the property proposed to be improved.

149.20

ARTICLE 5

149.21

LIQUOR

149.22 Section 1. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

149.23 Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue
149.24 an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the
149.25 Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding
149.26 the limitations of law, or local ordinance, or charter provision relating to zoning or school
149.27 or church distances. The licenses authorize sales on all days of the week to holders of tickets
149.28 for performances presented by the theaters and to members of the nonprofit corporations
149.29 holding the licenses and to their guests.

149.30 (b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland
149.31 Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510

150.1 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter
150.2 provision.

150.3 (c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah
150.4 Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue
150.5 South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter
150.6 provision relating to zoning or school or church distances.

150.7 (d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
150.8 American Association of University Women, Minneapolis branch, for use on the premises
150.9 owned by the American Association of University Women, Minneapolis branch, at 2115
150.10 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local
150.11 ordinances, or charter provisions relating to zoning or school or church distances.

150.12 (e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent
150.13 malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine
150.14 license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue
150.15 South, notwithstanding any law or local ordinance or charter provision.

150.16 (f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor
150.17 license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the
150.18 Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the
150.19 Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located
150.20 at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South,
150.21 Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at
150.22 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South,
150.23 notwithstanding any law or local ordinance or charter provision. The license authorizes
150.24 sales on all days of the week.

150.25 (g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University
150.26 Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering
150.27 operator at the building owned and operated by the University Gateway Corporation on the
150.28 University of Minnesota campus, notwithstanding limitations of law, or local ordinance or
150.29 charter provision. The license authorizes sales on all days of the week.

150.30 (h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker
150.31 Art Center's concessionaire or operator, for a restaurant and catering operator on the premises
150.32 of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter
150.33 provisions. The license authorizes sales on all days of the week.

151.1 (i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie
151.2 Theater's concessionaire or operator for a restaurant and catering operator on the premises
151.3 of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter
151.4 provisions. The license authorizes sales on all days of the week.

151.5 (j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor
151.6 license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator
151.7 for a restaurant and catering operator on the premises of the Minnesota Book and Literary
151.8 Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance
151.9 or charter provision. The license authorizes sales on all days of the week.

151.10 (k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant
151.11 located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter
151.12 provision.

151.13 (l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum
151.14 of Russian Art's concessionaire or operator for a restaurant and catering operator on the
151.15 premises of the Museum of Russian Art located at 5500 Stevens Avenue South,
151.16 notwithstanding any law or local ordinance or charter provision.

151.17 (m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
151.18 American Swedish Institute or to its concessionaire or operator for use on the premises
151.19 owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding
151.20 limitations of law, or local ordinances, or charter provision relating to zoning or school or
151.21 church distances.

151.22 (n) Notwithstanding any other law, local ordinance, or charter provision, the city of
151.23 Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis
151.24 Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions
151.25 or catering contract with the Minneapolis Institute of Arts for use on the premises of the
151.26 Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued
151.27 for space that is not compact and contiguous, provided that all such space is included in the
151.28 description of the licensed premises on the approved license application. The licenses
151.29 authorize sales on all days of the week.

151.30 (o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway
151.31 House or to its concessionaire or operator for use on the premises owned by Norway House
151.32 at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or
151.33 charter provision relating to zoning or school or church distances.

152.1 (p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating
152.2 to seating requirements, local ordinance, or charter provision, the city of Minneapolis may
152.3 issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions
152.4 or catering contract with the Minneapolis Park and Recreation Board for use on the
152.5 Minneapolis Park and Recreation Board premises of the Downtown Commons Park, the
152.6 Minneapolis Sculpture Garden, or at Boom Island Park. The licenses authorized by this
152.7 subdivision may be used for space specified within the park property, provided all such
152.8 space is included in the description of the licensed premises on the approved license
152.9 application. The licenses authorize sales on the dates on the approved license application.

152.10 **EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City
152.11 Council and compliance with Minnesota Statutes, section 645.021.

152.12 **Sec. 2. SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

152.13 Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue
152.14 an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph
152.15 (d), for sales at town ball games played at a ballpark on school grounds, provided that the
152.16 board of Independent School District No. 465, Litchfield, adopts a resolution approving the
152.17 issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply
152.18 to the school grounds or buildings for a license issued under this section.

152.19 **EFFECTIVE DATE.** This section is effective upon approval by the Litchfield City
152.20 Council and compliance with Minnesota Statutes, section 645.021.

152.21 **Sec. 3. SPECIAL LIQUOR LAW; CITY OF WATKINS.**

152.22 Notwithstanding Minnesota Statutes, section 624.701, the city of Watkins may issue an
152.23 on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d),
152.24 for sales at town ball games played at a ballpark on school grounds, provided the board of
152.25 Independent School District No. 463, Eden Valley-Watkins, adopts a resolution approving
152.26 the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not
152.27 apply to the school grounds or buildings for a license issued under this section.

152.28 **EFFECTIVE DATE.** This section is effective upon approval by the Watkins City
152.29 Council and compliance with Minnesota Statutes, section 645.021.

152.30 **Sec. 4. SPORTS AND EVENT CENTER LICENSE; EAGAN.**

152.31 Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance
152.32 to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses

- 153.1 to the owner of a multiuse sports and event center located on property in the city of Eagan,
153.2 legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter
153.3 due to subdivision or replatting, or to any facility operator, concessionaire, catering operator,
153.4 or other third-party food and beverage vendor for the center under contract with the owner.
153.5 A license issued under this section may be issued for a space that is not compact and
153.6 contiguous, provided that the licensed premises shall only be the space described in the
153.7 approved license. A license issued under this section authorizes sales on all days of the
153.8 week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section,
153.9 apply to a license issued under this section.
- 153.10 **EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council
153.11 and compliance with Minnesota Statutes, section 645.021."
- 153.12 Amend the title accordingly