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ARTICLE 1

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CONSUMER PROTECTION

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INSURANCE AND FINANCIAL PRODUCTS

25.3

Section 1. **[45A.08] SUSPECTED FRAUD OR FINANCIAL EXPLOITATION;**

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TRUSTED CONTACT PROGRAM.

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Subdivision 1. **Definition.** For purposes of this section, "trusted contact" means a person

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who has attained the age of 18 years and who a financial services provider customer

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designates as a person a financial services provider may contact if (1) an emergency occurs,

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(2) the financial services provider loses contact with the customer, or (3) the financial

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services provider suspects third-party fraud or financial exploitation targeting the customer.

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Subd. 2. **Fraudulent activity; financial exploitation; reporting.** A financial services

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provider may report suspected fraudulent activity or financial exploitation targeting a

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customer to a federal, state, county, or municipal law enforcement agency or an appropriate

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public protective agency.

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Subd. 3. **Trusted contact program.** (a) A financial services provider may offer a trusted

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contact program to customers. A customer may designate one or more trusted contacts for

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the financial services provider to contact in the event (1) a customer is not responsive to

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financial services provider communications, (2) the financial services provider is presented

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with an urgent matter or emergency involving the customer and the financial services

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provider is unable to locate the customer, (3) the financial services provider suspects

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fraudulent activity or financial exploitation targeting the customer, or (4) the customer's

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account is deemed dormant and the financial services provider is attempting to verify the

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customer's status and location. A financial services provider may establish procedures,

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requirements, and forms the financial services provider deems appropriate and necessary

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to implement a trusted contact program under this section.

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(b) A customer may terminate a person's appointment as a trusted contact at any time.

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A trusted contact may withdraw the person's status as a trusted contact at any time. The

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financial services provider may require documentation or verification the financial services

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provider determines is necessary to establish a trusted contact's termination or withdrawal.

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Subd. 4. **Account security.** A financial services provider may voluntarily offer customers

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an account with convenience and security features that set transaction limits and permit

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limited access for one or more trusted contacts to view account activity.

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Subd. 5. **Certain liability limited.** (a) A financial services provider is not liable for a

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trusted contact's actions. A financial services provider is not liable for declining to interact

- 26.1 with a trusted contact if the financial services provider, in good faith and exercising
26.2 reasonable care, determines a trusted contact is not acting in the customer's best interests.
- 26.3 (b) A financial services provider is not civilly liable for actions taken to report suspected
26.4 fraudulent activity or financial exploitation under subdivision 2.
- 26.5 (c) A financial services provider is not civilly liable for implementing or not
26.6 implementing, or for actions or omissions related to providing or administering, a trusted
26.7 contact program.
- 26.8 (d) A trusted contact who acts in good faith and exercises reasonable care is immune
26.9 from liability.
- 63.25 Section 1. **[48.741] VIRTUAL-CURRENCY CUSTODY SERVICES.**
- 63.26 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
63.27 the meanings given.
- 63.28 (b) "Control of virtual currency" has the meaning given in section 53B.69, subdivision
63.29 2.
- 63.30 (c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.
- 64.1 (d) "Virtual-currency custody services" means safekeeping, controlling, or managing
64.2 virtual currency, or the cryptographic private keys used to access virtual currency, on behalf
64.3 of another person.
- 64.4 Subd. 2. **Authority.** A banking institution may provide virtual-currency custody services
64.5 in a nonfiduciary capacity, subject to this section and applicable state and federal law.
- 64.6 Subd. 3. **Safety and soundness.** A banking institution that engages in virtual-currency
64.7 custody services must conduct the activity in a safe and sound manner and must maintain
64.8 written policies and procedures governing risk management, internal controls, cybersecurity,
64.9 business continuity, and compliance.
- 64.10 Subd. 4. **Notice to commissioner.** A banking institution must provide written notice to
64.11 the commissioner at least 60 days before commencing virtual-currency custody services.
64.12 The notice must describe the nature of the services and the banking institution's risk
64.13 management framework.
- 64.14 Subd. 5. **Custodial capacity.** (a) A banking institution may provide virtual-currency
64.15 custody services in a custodial capacity, including as agent, bailee, or trustee for the limited
64.16 purpose of safekeeping or administration of virtual currency, to the same extent the banking
64.17 institution may lawfully hold or safeguard other assets for customers.
- 64.18 (b) The commissioner may limit or condition the authority to provide virtual-currency
64.19 custody services under paragraph (a) only if the commissioner determines the activity is
64.20 conducted in an unsafe or unsound manner.

64.21 Subd. 6. **Segregation of assets.** A banking institution must structure virtual-currency
64.22 custody services to ensure that customer virtual currency and associated control mechanisms
64.23 are legally and operationally segregated from the banking institution's assets and are not
64.24 treated as the banking institution's property, consistent with the segregation of assets held
64.25 in other custodial capacities and the concept of control of controllable electronic records
64.26 under sections 336.12-101 to 336.12-107.

64.27 Subd. 7. **Third-party service providers.** A banking institution may engage one or more
64.28 qualified third-party service providers or subcustodians to facilitate virtual-currency custody
64.29 services, provided the banking institution retains oversight responsibility and ensures
64.30 compliance with this section.

64.31 Subd. 8. **Supervision and examination.** A banking institution's virtual-currency custody
64.32 services are subject to examination by the commissioner as part of the regular supervisory
64.33 process.

65.1 Subd. 9. **Construction.** This section does not (1) authorize a banking institution to
65.2 engage in activities otherwise prohibited by law, or (2) alter the legal characterization of
65.3 virtual currency under state or federal law.

65.4 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
65.5 virtual-currency custody services commenced on or after that date.

65.6 Sec. 2. Minnesota Statutes 2024, section 52.063, subdivision 3, is amended to read:

65.7 Subd. 3. **Appointment of National Credit Union Administration Board as**
65.8 **receiver.** Upon a request by the commissioner of commerce, the court may appoint the
65.9 National Credit Union Administration Board, created by section 3 of the Federal Credit
65.10 Union Act, as amended, or a share insurance provider approved by the commissioner as
65.11 receiver of a credit union, without bond, when the deposits of the credit union are to any
65.12 extent insured by the National Credit Union Administration Board or approved share
65.13 insurance provider, and the credit union has had its operations suspended or has executed
65.14 a consent cease and desist order with the commissioner in lieu of a suspension under section
65.15 52.062. Notwithstanding any other provisions of law, the commissioner of commerce may,
65.16 in the event of the suspension or consent cease and desist order, tender to the National Credit
65.17 Union Administration Board or approved share insurance provider the proposed appointment
65.18 as receiver of the credit union. If the National Credit Union Administration Board or approved
65.19 share insurance provider accepts the proposed appointment and the court appoints the
65.20 National Credit Union Administration Board or approved share insurance provider as receiver
65.21 upon a request by the commissioner, the National Credit Union Administration Board or
65.22 approved shared insurance provider shall have and possess all the powers and privileges
65.23 provided by the laws of this state and section 207 of the Federal Credit Union Act, as
65.24 amended, with respect to a receiver of a credit union, the board of directors of the credit
65.25 union, and its members.

65.26 Sec. 3. Minnesota Statutes 2024, section 52.24, subdivision 1, is amended to read:

65.27 Subdivision 1. **Insurance accounts.** Every credit union under the supervision of the
65.28 commissioner of commerce shall at all times maintain in effect insurance of member share
65.29 and deposit accounts under the provisions of title II of the National Credit Union Act or
65.30 through a credit union share guaranty corporation that is approved by the commissioner. A
65.31 credit union which that fails to meet this requirement for insurance of its share and deposit
65.32 accounts shall either dissolve or merge with another credit union which that is insured under
66.1 title II of the National Credit Union Act or through a credit union share guaranty corporation
66.2 that is approved by the commissioner.

66.3 Sec. 4. Minnesota Statutes 2024, section 52.24, is amended by adding a subdivision to
66.4 read:

66.5 Subd. 1a. **Credit union share guaranty corporation; accounts insured.** (a) A credit
66.6 union share account of an individual member or a nonmember of a participating credit union
66.7 must be guaranteed in an amount established from time to time by the credit union share
66.8 guaranty corporation. The primary guaranteed amount must be at least the amount of the
66.9 credit union share account but must not exceed \$250,000 or the primary guaranteed amount
66.10 insured by the National Credit Union Administration, whichever is greater.

66.11 (b) The commissioner may examine a credit union share guaranty corporation that insures
66.12 the member accounts of a credit union that is subject to this section. The commissioner may
66.13 assess the credit union share guaranty corporation examined for reasonable costs incurred
66.14 to conduct an examination under this section. Money received from an assessment under
66.15 this paragraph must be deposited in the financial institutions account in the special revenue
66.16 fund.

66.17 (c) A credit union is prohibited from voluntarily terminating the credit union's insurance
66.18 with the National Credit Union Administration Share Insurance Program or a credit union
66.19 share guaranty corporation without receiving approval from the commissioner.

66.20 Sec. 5. Minnesota Statutes 2024, section 52.24, subdivision 2, is amended to read:

66.21 Subd. 2. **Certificate of approval.** No credit union shall be granted a certificate of
66.22 approval by the commissioner of commerce unless the credit union has obtained a
66.23 commitment for insurance of its member share and deposit accounts under the provisions
66.24 of title II of the National Credit Union Act or from an approved credit union share guaranty
66.25 corporation.

66.26 Sec. 6. **[52.25] VIRTUAL-CURRENCY CUSTODY SERVICES.**

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

66.29 (b) "Control of virtual currency" or "control" has the meaning given in section 53B.69,
66.30 subdivision 2.

66.31 (c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

67.1 (d) "Virtual-currency custody services" means safekeeping, controlling, or managing

67.2 virtual currency, or the cryptographic private keys used to access virtual currency, on behalf

67.3 of another person.

67.4 Subd. 2. **Authority.** A credit union may provide virtual-currency custody services to

67.5 the credit union's members in a nonfiduciary capacity, subject to this section and applicable

67.6 state and federal law.

67.7 Subd. 3. **Safety and soundness.** A credit union that engages in virtual-currency custody

67.8 services must conduct the activity in a safe and sound manner and must maintain written

67.9 policies and procedures governing risk management, internal controls, cybersecurity, business

67.10 continuity, and compliance.

67.11 Subd. 4. **Notice to commissioner.** A credit union must provide written notice to the

67.12 commissioner at least 60 days before commencing virtual-currency custody services. The

67.13 notice must describe the nature of the services and the credit union's risk management

67.14 framework.

67.15 Subd. 5. **Custodial capacity.** (a) A credit union may provide virtual-currency custody

67.16 services in a custodial capacity, including as agent, bailee, or trustee for the limited purpose

67.17 of safekeeping or administration of virtual currency, to the same extent the credit union

67.18 may lawfully hold or safeguard other assets for members or customers.

67.19 (b) The commissioner may limit or condition the authority to provide virtual-currency

67.20 custody services under paragraph (a) only if the commissioner determines the activity is

67.21 conducted in an unsafe or unsound manner.

67.22 Subd. 6. **Segregation of assets.** A credit union must structure virtual-currency custody

67.23 services to ensure that customer virtual currency and associated control mechanisms are

67.24 legally and operationally segregated from the credit union's assets and are not treated as the

67.25 credit union's property, consistent with the segregation of assets held in other custodial

67.26 capacities and the concept of control of controllable electronic records under sections

67.27 336.12-101 to 336.12-107.

67.28 Subd. 7. **Third-party service providers.** A credit union may engage one or more

67.29 qualified third-party service providers or subcustodians to facilitate virtual-currency custody

67.30 services, provided the credit union retains oversight responsibility and ensures compliance

67.31 with this section.

68.1 Subd. 8. **Supervision and examination.** A credit union's virtual-currency custody

68.2 services are subject to examination by the commissioner as part of the regular supervisory

68.3 process.

1.22 Section 1. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

1.23 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal
1.24 acting as a mechanical agent or a person acting on behalf of the virtual currency kiosk
1.25 operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual
1.26 currency for money, bank credit, or other virtual currency, including but not limited to by
1.27 (1) connecting directly to a separate virtual currency exchanger that performs the actual
1.28 virtual currency transmission, or (2) drawing upon the virtual currency in the possession of
1.29 the electronic terminal's operator.

68.4 Subd. 9. **Construction.** This section does not (1) authorize a credit union to engage in
68.5 activities otherwise prohibited by law, or (2) alter the legal characterization of virtual
68.6 currency under state or federal law.

68.7 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
68.8 virtual-currency custody services commenced on or after that date.

26.10 Sec. 2. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

26.11 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal
26.12 acting as a mechanical agent or a person acting on behalf of the virtual currency kiosk
26.13 operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual
26.14 currency for money, bank credit, or other virtual currency, including but not limited to by
26.15 (1) connecting directly to a separate virtual currency exchanger that performs the actual
26.16 virtual currency transmission, or (2) drawing upon the virtual currency in the possession of
26.17 the electronic terminal's operator.

68.9 Sec. 7. Minnesota Statutes 2024, section 53B.74, is amended to read:

68.10 **53B.74 VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL**
68.11 **REQUIREMENTS.**

68.12 (a) A licensee engaged in virtual currency business activities ~~may include virtual currency~~
68.13 ~~in the licensee's calculation of tangible net worth, by measuring the average value of the~~
68.14 ~~virtual currency in United States dollar equivalent over the prior six months, excluding~~
68.15 ~~control of virtual currency for a person entitled to the protections under section 53B.73. is~~
68.16 ~~not required to subtract virtual currency from total assets in the licensee's calculation of~~
68.17 ~~tangible net worth if:~~

68.18 (1) the licensee's day-to-day business includes incurring obligations to customers
68.19 ~~denominated in the virtual currency;~~

68.20 (2) the virtual currency asset has a corresponding liability denominated in the virtual
68.21 ~~currency;~~

68.22 (3) the virtual currency is unencumbered; and

68.23 (4) the virtual currency assets that are not subtracted from total assets are limited to the
68.24 ~~virtual currency assets that have a corresponding liability denominated in the same virtual~~
68.25 ~~currency.~~

68.26 (b) A licensee must maintain, for all virtual-currency business activity with or on behalf
68.27 of a person five years after the date of the activity, a record of:

68.28 (1) each of the licensee's transactions with or on behalf of the person, or for the licensee's
68.29 ~~account in Minnesota, including:~~

68.30 (i) the identity of the person;

2.1 Sec. 2. **[53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**
2.2 Subdivision 1. **Virtual currency kiosks prohibited.** (a) Beginning August 1, 2026, a
2.3 person is prohibited from installing, operating, maintaining, or making available for use a
2.4 virtual currency kiosk.
2.5 (b) On or before December 31, 2026, a virtual currency kiosk operator must remove the
2.6 virtual currency kiosk from any location where the virtual currency kiosk is visible or
2.7 accessible to the public.
2.8 Subd. 2. **Payout.** (a) On or before December 31, 2026, a virtual currency kiosk operator
2.9 that conducts virtual currency transactions exclusively through a virtual currency kiosk
2.10 must pay out any money or virtual currency held for or owed to a new or existing customer
2.11 that exists as a result of virtual currency kiosk transactions.

68.31 (ii) the form of the transaction;
69.1 (iii) the amount, date, and payment instructions given by the person; and
69.2 (iv) the account number, name, and United States Postal Service address of the person,
69.3 and, to the extent feasible, other parties to the transaction;
69.4 (2) the aggregate number of transactions and aggregate value of transactions by the
69.5 licensee with or on behalf of the person and for the licensee's account in this state, expressed
69.6 in the United States dollar equivalent of the virtual currency for the previous 12 calendar
69.7 months;
69.8 (3) each transaction in which the licensee exchanges one form of virtual currency for
69.9 money or another form of virtual currency with or on behalf of the person;
69.10 (4) a general ledger posted at least monthly that lists all of the licensee's assets, liabilities,
69.11 capital, income, and expenses;
69.12 (5) each business-call report the licensee is required to create or provide to the department
69.13 or NMLS;
69.14 (6) bank statements and bank reconciliation records for the licensee and the name,
69.15 account number, and United States Postal Service address of each bank the licensee uses
69.16 to conduct virtual-currency business activity with or on behalf of the person;
69.17 (7) a report of any dispute with the person; and
69.18 (8) a report of any virtual-currency business activity transaction with or on behalf of a
69.19 person which the licensee was unable to complete.
69.20 (c) A licensee must maintain records required by paragraph (b) in a form that enables
69.21 the commissioner to determine whether the licensee is in compliance with this chapter, any
69.22 court order, and law of Minnesota other than this chapter.
26.18 Sec. 3. **[53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**
26.19 Subdivision 1. **Virtual currency kiosks prohibited.** (a) Beginning August 1, 2026, a
26.20 person is prohibited from installing, operating, maintaining, or making available for use a
26.21 virtual currency kiosk.
26.22 (b) On or before December 31, 2026, a virtual currency kiosk operator must remove the
26.23 virtual currency kiosk from any location where the virtual currency kiosk is visible or
26.24 accessible to the public.
26.25 Subd. 2. **Payout.** (a) On or before December 31, 2026, a virtual currency kiosk operator
26.26 that conducts virtual currency transactions exclusively through a virtual currency kiosk
26.27 must pay out any money or virtual currency held for or owed to a new or existing customer
26.28 that exists as a result of virtual currency kiosk transactions.

2.12 (b) A new or existing customer may elect, at any time before December 31, 2026, to
2.13 receive a payout under this subdivision:

2.14 (1) in United States dollars, in an amount equal to the market value of the customer's
2.15 virtual currency plus any fiat currency; or

2.16 (2) to a virtual currency wallet designated by the customer.

2.17 (c) A virtual currency kiosk operator must make a payout under this subdivision in the
2.18 manner elected by a new or existing customer under paragraph (b). If a new or existing
2.19 customer elects the option under paragraph (b), clause (2), the virtual currency kiosk operator
2.20 must transfer the full amount of the money and virtual currency being held for or owed to
2.21 the new or existing customer to the customer's designated virtual currency wallet within 30
2.22 days of the date the customer submits the payout request.

2.23 (d) A payout to a new or existing customer must be recorded on the applicable blockchain.
2.24 A virtual currency kiosk operator must retain proof that a transfer was made and must make
2.25 retained proof available to the commissioner upon request.

2.26 Subd. 3. **Exception.** A virtual currency kiosk operator is not required to make a payout
2.27 under subdivision 2 if the operator maintains, at all times, other lawful means for new and
2.28 existing customers to access, transfer, redeem, or otherwise transact a customer's money or
2.29 virtual currency that exists as a result of virtual currency kiosk transactions.

2.30 EFFECTIVE DATE. This section is effective August 1, 2026.

26.29 (b) A new or existing customer may elect, at any time before December 31, 2026, to
26.30 receive a payout under this subdivision:

27.1 (1) in United States dollars, in an amount equal to the market value of the customer's
27.2 virtual currency plus any fiat currency; or

27.3 (2) to a virtual currency wallet designated by the customer.

27.4 (c) A virtual currency kiosk operator must make a payout under this subdivision in the
27.5 manner elected by a new or existing customer under paragraph (b). If a new or existing
27.6 customer elects the option under paragraph (b), clause (2), the virtual currency kiosk operator
27.7 must transfer the full amount of the money and virtual currency being held for or owed to
27.8 the new or existing customer to the customer's designated virtual currency wallet within 30
27.9 days of the date the customer submits the payout request.

27.10 (d) A payout to a new or existing customer must be recorded on the applicable blockchain.
27.11 A virtual currency kiosk operator must retain proof that a transfer was made and must make
27.12 retained proof available to the commissioner upon request.

27.13 Subd. 3. **Exception.** A virtual currency kiosk operator is not required to make a payout
27.14 under subdivision 2 if the operator maintains, at all times, other lawful means for new and
27.15 existing customers to access, transfer, redeem, or otherwise transact a customer's money or
27.16 virtual currency that exists as a result of virtual currency kiosk transactions.

27.17 EFFECTIVE DATE. This section is effective August 1, 2026.

69.23 Sec. 8. **[58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

69.26 (b) "Authorized representative" means a person, including but not limited to an attorney,
69.27 employee, or agent of a government agency, not-for-profit housing counseling organization,
69.28 or legal services organization, designated by a borrower in a written authorization signed
69.29 by the borrower or in any other form of verifiable authorization to share information and
69.30 communicate with a servicer on behalf of the borrower.

70.1 (c) "Clearly and conspicuously" means the statement, representation, or term being
70.2 disclosed is displayed in a size, color, and contrast and is presented in a manner that makes
70.3 the statement readily noticed and understood by an ordinary consumer.

70.4 (d) "Government-sponsored enterprise" means the Federal National Mortgage Association
70.5 and the Federal Home Loan Mortgage Corporation.

70.6 (e) "Real Estate Settlement Procedures Act" or "RESPA" means the Real Estate
70.7 Settlement Procedures Act of 1974, United States Code, title 12, section 2601, et seq., and

- 70.8 regulations adopted pursuant to RESPA, also known as Regulation X, Code of Federal
70.9 Regulations, title 12, part 1024, as amended.
- 70.10 (f) "Third-party provider" means any person or entity retained by or on behalf of the
70.11 servicer, including but not limited to foreclosure firms, law firms, foreclosure trustees, other
70.12 agents, independent contractors, subsidiaries, and affiliates, that provides insurance,
70.13 foreclosure, bankruptcy, mortgage servicing including loss mitigation, or other products or
70.14 services in connection with servicing a mortgage loan.
- 70.15 (g) "Transferee servicer" means a servicer that has agreed to obtain the right to service
70.16 a mortgage loan pursuant to an agreement or understanding.
- 70.17 (h) "Transferor servicer" means a servicer that has agreed to, or been informed that the
70.18 servicer must, transfer the right to service a mortgage loan to another servicer.
- 70.19 Subd. 2. **General requirements.** (a) A violation of an applicable state law or
70.20 administrative rule, a federal law or regulation, or a state or federal program is a violation
70.21 of this section.
- 70.22 (b) In addition to complying with this section, a servicer must comply with:
- 70.23 (1) other applicable sections of this chapter;
- 70.24 (2) other applicable state law, including but not limited to chapters 46A, 47, 580, 581,
70.25 and 582;
- 70.26 (3) applicable sections of RESPA;
- 70.27 (4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section
70.28 501, et seq.; and
- 70.29 (5) other applicable federal laws and implementing regulations, as amended, including
70.30 but not limited to:
- 70.31 (i) the Gramm-Leach-Bliley Act, Public Law 106-102;
- 71.1 (ii) the Truth-in-Lending Act, United States Code, title 15, section 1601, et seq.; and
- 71.2 (iii) the Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x.
- 71.3 Subd. 3. **Servicing and ownership transfers or sales.** (a) When acquiring servicing
71.4 rights from a transferor servicer, a transferee servicer must continue processing loan
71.5 modification requests and honoring trial and permanent modifications.
- 71.6 (b) When transferring or selling loan servicing with pending modification requests or
71.7 trial or permanent modifications, a transferor servicer must:
- 71.8 (1) inform the transferee servicer if a loan modification is pending; and

71.9 (2) obligate the transferee servicer to (i) accept and continue processing loan modification
71.10 requests, and (ii) honor trial and permanent loan modification agreements.

71.11 Subd. 4. **Payment processing and fees.** (a) A servicer must comply with section 47.59,
71.12 subdivision 9a, regarding prompt crediting of payments, if the borrower has provided
71.13 sufficient information to credit the account. A servicer must apply the payment as specified
71.14 in the loan documents.

71.15 (b) A servicer may enter into a written contract with the borrower that allows the servicer
71.16 to hold certain types of money, or money sent by a certain method, for a period of time until
71.17 the money is available before crediting the money to the borrower's account.

71.18 (c) A servicer must notify the borrower if a payment is received, not credited, and placed
71.19 in a suspense account. The servicer must send the notification to the borrower within ten
71.20 business days by United States mail to the borrower's last known address. The notification
71.21 must identify (1) the reason the payment was not credited or treated as credited to the
71.22 account, and (2) any actions the borrower must take to make the residential mortgage loan
71.23 current. If a servicer provides monthly or more frequent statements that include the
71.24 information under this paragraph, the servicer is not required to provide the information in
71.25 an additional notice. If this paragraph conflicts with the requirements of an applicable
71.26 bankruptcy court order, compliance with the bankruptcy court requirements constitutes
71.27 compliance with this paragraph or paragraph (d).

71.28 (d) When a suspense account contains enough money to make a full payment, a servicer
71.29 must apply the payment to the mortgage on the date the full amount became available in
71.30 the suspense account.

71.31 (e) A servicer must assess an incurred fee to a borrower's account within 60 days of the
71.32 date the fee was incurred. A servicer must clearly and conspicuously explain the fee in a
71.33 statement mailed to the borrower at the borrower's last known address no more than 30 days
72.1 after the date the fee is assessed. If a servicer provides monthly or more frequent statements
72.2 that include the information under this paragraph, the servicer is not required to provide the
72.3 information in an additional notice.

72.4 Subd. 5. **Contracting with third-party providers.** A servicer must adopt written policies
72.5 and procedures governing the oversight of third-party providers, including but not limited
72.6 to foreclosure trustees, foreclosure firms, subservicers, agents, subsidiaries, and affiliates.
72.7 A servicer must maintain the policies and procedures as part of the servicer's books and
72.8 records and must provide the policies and procedures to the commissioner upon request.

72.9 Subd. 6. **Maintenance of the escrow account.** (a) If a servicer collects escrow amounts
72.10 held for the borrower to pay insurance, taxes, or other charges with respect to the property,
72.11 the servicer must collect and make all payments from the escrow account. To the extent the
72.12 servicer has control, the servicer must ensure that no late penalties are assessed or other
72.13 negative consequences result for the borrower.

72.14 (b) At least annually or upon the borrower's request, a servicer must inform the borrower
72.15 in writing regarding the amount of reserve required in an escrow account. The notice must
72.16 advise the borrower of any fees the borrower incurs (1) for not maintaining the reserve
72.17 amount, or (2) if the servicer advances escrow amounts on the borrower's behalf and
72.18 subsequently collects the escrow amounts from the borrower.

72.19 (c) A servicer may enter into a written agreement with the borrower that specifies the
72.20 servicer is not required to make escrow payments unless money is available in the escrow
72.21 account. An agreement under this paragraph must include language that provides notice to
72.22 the borrower that the borrower is responsible to pay the escrow amounts if an amount
72.23 sufficient to pay the escrow amounts is not maintained in the escrow account.

72.24 (d) A servicer must notify the borrower within ten business days of the date a change is
72.25 made to the escrow account that modifies the borrower's escrow payment amount. A change
72.26 requiring notification includes but is not limited to hazard insurance premiums, a reduction
72.27 in the required reserve amount for the account, or a change in the property's tax assessment.
72.28 A change resulting from a borrower's regularly scheduled payment is not a change requiring
72.29 notification.

72.30 Subd. 7. **Borrower requests for information.** (a) A servicer must make a reasonable
72.31 attempt to comply with a borrower's request for information, including a request for
72.32 information about loss mitigation, regarding the residential mortgage loan account and must
72.33 respond to a dispute initiated by the borrower about the loan account. A reasonable attempt
72.34 under this subdivision includes but is not limited to:

73.1 (1) maintaining written or electronic records of each written request for information
73.2 involving the borrower's account until the residential mortgage loan is paid in full, sold, or
73.3 otherwise satisfied; and

73.4 (2) providing a written statement to the borrower within 30 business days of the date a
73.5 written request is received from the borrower or by following the response timelines provided
73.6 by a loss mitigation program. A borrower's request must include the borrower's name and
73.7 account number, if any, a statement that the account is or may be in error, and sufficient
73.8 detail regarding the information sought by the borrower to permit the servicer to comply.

73.9 (b) At a minimum, a servicer must provide the following information in response to a
73.10 borrower request received under this subdivision:

73.11 (1) whether the account is current or, if the account is not current, an explanation
73.12 regarding the default and the date the account entered default;

73.13 (2) the current balance due on the residential mortgage loan, including the principal due;
73.14 the amount of money, if any, held in a suspense account; the amount of the escrow balance
73.15 known to the servicer, if any; and whether any escrow deficiencies or shortages are known
73.16 to the servicer;

73.17 (3) the identity, address, and other relevant information about the current holder, owner,
73.18 or assignee of the residential mortgage loan; and

73.19 (4) the telephone number and mailing address of an individual servicer representative
73.20 with the information and authority to answer questions and resolve disputes.

73.21 (c) A servicer must promptly correct errors and refund fees assessed to the borrower
73.22 resulting from an error the servicer made.

73.23 (d) If the content of a servicer's response meets the requirements under RESPA for a
73.24 response to a qualified written request, the servicer has complied with this subdivision. A
73.25 servicer deemed compliant with this subdivision under this paragraph must separately
73.26 comply with paragraph (c).

73.27 (e) In addition to the statement described under paragraph (a), clause (2), a borrower
73.28 may request more detailed information from a servicer. A servicer that receives a request
73.29 under this paragraph must provide the information to the borrower within 30 business days
73.30 of the date a written request from the borrower is received. A borrower's request must
73.31 include the borrower's name and account number, if any, a statement that the account is or
73.32 may be in error, and sufficient detail to the servicer regarding information sought by the
74.1 borrower. If requested by the borrower, a statement provided under this paragraph must
74.2 also include:

74.3 (1) a copy of the original note or, if the original note is unavailable, an affidavit of lost
74.4 note that includes all endorsements; and

74.5 (2) a statement that (i) identifies and itemizes all fees and charges assessed under the
74.6 loan servicing transaction, (ii) provides a full payment history that identifies in a clear and
74.7 conspicuous manner all the debits, credits, applications, and disbursements of all payments
74.8 received from or for the benefit of the borrower, and (iii) identifies other activity on the
74.9 residential mortgage loan, including escrow account activity and suspense account activity,
74.10 if any.

74.11 (f) For purposes of a borrower request made under paragraph (e) the account history
74.12 period must cover, at a minimum, the two-year period before the date the request for
74.13 information is received. If the servicer has not serviced the residential mortgage loan for
74.14 the entire two-year period, the servicer must provide the information back to the date on
74.15 which the servicer began servicing the residential mortgage loan and must identify the
74.16 previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed
74.17 on the residential mortgage loan prior to the two-year period or the period during which the
74.18 servicer has serviced the residential mortgage loan, the servicer must provide an account
74.19 history beginning with the month that the servicer claims any outstanding sums are owed
74.20 on the residential mortgage loan up to the date the request for the information is received.

74.21 (g) If the borrower requests a statement under paragraph (e), a servicer must provide the
74.22 statement free of charge. A borrower is entitled to only one free statement annually under

- 74.23 this paragraph. If a borrower requests more than one statement annually, a servicer may
74.24 charge \$30 for the second and each subsequent statement.
- 74.25 Subd. 8. **Borrower complaints and inquiries.** (a) A servicer must establish and maintain:
74.26 (1) procedures and systems to respond to and resolve borrower complaints and inquiries
74.27 in a manner that complies with this section;
74.28 (2) a customer service department staffed by trained personnel to whom a borrower may
74.29 direct complaints and inquiries; and
74.30 (3) a toll-free telephone number or collect calling service that enables a borrower to
74.31 speak, during regular business hours, with a live person trained to answer inquiries and
74.32 instruct borrowers how to file written complaints.
- 75.1 (b) Each welcome packet, periodic statement, including as applicable either the monthly
75.2 mortgage statement or annual coupon book that is provided to a borrower, and website
75.3 maintained by a servicer must clearly and conspicuously state:
75.4 (1) an address to which borrowers may direct complaints and inquiries;
75.5 (2) the toll-free telephone number or collect calling services provided by the servicer;
75.6 (3) whether the servicer is licensed with the commissioner; and
75.7 (4) that a borrower may file a complaint and obtain information about the servicer by
75.8 contacting the Department of Commerce. The information provided under this clause must
75.9 include the department's current telephone contact information and website.
- 75.10 (c) A servicer must establish and maintain a process that enables borrowers to escalate
75.11 complaints or pending loss mitigation matters for a supervisory-level review.
- 75.12 Subd. 9. **Servicing prohibitions; fair dealing duty.** (a) In addition to the prohibitions
75.13 and standards of conduct under sections 58.12, subdivision 1, paragraph (b), and 58.13,
75.14 subdivision 1, a servicer is prohibited from:
75.15 (1) engaging in unfair, deceptive, or abusive business practices, or misrepresenting or
75.16 omitting any material information, in connection with servicing a mortgage loan, including
75.17 but not limited to misrepresenting the amount, nature, or terms of a fee, payment due, or
75.18 payment claimed due on the loan, the servicing agreement's terms and conditions, or the
75.19 borrower's obligations under the loan;
75.20 (2) requiring money to be remitted by a method that is more costly to the borrower than
75.21 a bank, certified check, or attorney's check from an attorney's account; or
75.22 (3) refusing to communicate with the borrower's authorized representative if the
75.23 authorized representative provides the servicer with a written authorization, including by
75.24 electronic transmission, signed by the borrower that affirms the authorized representative
75.25 may act on behalf of the borrower. A servicer may adopt procedures, excluding collecting

3.1 Sec. 3. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

3.2 Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person

3.3 must investigate and attempt to resolve complaints made regarding acts or practices subject

3.4 to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions

75.26 the representative's Social Security number, that are reasonably related to verifying that the

75.27 representative is in fact authorized to act on behalf of the borrower.

75.28 (b) A servicer must act in good faith and deal fairly in the servicer's dealings with a

75.29 borrower in connection with servicing a borrower's mortgage loan. For purposes of this

75.30 paragraph, acting in good faith and dealing fairly includes but is not limited to the duty to:

75.31 (1) safeguard and account for any payment made by the borrower or any money belonging

75.32 to the borrower;

76.1 (2) follow reasonable and lawful instructions from the borrower that are consistent with

76.2 the underlying note and mortgage;

76.3 (3) act with reasonable skill, care, and diligence;

76.4 (4) consider alternatives to foreclosure when a borrower (i) demonstrates that the borrower

76.5 is in imminent risk of delinquency on the mortgage loan as a result of a financial hardship,

76.6 or (ii) has experienced a financial hardship and is unable to maintain the payment at the

76.7 current payment amount required under the mortgage loan or make delinquent payments;

76.8 and

76.9 (5) structure loan modifications to result in payments that are reasonably affordable and

76.10 sustainable for the borrower at the time the modification is made.

76.11 Subd. 10. **Notices; mailings; evidence of receipt.** (a) A notification, mailing, or other

76.12 correspondence from a mortgage servicer or third-party provider to a borrower must be

76.13 provided via first-class mail or email if the borrower has provided an email address for

76.14 notice or communication purposes.

76.15 (b) A servicer must provide a mailing address, facsimile number, email address, and a

76.16 method to facilitate file transfers via the Internet to produce documents requested from the

76.17 borrower. An option to transfer files via the Internet must allow both the borrower and

76.18 servicer to view the documents sent and confirm the date the documents were sent for 60

76.19 months after the date the documents were produced to the servicer.

76.20 (c) A servicer must provide a detailed description of all items received and the items'

76.21 expiration dates from a borrower within ten business days of the date an item was received

76.22 via any medium described under this subdivision.

76.23 (d) A servicer is prohibited from rejecting documentation from a borrower or potential

76.24 borrower as incomplete without providing the borrower with details regarding which specific

76.25 portion of the documentation is incomplete.

76.26 Sec. 9. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

76.27 Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person

76.28 must investigate and attempt to resolve complaints made regarding acts or practices subject

76.29 to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions

3.5 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain
3.6 a file containing all materials relating to the complaint and subsequent investigation for a
3.7 period of 60 months.

3.8 Sec. 4. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

3.9 Subd. 4. **Trust account records for mortgage originators.** A residential mortgage
3.10 originator or servicer shall keep and maintain for 60 months a record of all trust funds,
3.11 sufficient to identify the transaction, date and source of receipt, and date and identification
3.12 of disbursement.

3.13 Sec. 5. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

3.14 Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for 60
3.15 months the business records, including email communications, telephone recordings,
3.16 incomplete documentation, and advertisements, regarding residential mortgage loans applied
3.17 for, originated, or serviced in the course of its business.

3.18 Sec. 6. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
3.19 read:

3.20 Subd. 6. **Telephone recordings.** A person acting as a residential mortgage loan servicer
3.21 that services at least 500 residential mortgage loans secured by property in Minnesota must:

3.22 (1) record a telephone conversation with a borrower and a borrower's representatives;
3.23 and

3.24 (2) maintain the recording of the conversation for 60 months after the date the recording
3.25 is made, as provided under subdivision 5.

3.26 Sec. 7. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

3.27 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
3.28 by a federal or state chartered bank, savings bank, or credit union, unless the residential
3.29 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union
4.1 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
4.2 20.

4.3 Sec. 8. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
4.4 read:

4.5 Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program"
4.6 means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the
4.7 Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You
4.8 Earn Plan, and any other state, federal, or private student loan repayment plan that is
4.9 calculated based on a borrower's income and for which a borrower's income may include

76.30 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain
76.31 a file containing all materials relating to the complaint and subsequent investigation for a
76.32 period of 60 months.

77.1 Sec. 10. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

77.2 Subd. 4. **Trust account records for mortgage originators.** A residential mortgage
77.3 originator or servicer shall keep and maintain for 60 months a record of all trust funds,
77.4 sufficient to identify the transaction, date and source of receipt, and date and identification
77.5 of disbursement.

77.6 Sec. 11. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

77.7 Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for 60
77.8 months the business records, including email communications, telephone recordings,
77.9 incomplete documentation, and advertisements, regarding residential mortgage loans applied
77.10 for, originated, or serviced in the course of its business.

77.11 Sec. 12. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
77.12 read:

77.13 Subd. 6. **Telephone recordings.** A person acting as a residential mortgage loan servicer
77.14 that services at least 500 residential mortgage loans secured by property in Minnesota must:

77.15 (1) record a telephone conversation with a borrower and a borrower's representatives;
77.16 and

77.17 (2) maintain the recording of the conversation for 60 months after the date the recording
77.18 is made, as provided under subdivision 5.

77.19 Sec. 13. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

77.20 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
77.21 by a federal or state chartered bank, savings bank, or credit union, unless the residential
77.22 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union
77.23 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
77.24 20.

77.25 Sec. 14. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
77.26 read:

77.27 Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program"
77.28 means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the
77.29 Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You
77.30 Earn Plan, and any other state, federal, or private student loan repayment plan that is
78.1 calculated based on a borrower's income and for which a borrower's income may include

4.10 the borrower's household income for purposes of evaluating eligibility under section 58B.06,
4.11 subdivision 5.

4.12 Sec. 9. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
4.13 to read:

4.14 Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making,
4.15 or extending student loans. Lender does not include, ~~to the extent that state regulation is~~
4.16 ~~preempted by federal law:~~

4.17 (1) a bank, savings banks, savings and loan association, or credit union;

4.18 (2) a wholly owned subsidiary of a bank or credit union;

4.19 (3) an operating subsidiary where each owner is wholly owned by the same bank or
4.20 credit union;

4.21 (4) the United States government, through Title IV of the Higher Education Act of 1965,
4.22 as amended, and administered by the United States Department of Education;

4.23 (5) an agency, instrumentality, or political subdivision of Minnesota;

4.24 (6) a regulated lender organized under chapter 56, except that a regulated lender must
4.25 file the annual report required for lenders under section 58B.03, subdivision 10; or

4.26 (7) a person who is not in the business of making student loans and who makes no more
4.27 than three student loans, with the person's own funds, during any 12-month period.

5.1 Sec. 10. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
5.2 read:

5.3 Subd. 10. **Written communication.** "Written communication" means a written
5.4 correspondence that is made by a borrower and is transmitted by mail, facsimile, or
5.5 electronically through an email address or Internet website that the student loan servicer
5.6 designates to receive communications from a borrower and enables the student loan servicer
5.7 to identify the borrower's name and account. Written communication does not include a
5.8 notice on a payment medium supplied by a student loan servicer.

5.9 Sec. 11. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

5.10 Subd. 10. **Annual report.** (a) ~~Beginning~~ On or before March 15, ~~2025~~ each year, a
5.11 student loan lender that secures, makes, or extends student loans in Minnesota must submit
5.12 a report to the commissioner on the form the commissioner provides. The report must include
5.13 for the previous calendar year:

5.14 (1) a list of all schools attended by borrowers who received a student loan from the
5.15 student loan lender and resided within Minnesota at the time of the transaction and whose
5.16 debt is still outstanding, including student loans used to refinance an existing debt;

78.2 the borrower's household income for purposes of evaluating eligibility under section 58B.06,
78.3 subdivision 5.

78.4 Sec. 15. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
78.5 to read:

78.6 Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making,
78.7 or extending student loans. Lender does not include, ~~to the extent that state regulation is~~
78.8 ~~preempted by federal law:~~

78.9 (1) a bank, savings banks, savings and loan association, or credit union;

78.10 (2) a wholly owned subsidiary of a bank or credit union;

78.11 (3) an operating subsidiary where each owner is wholly owned by the same bank or
78.12 credit union;

78.13 (4) the United States government, through Title IV of the Higher Education Act of 1965,
78.14 as amended, and administered by the United States Department of Education;

78.15 (5) an agency, instrumentality, or political subdivision of Minnesota;

78.16 (6) a regulated lender organized under chapter 56, except that a regulated lender must
78.17 file the annual report required for lenders under section 58B.03, subdivision 10; or

78.18 (7) a person who is not in the business of making student loans and who makes no more
78.19 than three student loans, with the person's own funds, during any 12-month period.

78.20 Sec. 16. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
78.21 read:

78.22 Subd. 10. **Written communication.** "Written communication" means a written
78.23 correspondence that is made by a borrower and is transmitted by mail, facsimile, or
78.24 electronically through an email address or Internet website that the student loan servicer
78.25 designates to receive communications from a borrower and enables the student loan servicer
78.26 to identify the borrower's name and account. Written communication does not include a
78.27 notice on a payment medium supplied by a student loan servicer.

78.28 Sec. 17. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

78.29 Subd. 10. **Annual report.** (a) ~~Beginning~~ On or before March 15, ~~2025~~ each year, a
78.30 student loan lender that secures, makes, or extends student loans in Minnesota must submit
79.1 a report to the commissioner on the form the commissioner provides. The report must include
79.2 for the previous calendar year:

79.3 (1) a list of all schools attended by borrowers who received a student loan from the
79.4 student loan lender and resided within Minnesota at the time of the transaction and whose
79.5 debt is still outstanding, including student loans used to refinance an existing debt;

5.17 (2) the total outstanding dollar amount owed by borrowers residing in Minnesota who
5.18 received student loans from the student loan lender;

5.19 (3) the total number of student loans owed by borrowers residing in Minnesota who
5.20 received student loans from the student loan lender;

5.21 (4) the total outstanding dollar amount and number of student loans owed by borrowers
5.22 who reside in Minnesota, associated with each school identified under clause (1);

5.23 (5) the total dollar amount of student loans provided by the student loan lender to
5.24 borrowers who resided in Minnesota in the prior calendar year;

5.25 (6) the total outstanding dollar amount and number of student loans owed by borrowers
5.26 who resided in Minnesota, associated with each school identified under clause (1), that were
5.27 provided in the prior calendar year;

5.28 (7) the rate of default for borrowers residing in Minnesota who obtained student loans
5.29 from the student loan lender, if applicable;

5.30 (8) the rate of default for borrowers residing in Minnesota who obtained student loans
5.31 from the student loan lender associated with each school identified under clause (1), if
5.32 applicable;

6.1 (9) the range of initial interest rates for student loans provided by the student loan lender
6.2 to borrowers who resided in Minnesota in the prior calendar year;

6.3 (10) the total number of borrowers who received student loans identified under clause
6.4 (9), and the percentage of borrowers who received each rate identified under clause (9);

6.5 (11) the total dollar amount and number of student loans provided in the prior calendar
6.6 year by the student loan lender to borrowers who resided in Minnesota at the time of the
6.7 transaction and had a cosigner for the student loans;

6.8 (12) the total dollar amount and number of student loans provided by the student loan
6.9 lender to borrowers residing in Minnesota used to refinance a prior student loan or federal
6.10 student loan in the prior calendar year;

6.11 (13) the total dollar amount and number of student loans for which the student loan
6.12 lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

6.13 (14) a copy of any model promissory note, agreement, contract, or other instrument used
6.14 by the student loan lender in the previous year to substantiate that a borrower owes a new
6.15 debt to the student loan lender; and

6.16 (15) any other information considered necessary by the commissioner to assess the total
6.17 size and status of the student loan market and well-being of borrowers in Minnesota.

79.6 (2) the total outstanding dollar amount owed by borrowers residing in Minnesota who
79.7 received student loans from the student loan lender;

79.8 (3) the total number of student loans owed by borrowers residing in Minnesota who
79.9 received student loans from the student loan lender;

79.10 (4) the total outstanding dollar amount and number of student loans owed by borrowers
79.11 who reside in Minnesota, associated with each school identified under clause (1);

79.12 (5) the total dollar amount of student loans provided by the student loan lender to
79.13 borrowers who resided in Minnesota in the prior calendar year;

79.14 (6) the total outstanding dollar amount and number of student loans owed by borrowers
79.15 who resided in Minnesota, associated with each school identified under clause (1), that were
79.16 provided in the prior calendar year;

79.17 (7) the rate of default for borrowers residing in Minnesota who obtained student loans
79.18 from the student loan lender, if applicable;

79.19 (8) the rate of default for borrowers residing in Minnesota who obtained student loans
79.20 from the student loan lender associated with each school identified under clause (1), if
79.21 applicable;

79.22 (9) the range of initial interest rates for student loans provided by the student loan lender
79.23 to borrowers who resided in Minnesota in the prior calendar year;

79.24 (10) the total number of borrowers who received student loans identified under clause
79.25 (9), and the percentage of borrowers who received each rate identified under clause (9);

79.26 (11) the total dollar amount and number of student loans provided in the prior calendar
79.27 year by the student loan lender to borrowers who resided in Minnesota at the time of the
79.28 transaction and had a cosigner for the student loans;

79.29 (12) the total dollar amount and number of student loans provided by the student loan
79.30 lender to borrowers residing in Minnesota used to refinance a prior student loan or federal
79.31 student loan in the prior calendar year;

80.1 (13) the total dollar amount and number of student loans for which the student loan
80.2 lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

80.3 (14) a copy of any model promissory note, agreement, contract, or other instrument used
80.4 by the student loan lender in the previous year to substantiate that a borrower owes a new
80.5 debt to the student loan lender; and

80.6 (15) any other information considered necessary by the commissioner to assess the total
80.7 size and status of the student loan market and well-being of borrowers in Minnesota.

6.18 (b) In addition to annual reports, the commissioner may require additional regular or
6.19 special reports as the commissioner deems necessary to properly supervise student loan
6.20 lenders under this chapter.

6.21 (c) The commissioner of commerce must share data collected under this subdivision
6.22 with the commissioner of higher education.

6.23 Sec. 12. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

6.24 Subd. 11. **Annual report from student loan servicers.** (a) ~~Beginning~~ On or before
6.25 March 15, 2025 each year, a student loan servicer that services student loans in Minnesota
6.26 must submit a report to the commissioner on the form the commissioner provides. The
6.27 report must include for the previous calendar year:

6.28 (1) a list of any outstanding student loans owed by borrowers who reside in Minnesota
6.29 that are serviced by the student loan servicer;

6.30 (2) the total outstanding dollar amount and number of student loans that are serviced by
6.31 the student loan servicer and owed by borrowers who reside in Minnesota;

7.1 (3) the total dollar amount and number of student loans owed by borrowers who resided
7.2 in Minnesota that were serviced by the student loan servicer in the prior calendar year;

7.3 (4) the rate of default for student loans owed by borrowers who reside in Minnesota that
7.4 are serviced by the student loan servicer, if applicable;

7.5 (5) the range of interest rates for student loans serviced by the student loan servicers to
7.6 borrowers who resided in Minnesota in the prior calendar year;

7.7 (6) the total outstanding dollar amount and number of student loans that were serviced
7.8 by the student loan servicer and owed by borrowers residing in Minnesota to refinance a
7.9 prior student loan or federal student loan; and

7.10 (7) any other information considered necessary by the commissioner to assess the total
7.11 size and status of the student loan market and well-being of borrowers in Minnesota.

7.12 (b) In addition to annual reports, the commissioner may require additional regular or
7.13 special reports as the commissioner deems necessary to properly supervise student loan
7.14 servicers under this chapter.

7.15 (c) The commissioner of commerce must share data collected under this subdivision
7.16 with the commissioner of higher education.

7.17 Sec. 13. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

7.18 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
7.19 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
7.20 must protect the borrower from negative consequences resulting from the sale, assignment,
7.21 transfer, system conversion, or payment the borrower makes to the original loan servicer

80.8 (b) In addition to annual reports, the commissioner may require additional regular or
80.9 special reports as the commissioner deems necessary to properly supervise student loan
80.10 lenders under this chapter.

80.11 (c) The commissioner of commerce must share data collected under this subdivision
80.12 with the commissioner of higher education.

80.13 Sec. 18. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

80.14 Subd. 11. **Annual report from student loan servicers.** (a) ~~Beginning~~ On or before
80.15 March 15, 2025 each year, a student loan servicer that services student loans in Minnesota
80.16 must submit a report to the commissioner on the form the commissioner provides. The
80.17 report must include for the previous calendar year:

80.18 (1) a list of any outstanding student loans owed by borrowers who reside in Minnesota
80.19 that are serviced by the student loan servicer;

80.20 (2) the total outstanding dollar amount and number of student loans that are serviced by
80.21 the student loan servicer and owed by borrowers who reside in Minnesota;

80.22 (3) the total dollar amount and number of student loans owed by borrowers who resided
80.23 in Minnesota that were serviced by the student loan servicer in the prior calendar year;

80.24 (4) the rate of default for student loans owed by borrowers who reside in Minnesota that
80.25 are serviced by the student loan servicer, if applicable;

80.26 (5) the range of interest rates for student loans serviced by the student loan servicers to
80.27 borrowers who resided in Minnesota in the prior calendar year;

80.28 (6) the total outstanding dollar amount and number of student loans that were serviced
80.29 by the student loan servicer and owed by borrowers residing in Minnesota to refinance a
80.30 prior student loan or federal student loan; and

81.1 (7) any other information considered necessary by the commissioner to assess the total
81.2 size and status of the student loan market and well-being of borrowers in Minnesota.

81.3 (b) In addition to annual reports, the commissioner may require additional regular or
81.4 special reports as the commissioner deems necessary to properly supervise student loan
81.5 servicers under this chapter.

81.6 (c) The commissioner of commerce must share data collected under this subdivision
81.7 with the commissioner of higher education.

82.3 Sec. 20. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

82.4 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
82.5 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
82.6 must protect the borrower from negative consequences resulting from the sale, assignment,
82.7 transfer, system conversion, or payment the borrower makes to the original loan servicer

7.22 consistent with the original student loan servicer's policy. For purposes of this paragraph,
7.23 "negative consequences" includes but is not limited to:

7.24 (1) ~~require the new student loan servicer to honor all benefits that were made available,~~
7.25 ~~or which may have become available, to a borrower from the original student loan servicer~~
7.26 ~~or are authorized under the student loan contract, including any benefits for which the student~~
7.27 ~~loan borrower has not yet qualified unless that benefit is no longer available under the federal~~
7.28 ~~or state laws and regulations; and negative credit reporting;~~

7.29 (2) ~~transfer to the new student loan servicer all information regarding the borrower, the~~
7.30 ~~account of the borrower, and the borrower's student loan, including but not limited to the~~
7.31 ~~repayment status of the student loan and the benefits described in clause (1); imposing late~~
7.32 ~~fees that are not required by the promissory note; or~~

8.1 (3) eligibility loss or denial for a benefit or protection established under federal law or
8.2 included in the loan contract.

8.3 (b) ~~The student loan servicer must complete the transfer under paragraph (a), clause (2),~~
8.4 ~~less than 45 days from the date of the sale, assignment, or transfer of the servicing. If a~~
8.5 ~~borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the~~
8.6 ~~servicing, the original and new student loan servicer must provide a written notice to the~~
8.7 ~~borrower subject to the transfer. The notice must be provided no less than 15 calendar days~~
8.8 ~~before the transfer's effective date and must include:~~

8.9 (1) the sale, assignment, or transfer's effective date;

82.8 consistent with the original student loan servicer's policy. For purposes of this paragraph,
82.9 "negative consequences" includes but is not limited to: (1) negative credit reporting; (2)
82.10 imposing late fees that are not required by the promissory note; or (3) eligibility loss or
82.11 denial for a benefit or protection established under federal law or included in the loan
82.12 contract.

82.13 (1) ~~require the new student loan servicer to honor all benefits that were made available,~~
82.14 ~~or which may have become available, to a borrower from the original student loan servicer~~
82.15 ~~or are authorized under the student loan contract, including any benefits for which the student~~
82.16 ~~loan borrower has not yet qualified unless that benefit is no longer available under the federal~~
82.17 ~~or state laws and regulations; and~~

82.18 (2) ~~transfer to the new student loan servicer all information regarding the borrower, the~~
82.19 ~~account of the borrower, and the borrower's student loan, including but not limited to the~~
82.20 ~~repayment status of the student loan and the benefits described in clause (1);~~

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

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

82.25 (d) ~~A new student loan servicer must adopt policies and procedures to verify that the~~
82.26 ~~original student loan servicer has met the requirements of paragraph (a);~~

82.27 (b) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
82.28 transfer of the servicing, the original and new student loan servicer must provide a written
82.29 notice to the borrower subject to the transfer. The notice must be provided no less than 15
82.30 calendar days before the transfer's effective date and must include:

82.31 (1) the sale, assignment, or transfer's effective date;

8.10 (2) the name, address, website, and toll-free telephone number for the original student
8.11 loan servicer's designated point of contact for the borrower to contact in order to obtain
8.12 answers to servicing inquiries;

8.13 (3) the name, address, website, and toll-free telephone number for the new student loan
8.14 servicer's designated point of contact for the borrower to contact in order to obtain answers
8.15 to servicing inquiries;

8.16 (4) the date the original student loan servicer stops accepting payments on the borrower's
8.17 student loan;

8.18 (5) the date the new student loan servicer begins accepting payments on the borrower's
8.19 student loan;

8.20 (6) information that indicates whether the borrower's authorization for recurring electronic
8.21 funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic
8.22 funds transfer is not transferred, the transferee must provide information that explains how
8.23 the borrower may establish a new recurring electronic funds transfer with the new servicer;
8.24 and

8.25 (7) a statement that indicates the current loan balance, including the current unpaid
8.26 amount of principal, interest, and fees.

8.27 (c) ~~A sale, assignment, or transfer of the servicing must be completed no less than seven~~
8.28 ~~days from the date the next payment is due on the student loan.~~ If a borrower's student loan
8.29 servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original
8.30 student loan servicer must ensure all necessary information regarding a borrower, a borrower's
8.31 account, and a borrower's student loan accompanies a loan when the loan is transferred to
8.32 a new student loan servicer. The transfer of necessary information must occur within 45
9.1 calendar days of the sale, assignment, or transfer's effective date. For purposes of this
9.2 subdivision, "necessary information" includes but is not limited to:

9.3 (1) a schedule of all transactions credited or debited to the student loan account;

9.4 (2) a copy of the promissory note for the student loan;

9.5 (3) notes created by the student loan servicer's personnel that reflect communications
9.6 with the borrower regarding the student loan account;

9.7 (4) a report of the data fields relating to the borrower's student loan account created by
9.8 the student loan servicer's electronic systems in connection with servicing practices;

9.9 (5) copies or electronic records of information or documents the borrower provided to
9.10 the student loan servicer;

9.11 (6) if applicable, usable data fields that contain information necessary to assess the
9.12 borrower's eligibility for forgiveness, including public service loan forgiveness; and

83.1 (2) the name, address, website, and toll-free telephone number for the original student
83.2 loan servicer's designated point of contact for the borrower to contact in order to obtain
83.3 answers to servicing inquiries;

83.4 (3) the name, address, website, and toll-free telephone number for the new student loan
83.5 servicer's designated point of contact for the borrower to contact in order to obtain answers
83.6 to servicing inquiries;

83.7 (4) the date the original student loan servicer stops accepting payments on the borrower's
83.8 student loan;

83.9 (5) the date the new student loan servicer begins accepting payments on the borrower's
83.10 student loan;

83.11 (6) information that indicates whether the borrower's authorization for recurring electronic
83.12 funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic
83.13 funds transfer is not transferred, the transferee must provide information that explains how
83.14 the borrower may establish a new recurring electronic funds transfer with the new servicer;
83.15 and

83.16 (7) a statement that indicates the current loan balance, including the current unpaid
83.17 amount of principal, interest, and fees.

83.18 (c) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
83.19 transfer of the servicing, the original student loan servicer must ensure all necessary
83.20 information regarding a borrower, a borrower's account, and a borrower's student loan
83.21 accompanies a loan when the loan is transferred to a new student loan servicer. The transfer
83.22 of necessary information must occur within 45 calendar days of the sale, assignment, or
83.23 transfer's effective date. For purposes of this subdivision, "necessary information" includes
83.24 but is not limited to:

83.25 (1) a schedule of all transactions credited or debited to the student loan account;

83.26 (2) a copy of the promissory note for the student loan;

83.27 (3) notes created by the student loan servicer's personnel that reflect communications
83.28 with the borrower regarding the student loan account;

83.29 (4) a report of the data fields relating to the borrower's student loan account created by
83.30 the student loan servicer's electronic systems in connection with servicing practices;

83.31 (5) copies or electronic records of information or documents the borrower provided to
83.32 the student loan servicer;

84.1 (6) if applicable, usable data fields that contain information necessary to assess the
84.2 borrower's eligibility for forgiveness, including public service loan forgiveness; and

9.13 (7) information necessary to compile a payment history.

9.14 (d) A new student loan servicer must adopt ~~policies and procedures to verify that the~~
9.15 ~~original student loan servicer has met the requirements of paragraph (a)~~ and implement
9.16 policies and procedures to verify that the original student loan servicer meets the requirements
9.17 of paragraph (c).

9.18 Sec. 14. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

9.19 Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate
9.20 records, including of all written communication and telephone recordings, for each student
9.21 loan. The records must be maintained for ~~not less than~~ at least two years following the final
9.22 payment on the student loan or the sale, assignment, or transfer of the servicing.

84.3 (7) information necessary to compile a payment history.

84.4 (d) A new student loan servicer must adopt and implement policies and procedures to
84.5 verify that the original student loan servicer meets the requirements of paragraph (c).

84.6 Sec. 21. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

84.7 Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate
84.8 records, including of all written communication and telephone recordings, for each student
84.9 loan. The records must be maintained for ~~not less than~~ at least two years following the final
84.10 payment on the student loan or the sale, assignment, or transfer of the servicing.

84.11 Sec. 22. **[59E.01] SHORT TITLE.**

84.12 This chapter shall be known and cited as the "Rental Home Marketplace Guarantees
84.13 Act."

84.14 Sec. 23. **[59E.02] DEFINITIONS.**

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

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

84.17 (c) "Person" means an individual or an entity, excluding a state or local governmental
84.18 entity.

84.19 (d) "Platform contract holder" means a platform user who is the beneficiary or holder
84.20 of a rental home marketplace guarantee.

84.21 (e) "Provider" means:

84.22 (1) a rental home marketplace; or

84.23 (2) a rental home marketplace affiliate or representative who issues or offers as well as
84.24 administers, either directly or through a third party, a rental home marketplace guarantee.

84.25 (f) "Reimbursement insurance policy" means an insurance policy issued to a provider,
84.26 pursuant to which the insurer agrees, for the benefit of a platform contract holder, to discharge
84.27 the provider's obligations and liabilities under the terms of the rental home marketplace
84.28 guarantee in the event of the provider's default or nonperformance under the rental home
84.29 marketplace guarantee.

85.1 (g) "Rental home marketplace" means a person that:

85.2 (1) provides an online application, software, website, system, or other medium that:

85.3 (i) is used to advertise or offer available property to the public; and

- 85.4 (ii) connects and enables platform users' property;
- 85.5 (2) provides, directly or indirectly, or maintains an online platform by:
- 85.6 (i) transmitting or otherwise communicating the offer or acceptance of a transaction
- 85.7 between two platform users; or
- 85.8 (ii) owning or operating the electronic infrastructure or technology that connects two or
- 85.9 more platform users; and
- 85.10 (3) if the person offers rental home marketplace guarantees, offers rental home
- 85.11 marketplace guarantees only in a manner that is ancillary to the conduct of the person's
- 85.12 primary legitimate business or activity.
- 85.13 (h) "Rental home marketplace guarantee" means a contract or agreement issued in
- 85.14 connection with a rental home marketplace, whether or not the contract or agreement includes
- 85.15 a separate consideration, to reimburse a user sharing property for damages the renter is
- 85.16 responsible for under the rental home marketplace's terms of service, with or without
- 85.17 additional provision for incidental payment of indemnity.
- 85.18 Sec. 24. **[59E.03] REQUIREMENTS FOR DOING BUSINESS.**
- 85.19 (a) A provider is prohibited from issuing or offering a rental home marketplace guarantee
- 85.20 unless the provider has made the rental home marketplace guarantee terms available on the
- 85.21 provider's website and complied with this chapter.
- 85.22 (b) A provider that offers rental home marketplace guarantees must file a registration
- 85.23 with the commissioner on a form prescribed by the commissioner.
- 85.24 (c) To ensure the faithful performance of a provider's obligations to the provider's
- 85.25 platform contract holders, each provider who is obligated to a platform contract holder must
- 85.26 insure all rental home marketplace guarantees under a reimbursement insurance policy
- 85.27 issued (1) by an insurer authorized to transact insurance in Minnesota, or (2) pursuant to
- 85.28 sections 60A.195 to 60A.2095.
- 85.29 (d) Each person handling rental home marketplace guarantee losses on behalf of a
- 85.30 provider must be trained in property damage and loss assessment and interpretation of the
- 85.31 rental home marketplace guarantee terms before handling losses. The training must be
- 86.1 adequate for each person handling rental home marketplace guarantee losses to provide
- 86.2 knowledgeable, fair, and objective service. Providers must maintain records demonstrating
- 86.3 completion of the training under this paragraph by each person handling rental home
- 86.4 marketplace guarantee losses.

86.5 Sec. 25. **[59E.04] RENTAL HOME MARKETPLACE GUARANTEES ARE NOT**
86.6 **INSURANCE.**

86.7 A rental home marketplace guarantee does not constitute insurance and is not required
86.8 to comply with other Minnesota insurance laws if the provider complies with this chapter.

86.9 Sec. 26. **[59E.05] REIMBURSEMENT INSURANCE POLICY.**

86.10 (a) A reimbursement insurance policy insuring rental home marketplace guarantees must
86.11 clearly state that upon the provider's default or nonperformance under the rental home
86.12 marketplace guarantee, the insurer that issued the policy must pay on behalf of the provider
86.13 any amount the provider is obligated to pay according to the rental home marketplace
86.14 guarantee.

86.15 (b) A reimbursement insurance policy is subject to the laws and regulations governing
86.16 termination and nonrenewal of insurance policies in Minnesota. The termination of a
86.17 reimbursement insurance policy does not reduce the issuer's responsibility for rental home
86.18 marketplace guarantees issued by providers before the termination's effective date.

86.19 (c) A provider is the agent of the insurer that issued the reimbursement insurance policy.
86.20 The insurer retains the right to seek indemnification or subrogation from the provider if the
86.21 insurer pays or is obligated to pay the platform contract holder the amount the provider was
86.22 obligated to pay under the rental home marketplace guarantee. This chapter does not prevent
86.23 or limit the insurer's right in this regard.

86.24 Sec. 27. **[59E.06] CONSUMER PROTECTION AND DISCLOSURES.**

86.25 (a) A rental home marketplace guarantee must include a statement in substantially the
86.26 following form: "This rental home marketplace guarantee is not an insurance contract."

86.27 (b) A rental home marketplace guarantee must contain a statement in substantially the
86.28 following form: "The provider's obligations are backed by a reimbursement insurance policy.
86.29 If the provider is unable or fails to perform on the provider's contractual obligation under
86.30 a rental home marketplace guarantee within 90 days after the date proof of loss is filed, a
86.31 platform user is entitled to make a claim directly against the insurance company subject to
86.32 the terms of the policy."

87.1 (c) A rental home marketplace guarantee must be written in clear, understandable
87.2 language and must specify the terms, limitations, exceptions, conditions, or exclusions,
87.3 including conditions governing transferability or termination.

87.4 (d) A provider is prohibited from making, permitting, or causing to be made a false or
87.5 misleading statement, or deliberately omitting a material statement whose omission is
87.6 considered misleading, in connection with offering or advertising a rental home marketplace
87.7 guarantee.

87.8 Sec. 28. **[59E.07] ENFORCEMENT.**

87.9 The commissioner must ensure rental home marketplace guarantees comply with this
87.10 chapter pursuant to the commissioner's powers under chapter 45. The commissioner must
87.11 ensure reimbursement insurance policies insuring rental home marketplace guarantees
87.12 comply with applicable law pursuant to the commissioner's powers under chapters 45 and
87.13 60A.

87.14 Sec. 29. Minnesota Statutes 2024, section 60A.07, is amended by adding a subdivision to
87.15 read:

87.16 Subd. 12. **Social Security number and individual taxpayer identification number.** (a)
87.17 If an insurance company requires a new customer to provide a Social Security number on
87.18 an application for insurance coverage, the insurance company must accept an individual
87.19 taxpayer identification number in lieu of a Social Security number.

87.20 (b) This subdivision does not prohibit an insurance company from using the insurance
87.21 company's applicable underwriting criteria in determining the eligibility, classification, or
87.22 rating of any applicant for insurance.

87.23 (c) This subdivision does not require an insurer to alter the insurer's existing applications
87.24 for insurance.

87.25 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to insurance
87.26 coverage offered, issued, or renewed on or after that date.

87.27 Sec. 30. Minnesota Statutes 2024, section 60A.085, is amended to read:

87.28 **60A.085 CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO**
87.29 **COVERED PERSONS.**

87.30 (a) No cancellation of any group life, group accidental death and dismemberment, group
87.31 disability income, or group medical expense policy, plan, or contract regulated under chapter
88.1 62A or 62C is effective unless the insurer has made a good faith effort to notify all covered
88.2 persons of the cancellation at least 30 days before the effective cancellation date. For purposes
88.3 of this section, an insurer has made a good faith effort to notify all covered persons if the
88.4 insurer has notified all the persons included on the list required by paragraph (b) at the home
88.5 address given and only if the list has been updated within the last 12 months.

88.6 (b) At the time of the application for coverage subject to paragraph (a), the insurer shall
88.7 obtain an accurate list of the names and home addresses of all persons to be covered.

88.8 (c) Paragraph (a) does not apply if the group policy, plan, or contract is replaced, or if
88.9 the insurer has reasonable evidence to indicate that it will be replaced, by a substantially
88.10 similar policy, plan, or contract.

88.11 (d) In no event shall this section extend coverage under a group policy, plan, or contract
88.12 more than 120 days beyond the date coverage would otherwise cancel based on the terms
88.13 of the group policy, plan, or contract.

88.14 (e) If coverage under the group policy, plan, or contract is extended by this section, then
88.15 the time period during which affected members may exercise any conversion privilege
88.16 provided for in the group policy, plan, or contract is extended for the same length of time,
88.17 plus 30 days.

88.18 (f) In the case of a group life, group accidental death and dismemberment, or group
88.19 disability income policy, the insurer and group policyholder may agree that the group
88.20 policyholder assumes responsibility for notifying all covered persons in the event of a
88.21 cancellation under paragraphs (a) and (c). As part of the agreement, the group policyholder
88.22 must certify to the insurer that the notification required under this section has taken place.
88.23 If the employer assumes responsibility for the notification, paragraphs (b), (d), and (e) do
88.24 not apply.

88.25 Sec. 31. Minnesota Statutes 2024, section 60K.383, is amended to read:

88.26 **60K.383 TRAVEL INSURANCE.**

88.27 Subdivision 1. **Definitions.** (a) As used in this section, the terms in paragraphs (b) to
88.28 ~~(d)~~ (c) have the meanings given.

88.29 (b) "Limited lines travel insurance producer" means a licensed managing general agent
88.30 or third-party administrator; licensed insurance producer, including a limited lines producer;
88.31 or travel administrator, as defined in section 65C.02, subdivision 13.

89.1 (c) "Offer and disseminate" means providing general information, including a description
89.2 of coverage and price, as well as processing an application and collecting premiums.

89.3 ~~(b)~~ (d) "Travel insurance" means insurance coverage for personal risks incident to planned
89.4 travel, including; but not limited to:

89.5 (1) interruption or cancellation of trip or event;

89.6 (2) loss of baggage or personal effects;

89.7 (3) damages to accommodations or rental vehicles; ~~or~~

89.8 (4) sickness, accident, disability, or death occurring during travel;

89.9 (5) emergency evacuation;

89.10 (6) repatriation of remains; or

89.11 (7) a contractual obligation to indemnify or pay a specified amount of money to the
89.12 traveler upon determinable contingencies related to travel, as approved by the commissioner.

89.13 Travel insurance does not include major medical plans, which provide comprehensive
89.14 medical protection for travelers with trips lasting six months or longer, including those
89.15 working overseas as an expatriate or military personnel being deployed, or a product that
89.16 requires a specific insurance producer license.

89.17 ~~(e) "Travel insurance producer" means an insurer designee, such as a managing general~~
89.18 ~~underwriter, managing general agent, or licensed limited lines producer of travel insurance.~~

89.19 ~~(d)~~ (e) "Travel retailer" means a business entity that offers and disseminates:
89.20 (1) makes, arranges, or offers planned travel; and
89.21 (2) may offer and disseminate travel insurance as a service to the travel retailer's
89.22 customers on behalf of and under the direction of a limited lines travel insurance producer.

89.23 Subd. 2. ~~Travel retailer license~~ **Licensing and registration.** (a) The commissioner
89.24 may issue a limited lines travel insurance producer license to an individual or business entity
89.25 that has filed with the commissioner a limited lines travel insurance producer license
89.26 application in a form and manner prescribed by the commissioner. A limited lines travel
89.27 insurance producer must be licensed to sell, solicit, or negotiate travel insurance through a
89.28 licensed insurer. A person is prohibited from acting as a limited lines travel insurance
89.29 producer or travel insurance retailer unless the person is licensed or registered.

90.1 (b) A travel retailer may offer and disseminate travel insurance on behalf of and under
90.2 a limited lines travel insurance producer business entity license only if ~~the travel insurance~~
90.3 ~~producer holds a business entity license, and:~~

90.4 ~~(1) the licensed business entity is clearly identified as the licensed producer on marketing~~
90.5 ~~materials and fulfillment packages distributed by travel retailers to customers; identification~~
90.6 ~~shall include the entity's name and contact information;~~

90.7 (1) the limited lines travel insurance producer or travel retailer provides to travel insurance
90.8 purchasers:
90.9 (i) a description of the material terms or the actual material terms of the insurance
90.10 coverage;
90.11 (ii) a description of the process to file a claim;
90.12 (iii) a description of the process to review or cancel the travel insurance policy; and
90.13 (iv) the identity and contact information of the insurer and limited lines travel insurance
90.14 producer;

90.15 (2) ~~the licensed business entity~~ limited lines travel insurance producer keeps a register,
90.16 on a form prescribed by the commissioner, of each travel retailer that offers travel insurance
90.17 on the licensed business entity's behalf. The register must be maintained and updated by
90.18 the limited lines travel insurance producer and must include (i) the name, address, and
90.19 contact information of the travel retailer and an officer or person who directs or controls

90.20 the travel retailer's operations, and (ii) the travel retailer's federal ~~Employer~~ tax identification
90.21 number. The ~~licensed business entity shall~~ limited lines travel insurance producer must also
90.22 certify that the travel retailer registered complies with United States Code, title 18, section
90.23 1033. The ~~licensed business entity shall~~ limited lines travel insurance producer must submit
90.24 the register within 30 days upon request by the commissioner. Section 60K.43, subdivisions
90.25 1, 3, and 4, apply to limited lines travel insurance producers and travel retailers;

90.26 (3) the ~~licensed business entity~~ limited lines travel insurance producer has designated
90.27 one of its employees ~~as~~ who is a licensed individual producer; ~~as a "designated responsible~~
90.28 ~~producer" or "DRP;" responsible for the business entity's compliance with Minnesota~~
90.29 ~~insurance laws and rules;~~

90.30 (4) the DRP, president, secretary, treasurer, and any other officer or person who directs
90.31 or controls the ~~licensed business entity's~~ limited lines travel insurance producer's insurance
90.32 operations ~~comply~~ complies with the fingerprinting requirements applicable to insurance
90.33 producers in the resident state of the ~~business entity~~ limited lines travel insurance producer;

91.1 (5) the ~~licensed business entity~~ limited lines travel insurance producer has paid all
91.2 applicable insurance producer licensing fees ~~as~~ set forth in Minnesota ~~state~~ law; and

91.3 (6) the ~~licensed business entity~~ limited lines travel insurance producer requires each
91.4 employee and authorized representative of the travel retailer whose duties include offering
91.5 and disseminating travel insurance to receive a program of instruction or training, which
91.6 may be subject to review by the commissioner. The training materials must, at a minimum,
91.7 contain adequate instruction regarding the types of insurance offered, ethical sales practices,
91.8 and required disclosures provided to prospective customers.

91.9 (c) A travel retailer offering or disseminating travel insurance must make available to
91.10 prospective purchasers a brochure or other written materials that have been approved by
91.11 the travel insurer. The materials must include information that, at a minimum:

91.12 (1) provides the identity and contact information of the insurer and the limited lines
91.13 travel insurance producer;

91.14 (2) explains that a person is not required to purchase travel insurance in order to purchase
91.15 any other product or service from the travel retailer; and

91.16 (3) explains that an unlicensed travel retailer is permitted to provide only general
91.17 information about the insurance offered by the travel retailer, including a description of the
91.18 coverage and price, but is not qualified or authorized to (i) answer technical questions about
91.19 the terms and conditions of the insurance offered by the travel retailer, or (ii) evaluate the
91.20 adequacy of the customer's existing insurance coverage.

91.21 (d) A travel retailer employee or authorized representative who is not licensed as an
91.22 insurance producer is prohibited from:

91.23 (1) evaluating or interpreting the technical terms, benefits, and conditions contained in
91.24 the offered travel insurance coverage;

91.25 (2) evaluating or providing advice concerning a prospective purchaser's existing insurance
91.26 coverage; or

91.27 (3) representing that the travel retailer employee or authorized representative is a licensed
91.28 insurer, licensed producer, or insurance expert.

91.29 Subd. 3. **Offer and dissemination of travel insurance; compensation.** Notwithstanding
91.30 any other law, a travel retailer whose insurance-related activities, and those of its employees
91.31 and authorized representatives, are limited to offering and disseminating travel insurance
91.32 on behalf of and under the direction of a licensed business entity limited lines travel insurance
91.33 producer meeting the conditions stated in this section; is authorized to do so and receive
92.1 related compensation; upon registration by the licensed business entity. For purposes of this
92.2 section, "offering and disseminating" means providing general information, including a
92.3 description of the coverage and price, as well as processing the application, collecting
92.4 premiums, and performing other nonlicensable activities permitted by the state limited lines
92.5 travel insurance producer as provided under subdivision 2, paragraph (b), clause (2).

92.6 Subd. 4. **Insurer designee.** As the insurer insurer's designee, the limited lines travel
92.7 insurance producer is responsible for the acts of the travel retailer and must use reasonable
92.8 means to ensure compliance by the travel retailer with this section and chapter 65C.

92.9 Subd. 5. **Producers of major lines of insurance.** A person licensed in a major line of
92.10 authority as an insurance producer is authorized to sell, solicit, and negotiate travel insurance.
92.11 A property and casualty insurance producer is not required to be appointed by an insurer in
92.12 order to sell, solicit, or negotiate travel insurance.

92.13 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
92.14 enactment.

92.15 Sec. 32. Minnesota Statutes 2024, section 65A.27, subdivision 1, is amended to read:

92.16 Subdivision 1. **Scope.** For purposes of sections 65A.27 to ~~65A.302~~ 65A.304, the following
92.17 terms have the meanings given.

92.18 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
92.19 enactment.

92.20 Sec. 33. **[65A.304] DAMAGE BY PEACE OFFICERS; MITIGATION.**

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

92.23 (b) "Industrial hygienist" means an individual who has:

92.24 (1) a certified industrial hygienist credential from the Board for Global EHS
92.25 Credentialing; or

92.26 (2) an equivalent certification from a nationally or internationally recognized accrediting
92.27 body demonstrating competency in the anticipation, recognition, evaluation, and control of
92.28 occupational and environmental health hazards.

92.29 (c) "Just compensation" has the meaning given in section 626.74, subdivision 1, clause
92.30 (1).

93.1 (d) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph
93.2 (c).

93.3 Subd. 2. **Exclusion prohibited.** (a) A policy of homeowner's insurance must not exclude
93.4 coverage for property damage if the homeowner is an innocent third party entitled to just
93.5 compensation under section 626.74 and the damage results from a peace officer's use of
93.6 chemical irritants, smoke screens, or diversionary devices.

93.7 (b) This section does not affect a local government's duty to pay just compensation under
93.8 section 626.74.

93.9 (c) Paragraph (a) does not prohibit a civil authority exclusion or other policy provision
93.10 as long as the coverage for just compensation is not excluded.

93.11 Subd. 3. **Mitigation.** (a) Under a policy of homeowner's insurance, an insurer must allow
93.12 a homeowner to choose a mitigation contractor and, if necessary, an industrial hygienist to
93.13 assess and remediate damage due to a peace officer's use of chemical irritants, smoke screens,
93.14 or diversionary devices, when the homeowner is owed just compensation under section
93.15 626.74.

93.16 (b) The work performed by a mitigation contractor or industrial hygienist under this
93.17 subdivision must follow recognized industry standards and, if applicable, chemical
93.18 manufacturer guidelines.

93.19 Subd. 4. **Insurer subrogation and reimbursement.** (a) If an insurer pays benefits to
93.20 or on behalf of a homeowner for damage described in this section, the insurer is subrogated
93.21 as a matter of law to the homeowner's right to recover just compensation from the responsible
93.22 local government unit.

93.23 (b) Payment made by an insurer under a policy of homeowner's insurance for damage
93.24 described in this section, if made in good faith and after reasonable investigation, is presumed
93.25 reasonable and necessary and must be reimbursed by the responsible local government unit.
93.26 Reimbursement may be denied only upon proof that the payment was obtained by fraud or
93.27 that the insurer acted in bad faith. If reimbursement is not made as required by this
93.28 subdivision, the insurer may bring an action to recover the amount paid and is entitled to
93.29 reasonable attorney fees, costs, and disbursements, including interest under section 60A.0811,
93.30 subdivision 2, paragraph (a).

93.31 (c) If an insurer is reimbursed by a local government unit pursuant to this section, the
93.32 insurer must remit to the homeowner an amount equal to any deductible the homeowner
93.33 has paid toward the damage.

94.1 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
94.2 enactment.

94.3 Sec. 34. **[65C.01] SCOPE AND PURPOSES.**

94.4 Subdivision 1. **Purpose.** The purpose of this chapter is to promote the public welfare
94.5 by creating a comprehensive legal framework within which travel insurance may be sold
94.6 in Minnesota.

94.7 Subd. 2. **Application.** (a) This chapter applies to:

94.8 (1) travel insurance that covers any Minnesota resident and is sold, solicited, negotiated,
94.9 or offered in Minnesota; and

94.10 (2) policies and certificates that are delivered or issued for delivery in Minnesota.

94.11 (b) This chapter does not apply to cancellation fee waivers or travel assistance services,
94.12 except as expressly provided in this chapter.

94.13 Subd. 3. **Applicability of other law.** All other applicable provisions of Minnesota
94.14 insurance law apply to travel insurance, except that this chapter supersedes any general
94.15 provisions of law that would otherwise apply to travel insurance.

94.16 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
94.17 enactment.

94.18 Sec. 35. **[65C.02] DEFINITIONS.**

94.19 Subdivision 1. **Application.** For purposes of this chapter, the following terms have the
94.20 meanings given.

94.21 Subd. 2. **Aggregator site.** "Aggregator site" means a website that provides access to
94.22 information, including product and insurer information, regarding insurance products from
94.23 more than one insurer for use in comparison shopping.

94.24 Subd. 3. **Blanket travel insurance.** "Blanket travel insurance" means a travel insurance
94.25 policy issued to an eligible group providing coverage for specific classes of persons defined
94.26 in the policy, with coverage provided to all members of the eligible group without a separate
94.27 charge to individual members of the eligible group.

94.28 Subd. 4. **Cancellation fee waiver.** "Cancellation fee waiver" means a contractual
94.29 agreement between a travel services supplier and the travel services supplier's customer to
94.30 waive some or all of the nonrefundable cancellation fee provisions contained in the supplier's

- 95.1 underlying travel contract, with or without regard to the reason for the cancellation or form
95.2 of reimbursement. A cancellation fee waiver is not insurance.
- 95.3 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.
- 95.4 Subd. 6. **Eligible group.** "Eligible group" means two or more persons who are engaged
95.5 in a common enterprise or have an economic, educational, or social affinity or relationship,
95.6 including but not limited to:
- 95.7 (1) an entity engaged in the business of providing travel or travel services, including but
95.8 not limited to:
- 95.9 (i) a tour operator, lodging provider, vacation property owner, hotel, resort, travel club,
95.10 travel agency, property manager, cultural exchange program, and common carrier; or
- 95.11 (ii) the operator, owner, or lessor of a means of transporting passengers, including but
95.12 not limited to an airline, cruise line, railroad, steamship company, and public bus carrier,
95.13 if all group members or customers have a common exposure to the risk attendant to the
95.14 particular type of travel;
- 95.15 (2) a college, school, or other institution of learning covering students, teachers,
95.16 employees, or volunteers;
- 95.17 (3) an employer covering a group of employees, volunteers, contractors, board of
95.18 directors, dependents, or guests;
- 95.19 (4) a sports team, camp, or sports team or camp sponsor covering participants, members,
95.20 campers, employees, officials, supervisors, or volunteers;
- 95.21 (5) a religious, charitable, recreational, educational, or civic organization, or branch of
95.22 a religious, charitable, recreational, educational, or civic organization, covering any group
95.23 of members, participants, or volunteers;
- 95.24 (6) a financial institution, financial institution vendor, parent holding company, trustee,
95.25 or agent or designee of one or more financial institutions or financial institution vendors,
95.26 including account holders, credit card holders, debtors, guarantors, or purchasers;
- 95.27 (7) an incorporated or unincorporated association, including a labor union, that (i) has
95.28 a common interest, constitution, and bylaws, and (ii) is organized and maintained in good
95.29 faith for purposes other than obtaining insurance for members or participants of the
95.30 association covering the association's members;
- 96.1 (8) a trust or the trustees of a fund established, created, or maintained for the benefit of
96.2 and to cover members, employees, or customers, subject to the commissioner authorizing
96.3 the use of a trust by one or more associations meeting the requirements under clause (7);
- 96.4 (9) an entertainment production company covering a group of participants, volunteers,
96.5 audience members, contestants, or workers;

- 96.6 (10) a volunteer fire department, ambulance, rescue, police, court, first aid, civil defense,
96.7 or other volunteer group;
- 96.8 (11) a preschool, day care institution for children or adults, or senior citizen club;
- 96.9 (12) an automobile or truck rental or leasing company covering a group of individuals
96.10 who may become renters, lessees, or passengers as defined by the group of individuals'
96.11 travel status on the rented or leased vehicles. The common carrier, operator, owner or lessor
96.12 of a means of transportation, or automobile or truck rental or leasing company is the
96.13 policyholder under a policy governed by this section; or
- 96.14 (13) any other group the commissioner determines (i) is engaged in a common enterprise
96.15 or has an economic, educational, or social affinity or relationship, and (ii) for which policy
96.16 issuance is not contrary to the public interest.
- 96.17 Subd. 7. **Fulfillment materials.** "Fulfillment materials" means documentation sent to
96.18 a person who purchases a travel protection plan that confirms the purchase and provides
96.19 the travel protection plan's coverage and assistance details.
- 96.20 Subd. 8. **Group travel insurance.** "Group travel insurance" means travel insurance
96.21 issued to an eligible group.
- 96.22 Subd. 9. **Limited lines travel insurance producer.** "Limited lines travel insurance
96.23 producer" has the meaning given in section 60K.383, subdivision 1, paragraph (b).
- 96.24 Subd. 10. **Offer and disseminate.** "Offer and disseminate" has the meaning given in
96.25 section 60K.383, subdivision 1, paragraph (c).
- 96.26 Subd. 11. **Primary certificate holder.** "Primary certificate holder" means an individual
96.27 who elects and purchases travel insurance under a group policy.
- 96.28 Subd. 12. **Primary policyholder** "Primary policyholder" means an individual who elects
96.29 and purchases individual travel insurance.
- 96.30 Subd. 13. **Travel administrator.** "Travel administrator" means a person who directly
96.31 or indirectly underwrites; collects charges, collateral, or premiums from; or adjusts or settles
96.32 claims on residents of Minnesota in connection with travel insurance. A person is not a
97.1 travel administrator if the person's only actions that otherwise indicate the person is a travel
97.2 administrator are:
- 97.3 (1) a person works for a travel administrator, to the extent that the person's activities are
97.4 subject to the travel administrator's supervision and control;
- 97.5 (2) an insurance producer sells insurance or engages in administrative and claims-related
97.6 activities within the scope of the producer's license;
- 97.7 (3) a travel retailer (i) offers and disseminates travel insurance, and (ii) is registered
97.8 under the license of a limited lines travel insurance producer under this chapter;

97.9 (4) an individual who (i) adjusts or settles claims in the normal course of the individual's
97.10 practice or employment as an attorney, and (ii) does not collect charges or premiums in
97.11 connection with insurance coverage; or

97.12 (5) a business entity is affiliated with a licensed insurer while acting as a travel
97.13 administrator for the direct and assumed insurance business of an affiliated insurer.

97.14 Subd. 14. **Travel assistance services.** "Travel assistance services" means noninsurance
97.15 services (1) for which the consumer is not indemnified based on a fortuitous event, and (2)
97.16 where providing the service does not result in transfer or shifting of risk that would constitute
97.17 the business of insurance. Travel assistance services include but are not limited to: security
97.18 advisories; destination information; vaccination and immunization information services;
97.19 travel reservation services; entertainment; activity and event planning; translation assistance;
97.20 emergency messaging; international legal and medical referrals; medical case monitoring;
97.21 coordination of transportation arrangements; emergency cash transfer assistance; medical
97.22 prescription replacement assistance; passport and travel document replacement assistance;
97.23 lost luggage assistance; concierge services; and any other service that is furnished in
97.24 connection with planned travel. Travel assistance services are not insurance and are not
97.25 related to insurance.

97.26 Subd. 15. **Travel insurance.** "Travel insurance" has the meaning given in section
97.27 60K.383, subdivision 1, paragraph (d).

97.28 Subd. 16. **Travel protection plan.** "Travel protection plan" means a plan that provides
97.29 one or more of the following:

97.30 (1) travel insurance;

97.31 (2) travel assistance services; or

97.32 (3) cancellation fee waivers.

98.1 Subd. 17. **Travel retailer.** "Travel retailer" has the meaning given in section 60K.383,
98.2 subdivision 1, paragraph (e).

98.3 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
98.4 enactment.

98.5 Sec. 36. **[65C.04] TRAVEL PROTECTION PLANS.**

98.6 A travel protection plan may be offered at one price for the combined features that the
98.7 travel protection plan offers in Minnesota if:

98.8 (1) the travel protection plan:

98.9 (i) clearly discloses to the consumer, at or before the time the travel protection plan is
98.10 purchased, that the travel protection plan includes travel insurance, travel assistance services,
98.11 and cancellation fee waivers, as applicable; and

98.12 (ii) provides information and an opportunity, at or prior to the time the travel protection
98.13 plan is purchased, for the consumer to obtain additional information regarding the features
98.14 and pricing of the travel insurance, travel assistance services, and cancellation fee waivers;
98.15 and

98.16 (2) the fulfillment materials:

98.17 (i) describe and delineate the travel insurance, travel assistance services, and cancellation
98.18 fee waivers in the travel protection plan; and

98.19 (ii) include the travel insurance disclosures and the contact information for the persons
98.20 providing travel assistance services and cancellation fee waivers, as applicable.

98.21 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
98.22 enactment.

98.23 Sec. 37. **[65C.05] SALES PRACTICES.**

98.24 Subdivision 1. **Other applicable law.** Except as otherwise provided in this section, a
98.25 person offering travel insurance to residents of Minnesota is subject to sections 72A.17 to
98.26 72A.32. If this chapter conflicts with chapters 59A to 79A regarding the sale and marketing
98.27 of travel insurance and travel protection plans, this chapter prevails.

98.28 Subd. 2. **Illusory travel insurance.** A person that offers or sells a travel insurance policy
98.29 that could never result in payment of claims for an insured individual under the policy is
98.30 engaging in an unfair trade practice under sections 72A.17 to 72A.32.

99.1 Subd. 3. **Marketing.** (a) All documents provided to consumers before purchasing travel
99.2 insurance, including but not limited to sales materials, advertising materials, and marketing
99.3 materials, must be consistent with the travel insurance policy, including but not limited to
99.4 forms, endorsements, policies, rate filings, and certificates of insurance.

99.5 (b) A person that offers travel insurance policies or certificates that contain preexisting
99.6 condition exclusions must, before the insurance is purchased, provide a consumer with
99.7 information and an opportunity to learn more about the preexisting condition exclusions.
99.8 The information about preexisting condition exclusions must be included in the insurance
99.9 policy's coverage fulfillment materials.

99.10 (c) The fulfillment materials and the information described in section 60K.383,
99.11 subdivision 2, paragraph (b), clause (1), must be provided to a policyholder or certificate
99.12 holder as soon as practicable after a travel protection plan is purchased. Unless the insured
99.13 individual has started a covered trip or filed a claim under the travel insurance coverage, a
99.14 policyholder or certificate holder may cancel a policy or certificate for a full refund of the
99.15 travel protection plan price from the date a travel protection plan is purchased until at least:

99.16 (1) 15 days after the date the travel protection plan's fulfillment materials are delivered
99.17 by mail; or

- 99.18 (2) ten days after the date the travel protection plan's fulfillment materials are delivered
99.19 by means other than mail.
- 99.20 (d) For purposes of this section, "delivery" means (1) handing fulfillment materials to
99.21 the policyholder or certificate holder, or (2) sending fulfillment materials by mail or electronic
99.22 means to the policyholder or certificate holder.
- 99.23 (e) The company must disclose in the policy documentation and fulfillment materials
99.24 whether the travel insurance is primary or secondary to other applicable coverage.
- 99.25 (f) Travel insurance that is marketed directly to a consumer through an insurer's website
99.26 or by others through an aggregator site is not an unfair trade practice or other violation of
99.27 law if an accurate summary or short description of coverage is provided on the web page,
99.28 provided the consumer has access to the policy's full provisions by electronic means.
- 99.29 Subd. 4. **Opt out.** A person that offers, solicits, or negotiates travel insurance or travel
99.30 protection plans on an individual or group basis is prohibited from offering, soliciting, or
99.31 negotiating travel insurance or travel protection plans by using negative option or opting
99.32 out that requires a consumer to take an affirmative action to deselect coverage, including
99.33 by unchecking a box on an electronic form, when the consumer purchases a trip.
- 100.1 Subd. 5. **Other prohibitions.** A person that markets blanket travel insurance coverage
100.2 as free of cost is engaging in an unfair trade practice.
- 100.3 Subd. 6. **Coverage required by other jurisdictions.** If a consumer's destination
100.4 jurisdiction requires insurance coverage, a person does not engage in an unfair trade practice
100.5 if the person requires a consumer to choose between the following options as a condition
100.6 of purchasing a trip or travel package:
- 100.7 (1) purchasing the coverage required by the destination jurisdiction through the travel
100.8 retailer or limited lines travel insurance producer supplying the trip or travel package; or
- 100.9 (2) agreeing to obtain and provide proof of coverage that meets the destination
100.10 jurisdiction's requirements prior to departure.
- 100.11 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
100.12 enactment.
- 100.13 Sec. 38. **[65C.06] TRAVEL ADMINISTRATORS.**
- 100.14 (a) Notwithstanding chapters 59A to 79A, a person is prohibited from acting as or
100.15 representing that the person is a travel administrator for travel insurance in Minnesota unless
100.16 the person:
- 100.17 (1) is a licensed property and casualty insurance producer in Minnesota for activities
100.18 permitted under the property and casualty insurance producer license;
- 100.19 (2) holds a valid managing general agent license in Minnesota; or

9.23 Sec. 15. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

9.24 Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership,

9.25 reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal

9.26 entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster

9.27 ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person"

9.28 shall in addition mean any person, firm or corporation even though not engaged in the

9.29 business of insurance.

100.20 (3) holds a valid third-party administrator license in Minnesota.

100.21 (b) A travel administrator and the travel administrator's employees are exempt from the

100.22 licensing requirements of chapter 72B for travel insurance the travel administrator

100.23 administers.

100.24 (c) An insurer is responsible for:

100.25 (1) the acts of a travel administrator administering travel insurance underwritten by the

100.26 insurer; and

100.27 (2) ensuring the travel administrator maintains all books and records relevant to the

100.28 insurer that the travel administrator must make available to the commissioner upon request.

100.29 **EFFECTIVE DATE.** This section is effective 90 days following the date of final

100.30 enactment.

101.1 Sec. 39. **[65C.07] POLICY.**

101.2 (a) Notwithstanding chapters 59A to 79A, travel insurance is classified and filed for

101.3 purposes of rates and forms under an inland marine line of insurance. Notwithstanding this

101.4 paragraph, travel insurance that provides coverage for illness, accident, disability, or death

101.5 occurring during travel, either exclusively or in conjunction with related emergency

101.6 evacuation or repatriation of remains coverage, or incidental limited property and casualty

101.7 benefits, including baggage or trip cancellation, may be filed under either an accident and

101.8 health line of insurance or an inland marine line of insurance.

101.9 (b) Travel insurance may be offered and issued in the form of an individual, group, or

101.10 blanket policy.

101.11 (c) Eligibility and underwriting standards for travel insurance may be developed and

101.12 provided based on travel protection plans designed for individual or identified marketing

101.13 or distribution channels, provided the standards also meet the underwriting standards for

101.14 an inland marine line of insurance under Minnesota law.

101.15 **EFFECTIVE DATE.** This section is effective 90 days following the date of final

101.16 enactment.

101.17 Sec. 40. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

101.18 Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership,

101.19 reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal

101.20 entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster

101.21 ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person"

101.22 shall in addition mean any person, firm or corporation even though not engaged in the

101.23 business of insurance.

10.1 Sec. 16. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
10.2 read:

10.3 Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person who
10.4 uses a lead-generating device to:

10.5 (1) publicize the availability of what is or what purports to be an insurance product or
10.6 service that the person is not licensed to sell directly to a customer;

10.7 (2) identify a customer who may be interested in learning more about an insurance
10.8 product; or

10.9 (3) sell or transmit customer information to an insurer or producer for the purposes of
10.10 subsequent contact or sales activity.

10.11 (b) For the purposes of sections 72A.17 to 72A.32, insurance lead generator does not
10.12 include an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an
10.13 insurance producer, as defined under section 60K.31, subdivision 6.

10.14 Sec. 17. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
10.15 read:

10.16 Subd. 4. **Lead-generating device.** "Lead-generating device" means communication
10.17 directed to the public that, regardless of the communication's form, content, or stated purpose,
10.18 is intended to result in compiling or qualifying a list containing names and other personal
10.19 information to solicit Minnesota residents to purchase what is or what purports to be an
10.20 insurance product or service.

10.21 Sec. 18. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
10.22 read:

10.23 Subd. 5. **Recording.** "Recording" means documenting a sale or verifying a call, including
10.24 a virtual technology call, to market an insurance product or service.

10.25 Sec. 19. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

10.26 Subd. 2. **False information and advertising generally.** Making, publishing,
10.27 disseminating, circulating, or placing before the public, or causing, directly or indirectly,
10.28 to be made, published, disseminated, circulated, or placed before the public, in a newspaper,
10.29 magazine, email, Internet advertisement or posting, or other publication, or in the form of
10.30 a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any
10.31 radio station, or using the Internet or other electronic means, or in any other way, an
11.1 advertisement, announcement, or statement, containing any assertion, representation, or
11.2 statement with respect to the business of insurance, or with respect to any person in the
11.3 conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall
11.4 constitute an unfair method of competition and an unfair and deceptive act or practice.

101.24 Sec. 41. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
101.25 read:

101.26 Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person that
101.27 uses a lead-generating device to:

101.28 (1) publicize the availability of what is or what purports to be an insurance product or
101.29 service that the person is not licensed to sell directly to a customer;

101.30 (2) identify a customer who may be interested in learning more about an insurance
101.31 product; or

102.1 (3) sell or transmit customer information to an insurer or producer for the purposes of
102.2 subsequent contact or sales activity.

102.3 (b) For purposes of sections 72A.17 to 72A.32, insurance lead generator does not include
102.4 an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an insurance
102.5 producer, as defined under section 60K.31, subdivision 6.

102.6 Sec. 42. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
102.7 read:

102.8 Subd. 4. **Lead-generating device.** "Lead-generating device" means communication
102.9 directed to the public that, regardless of the communication's form, content, or stated purpose,
102.10 is intended to result in compiling or qualifying a list containing names and other personal
102.11 information to solicit Minnesota residents to purchase what is or what purports to be an
102.12 insurance product or service.

102.13 Sec. 43. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
102.14 read:

102.15 Subd. 5. **Recording.** "Recording" means documenting a sale or verifying a call, including
102.16 a virtual technology call, to market an insurance product or service.

102.17 Sec. 44. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

102.18 Subd. 2. **False information and advertising generally.** Making, publishing,
102.19 disseminating, circulating, or placing before the public, or causing, directly or indirectly,
102.20 to be made, published, disseminated, circulated, or placed before the public, in a newspaper,
102.21 magazine, email, Internet advertisement or posting, or other publication, or in the form of
102.22 a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any
102.23 radio station, or using the Internet or other electronic means, or in any other way, an
102.24 advertisement, announcement, or statement, containing any assertion, representation, or
102.25 statement with respect to the business of insurance, or with respect to any person in the
102.26 conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall
102.27 constitute an unfair method of competition and an unfair and deceptive act or practice.

11.5 Sec. 20. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
11.6 read:

11.7 Subd. 2a. **Failure to maintain certain records.** An insurance lead generator must
11.8 maintain books, records, documents, and other business records in a manner that ensures
11.9 data regarding complaints and marketing are accessible and retrievable for examination by
11.10 the insurance commissioner. An insurance lead generator must maintain data under this
11.11 subdivision for at least the current calendar year and the two preceding years.

11.12 Sec. 21. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

11.13 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
11.14 transaction conducted:

11.15 (1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise located in~~
11.16 ~~Minnesota;~~

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

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

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

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

11.21 ~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota~~
11.22 ~~resident; or~~

11.23 ~~(iii)~~ (ii) making payment to a consumer or receiving a payment from a consumer at an
11.24 address in Minnesota, unless the transaction occurs when the consumer is ~~at a business~~
11.25 ~~location~~ outside of Minnesota.

11.26 Sec. 22. **[82B.081] NOTICE TO COMMISSIONER.**

11.27 Subdivision 1. **Change of application information.** A licensee must provide notice to
11.28 the commissioner if the information in the license application filed with the commissioner
11.29 changes. The notice must be provided in writing or another format prescribed by the
11.30 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
12.1 an information change requiring notice includes but is not limited to a change with respect
12.2 to the licensee's personal name, trade name, address, or business location.

12.3 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
12.4 decision or court order, whether or not the decision or order is appealed, resulting from a
12.5 proceeding in which the licensee was named as a defendant and the final adverse decision
12.6 relates to fraud or misrepresentation. The notice must be provided in writing or another
12.7 format prescribed by the commissioner within ten days of the date the final adverse decision
12.8 or court order is issued.

102.28 Sec. 45. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
102.29 read:

102.30 Subd. 2a. **Failure to maintain certain records.** A person must maintain books, records,
102.31 documents, and other business records in a manner that ensures data regarding complaints
103.1 and marketing are accessible and retrievable for examination by the insurance commissioner.
103.2 A person must maintain data under this subdivision for at least the current calendar year
103.3 and the two preceding years.

103.4 Sec. 46. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

103.5 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
103.6 transaction conducted:

103.7 (1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise located in~~
103.8 ~~Minnesota;~~

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

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

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

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

103.13 ~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota~~
103.14 ~~resident; or~~

103.15 ~~(iii)~~ (ii) making payment to a consumer or receiving a payment from a consumer at an
103.16 address in Minnesota, unless the transaction occurs when the consumer is ~~at a business~~
103.17 ~~location~~ outside of Minnesota.

103.18 Sec. 47. **[82B.081] NOTICE TO COMMISSIONER.**

103.19 Subdivision 1. **Change of application information.** A licensee must provide notice to
103.20 the commissioner if the information in the license application filed with the commissioner
103.21 changes. The notice must be provided in writing or another format prescribed by the
103.22 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
103.23 an information change requiring notice includes but is not limited to a change with respect
103.24 to the licensee's personal name, trade name, address, or business location.

103.25 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
103.26 decision or court order, whether or not the decision or order is appealed, resulting from a
103.27 proceeding in which the licensee was named as a defendant and the final adverse decision
103.28 relates to fraud or misrepresentation. The notice must be provided in writing or another
103.29 format prescribed by the commissioner within ten days of the date the final adverse decision
103.30 or court order is issued.

12.9 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
12.10 action involving the licensee, including but not limited to a suspension or revocation of the
12.11 licensee's real property appraiser license or another occupational license issued by Minnesota
12.12 or another jurisdiction. The notice must be provided in writing or another format prescribed
12.13 by the commissioner within ten days of the date the disciplinary action occurs.

12.14 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
12.15 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
12.16 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
12.17 similar violation of a real property appraiser licensing law. The notice must be provided in
12.18 writing or another format prescribed by the commissioner within ten days of the date the
12.19 charge, judgment, or plea occurs.

12.20 Sec. 23. **[82C.031] NOTICE TO COMMISSIONER.**

12.21 Subdivision 1. **Change of application information.** A licensee must provide notice to
12.22 the commissioner if the information in the license application filed with the commissioner
12.23 changes. The notice must be provided in writing or another format prescribed by the
12.24 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
12.25 an information change requiring notice includes but is not limited to a change with respect
12.26 to the licensee's personal name, trade name, address, or business location.

12.27 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
12.28 decision or court order, whether or not the decision or order is appealed, resulting from a
12.29 proceeding in which the licensee was named as a defendant and the final adverse decision
12.30 relates to fraud or misrepresentation. The notice must be provided in writing or another
12.31 format prescribed by the commissioner within ten days of the date the final adverse decision
12.32 or court order is issued.

13.1 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
13.2 action involving the licensee, including but not limited to a suspension or revocation of the
13.3 licensee's real property appraisal management company license issued by another jurisdiction.
13.4 The notice must be provided in writing or another format prescribed by the commissioner
13.5 within ten days of the date the disciplinary action occurs.

13.6 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
13.7 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
13.8 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
13.9 similar violation of a real property appraisal management company licensing law. The notice
13.10 must be provided in writing or another format prescribed by the commissioner within ten
13.11 days of the date the charge, judgment, or plea occurs.

13.12 Sec. 24. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

13.13 Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer,
13.14 including an agent, employee, or representative of the dealer, shall create a record written

104.1 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
104.2 action involving the licensee, including but not limited to a suspension or revocation of the
104.3 licensee's real property appraiser license or another occupational license issued by Minnesota
104.4 or another jurisdiction. The notice must be provided in writing or another format prescribed
104.5 by the commissioner within ten days of the date the disciplinary action occurs.

104.6 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
104.7 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
104.8 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
104.9 similar violation of a real property appraiser licensing law. The notice must be provided in
104.10 writing or another format prescribed by the commissioner within ten days of the date the
104.11 charge, judgment, or plea occurs.

104.12 Sec. 48. **[82C.031] NOTICE TO COMMISSIONER.**

104.13 Subdivision 1. **Change of application information.** A licensee must provide notice to
104.14 the commissioner if the information in the license application filed with the commissioner
104.15 changes. The notice must be provided in writing or another format prescribed by the
104.16 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
104.17 an information change requiring notice includes but is not limited to a change with respect
104.18 to the licensee's personal name, trade name, address, or business location.

104.19 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
104.20 decision or court order, whether or not the decision or order is appealed, resulting from a
104.21 proceeding in which the licensee was named as a defendant and the final adverse decision
104.22 relates to fraud or misrepresentation. The notice must be provided in writing or another
104.23 format prescribed by the commissioner within ten days of the date the final adverse decision
104.24 or court order is issued.

104.25 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
104.26 action involving the licensee, including but not limited to a suspension or revocation of the
104.27 licensee's real property appraisal management company license issued by another jurisdiction.
104.28 The notice must be provided in writing or another format prescribed by the commissioner
104.29 within ten days of the date the disciplinary action occurs.

104.30 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
104.31 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
104.32 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
104.33 similar violation of a real property appraisal management company licensing law. The notice
105.1 must be provided in writing or another format prescribed by the commissioner within ten
105.2 days of the date the charge, judgment, or plea occurs.

27.18 Sec. 4. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

27.19 Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer,
27.20 including an agent, employee, or representative of the dealer, shall create a record written

13.15 in English, using an electronic record program at the time of each purchase or acquisition
13.16 of scrap metal or a motor vehicle. The record must include:

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

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

13.21 (3) a photocopy or electronic scan of the seller's:

13.22 (i) proof of identification including the identification number if the seller is an individual;
13.23 or

13.24 (ii) certificate of authority to transact business in Minnesota, if the seller is an entity;

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

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

13.30 (6) a statement signed by the seller, under penalty of perjury as provided in section
13.31 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
13.32 or encumbrances and the seller has the right to sell it;

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

14.5 (8) the identity or identifier of the employee completing the transaction; and

14.6 (9) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the
14.7 seller's:

14.8 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
14.9 2c; or

14.10 (ii) the documentation used to support the seller being deemed to hold a license to sell
14.11 scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).

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

14.15 (c) Except for the purchase or acquisition of detached catalytic converters or motor
14.16 vehicles, no record is required for property purchased or acquired from merchants,

27.21 in English, using an electronic record program at the time of each purchase or acquisition
27.22 of scrap metal or a motor vehicle. The record must include:

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

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

27.27 (3) a photocopy or electronic scan of the seller's:

27.28 (i) proof of identification, including the identification number, if the seller is an individual;
27.29 or

27.30 (ii) certificate of authority to transact business in Minnesota and business tax identification
27.31 number, if the seller is an entity;

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

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

28.6 (6) a statement signed by the seller, under penalty of perjury as provided in section
28.7 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
28.8 or encumbrances and the seller has the right to sell it;

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

28.13 (8) the identity or identifier of the employee completing the transaction; and

28.14 (9) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the
28.15 seller's:

28.16 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
28.17 2c; or

28.18 (ii) the documentation used to support the seller being deemed to hold a license to sell
28.19 scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).

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

28.23 (c) Except for the purchase or acquisition of detached catalytic converters or motor
28.24 vehicles, no record is required for property purchased or acquired from merchants,

14.17 manufacturers, salvage pools, insurance companies, rental car companies, financial
14.18 institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having
14.19 an established place of business, or of any goods purchased or acquired at open sale from
14.20 any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained
14.21 and kept by the person, which must be shown upon demand to any properly identified law
14.22 enforcement officer.

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

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

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

15.4 Sec. 25. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

15.5 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
15.6 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
15.7 person has a valid license issued by the commissioner under this subdivision.

15.8 (b) On the first Friday of the months of April and October of each calendar year, from
15.9 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
15.10 from individuals who do not have an approved license to sell scrap metal copper under this
15.11 subdivision. All other requirements of subdivision 1b apply and must be documented by
15.12 the scrap metal dealer on the dates specified in this paragraph.

15.13 (c) A seller of scrap metal copper may apply to the commissioner on a form prescribed
15.14 by the commissioner.

15.15 ~~(1)~~ The application form for an individual must include, at a minimum:

15.16 ~~(1)~~ (i) the name, permanent address, telephone number, and date of birth of the applicant;
15.17 and

15.18 ~~(2)~~ (ii) an acknowledgment that the applicant obtained the copper by lawful means in
15.19 the regular course of the applicant's business, trade, or authorized construction work.

28.25 manufacturers, salvage pools, insurance companies, rental car companies, financial
28.26 institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having
28.27 an established place of business, or of any goods purchased or acquired at open sale from
28.28 any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained
28.29 and kept by the person, which must be shown upon demand to any properly identified law
28.30 enforcement officer.

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

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

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

29.13 Sec. 5. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

29.14 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
29.15 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
29.16 person has a valid license issued by the commissioner under this subdivision.

29.17 (b) On the first Friday of the months of April and October of each calendar year, from
29.18 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
29.19 from individuals who do not have an approved license to sell scrap metal copper under this
29.20 subdivision. All other requirements of subdivision 1b apply and must be documented by
29.21 the scrap metal dealer on the dates specified in this paragraph.

29.22 (c) A seller of scrap metal copper may apply to the commissioner on a form prescribed
29.23 by the commissioner.

29.24 ~~(d)~~ The application form for an individual must include, at a minimum:

29.25 ~~(1)~~ (i) the name, permanent address, telephone number, and date of birth of the applicant;
29.26 and

29.27 ~~(2)~~ (ii) an acknowledgment that the applicant obtained the copper by lawful means in the
29.28 regular course of the applicant's business, trade, or authorized construction work.

15.20 (2) The application form for an entity must include, at a minimum:

15.21 (i) the name, legal entity type, principal business address, telephone number, and date

15.22 of formation of the entity; and

15.23 (ii) an acknowledgment that the applicant obtained the copper by lawful means in the

15.24 regular course of the applicant's business, trade, or authorized construction work.

15.25 (d) Each application must be accompanied by a nonrefundable fee of \$250.

15.26 (e) Within 30 days of the date an application is received, the commissioner may require

15.27 additional information or submissions from an applicant and may obtain any document or

15.28 information that is reasonably necessary to verify the information contained in the application.

15.29 Within 90 days after the date a completed application is received, the commissioner must

15.30 review the application and issue a license if the applicant is deemed qualified under this

15.31 section. The commissioner may issue a license subject to restrictions or limitations. If the

16.1 commissioner determines the applicant is not qualified, the commissioner must notify the

16.2 applicant and must specify the reason for the denial.

16.3 (f) A person is deemed to hold a license to sell scrap metal copper if the person holds

16.4 one of the following:

16.5 (1) a license to perform work pursuant to chapter 326B or section 103I.501;

16.6 (2) a document, certificate, or card of competency issued by a municipality to perform

16.7 work in a given trade or craft in the building trades. The document, certificate, or card must

16.8 state that the individual is authorized to sell scrap metal copper. This clause is effective

16.9 January 1, 2025; or

16.10 (3) a Section 608 Technician Certification issued by the United States Environmental

16.11 Protection Agency.

16.12 (g) A license issued under this subdivision is valid for one year. To renew a license, an

16.13 applicant must submit a completed renewal application on a form prescribed by the

16.14 commissioner and a renewal fee of \$250. The commissioner may request that a renewal

16.15 applicant submit additional information to clarify any new information presented in the

16.16 renewal application. A renewal application submitted after the renewal deadline must be

16.17 accompanied by a nonrefundable late fee of \$500.

16.18 (h) The commissioner may deny a license renewal under this subdivision if:

16.19 (1) the commissioner determines that the applicant is in violation of or noncompliant

16.20 with federal or state law; or

16.21 (2) the applicant fails to timely submit a renewal application and the information required

16.22 under this subdivision.

29.29 (e) The application form for an entity must include, at a minimum:

29.30 (1) the name, legal entity type, principal business address, telephone number, and date

29.31 of formation of the entity; and

30.1 (2) an acknowledgment that the applicant obtained the copper by lawful means in the

30.2 regular course of the applicant's business, trade, or authorized construction work.

30.3 ~~(f)~~ (f) Each application must be accompanied by a nonrefundable fee of \$250.

30.4 ~~(e)~~ (g) Within 30 days of the date an application is received, the commissioner may

30.5 require additional information or submissions from an applicant and may obtain any

30.6 document or information that is reasonably necessary to verify the information contained

30.7 in the application. Within 90 days after the date a completed application is received, the

30.8 commissioner must review the application and issue a license if the applicant is deemed

30.9 qualified under this section. The commissioner may issue a license subject to restrictions

30.10 or limitations. If the commissioner determines the applicant is not qualified, the commissioner

30.11 must notify the applicant and must specify the reason for the denial.

30.12 ~~(f)~~ (h) A person is deemed to hold a license to sell scrap metal copper if the person holds

30.13 one of the following:

30.14 (1) a license to perform work pursuant to chapter 326B or section 103I.501;

30.15 (2) a document, certificate, or card of competency issued by a municipality to perform

30.16 work in a given trade or craft in the building trades. The document, certificate, or card must

30.17 state that the individual is authorized to sell scrap metal copper. This clause is effective

30.18 January 1, 2025; or

30.19 (3) a Section 608 Technician Certification issued by the United States Environmental

30.20 Protection Agency.

30.21 ~~(g)~~ (i) A license issued under this subdivision is valid for one year. To renew a license,

30.22 an applicant must submit a completed renewal application on a form prescribed by the

30.23 commissioner and a renewal fee of \$250. The commissioner may request that a renewal

30.24 applicant submit additional information to clarify any new information presented in the

30.25 renewal application. A renewal application submitted after the renewal deadline must be

30.26 accompanied by a nonrefundable late fee of \$500.

30.27 ~~(h)~~ (j) The commissioner may deny a license renewal under this subdivision if:

30.28 (1) the commissioner determines that the applicant is in violation of or noncompliant

30.29 with federal or state law; or

30.30 (2) the applicant fails to timely submit a renewal application and the information required

30.31 under this subdivision.

16.23 (i) In lieu of denying a renewal application under paragraph (g), the commissioner may
16.24 permit the applicant to submit to the commissioner a corrective action plan to cure or correct
16.25 deficiencies.

16.26 (j) The commissioner may suspend, revoke, or place on probation a license issued under
16.27 this subdivision if:

16.28 (1) the applicant engages in fraudulent activity that violates state or federal law;
16.29 (2) the commissioner receives consumer complaints that justify an action under this
16.30 subdivision to protect the safety and interests of consumers;
16.31 (3) the applicant fails to pay an application license or renewal fee; or
17.1 (4) the applicant fails to comply with a requirement established in this subdivision.

17.2 (k) This subdivision does not apply to transfers by or to an auctioneer who is in
17.3 compliance with chapter 330 and acting in the person's official role as an auctioneer to
17.4 facilitate or conduct an auction of scrap metal.

17.5 (l) The commissioner must enforce this subdivision under chapter 45.

31.1 ~~(i)~~ (k) In lieu of denying a renewal application under paragraph (g), the commissioner
31.2 may permit the applicant to submit to the commissioner a corrective action plan to cure or
31.3 correct deficiencies.

31.4 ~~(j)~~ (l) The commissioner may suspend, revoke, or place on probation a license issued
31.5 under this subdivision if:

31.6 (1) the applicant engages in fraudulent activity that violates state or federal law;
31.7 (2) the commissioner receives consumer complaints that justify an action under this
31.8 subdivision to protect the safety and interests of consumers;
31.9 (3) the applicant fails to pay an application license or renewal fee; or
31.10 (4) the applicant fails to comply with a requirement established in this subdivision.

31.11 ~~(k)~~ (m) This subdivision does not apply to transfers by or to an auctioneer who is in
31.12 compliance with chapter 330 and acting in the person's official role as an auctioneer to
31.13 facilitate or conduct an auction of scrap metal.

31.14 ~~(l)~~ (n) The commissioner must enforce this subdivision under chapter 45.

31.15 Sec. 6. **[325E.91] PROHIBITION ON NUDIFICATION TECHNOLOGY.**

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

31.18 (b) "Identifiable individual" means a person that is identifiable:
31.19 (1) from the image itself, by the person depicted in the image, or by another person; or
31.20 (2) from personal information displayed in connection with the image.

31.21 (c) "Intimate part" has the meaning given in section 609.341, subdivision 5.

31.22 (d) "Nudify" or "nudified" means the process by which:
31.23 (1) an image or video is altered or generated to depict an intimate part not depicted in
31.24 an original unaltered image or video of an identifiable individual; and
31.25 (2) the altered or generated image or video is so realistic that a reasonable person would
31.26 believe that the intimate part belongs to the identifiable individual.

31.27 (e) "Technical skill" means substantial application of individualized technological or
31.28 artistic skill and judgment by a human creator in directing, shaping, or controlling the output.

31.29 Subd. 2. **Nudification prohibited.** (a) A person who owns or controls a website,
31.30 application, software, program, or other service must not:

- 32.1 (1) allow a user to access, download, or use the website, application, software, program,
32.2 or other service to nudyify an image or video; or
- 32.3 (2) nudyify an image or video on behalf of a user.
- 32.4 (b) A person must not advertise or promote a website, application, software, program,
32.5 or other service that performs the actions described in paragraph (a).
- 32.6 Subd. 3. **Exemption.** Subdivision 2 does not apply when the website, application,
32.7 software, program, or other service requires the technical skill of a user to nudyify an image
32.8 or video.
- 32.9 Subd. 4. **Civil action; damages.** An individual depicted in an image or video that was
32.10 nudified in violation of this section may bring a civil action in district court against the
32.11 person who violated this section for:
- 32.12 (1) compensatory damages, including mental anguish or suffering, in an amount up to
32.13 three times the actual damages sustained;
- 32.14 (2) punitive damages;
- 32.15 (3) injunctive relief;
- 32.16 (4) reasonable attorney fees, costs, and disbursements; and
- 32.17 (5) other relief the court deems just and equitable.
- 32.18 Subd. 5. **Penalties.** (a) The attorney general may enforce this section under section 8.31.
32.19 In addition to other remedies or penalties, a person who violates this section is subject to a
32.20 civil penalty not to exceed \$500,000 for each unlawful access, download, or use under
32.21 subdivision 2.
- 32.22 (b) Notwithstanding any contrary provision in law, including but not limited to section
32.23 16A.151, a civil penalty recovered under this subdivision must be deposited into the general
32.24 fund. On July 1 each year, the accumulated balance of civil penalties collected in the previous
32.25 year is appropriated to the commissioner of public safety for the Office of Justice Programs
32.26 to provide grants to organizations to provide direct services and advocacy for victims of
32.27 sexual assault, general crime, domestic violence, and child abuse. Funding must support
32.28 the direct needs of organizations serving victims of crime by providing:
- 32.29 (1) direct client assistance to crime victims;
- 32.30 (2) competitive wages for direct service staff;
- 32.31 (3) hotel stays and other housing-related supports and services;
- 33.1 (4) culturally responsive programming;

- 33.2 (5) prevention programming, including domestic abuse transformation and restorative
33.3 justice programming; and
- 33.4 (6) for other needs of organizations and crime victim survivors.
- 33.5 Services funded must include services for victims of crime in underserved communities
33.6 most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic
33.7 diversity of the state. Up to five percent of the appropriation is available for grant
33.8 administration.
- 33.9 Subd. 6. **Jurisdiction; venue.** (a) A court has jurisdiction over a civil action filed pursuant
33.10 to this section if the plaintiff or defendant resides in this state.
- 33.11 (b) A civil action arising under this section may be filed in the county where the plaintiff
33.12 resides.
- 33.13 Subd. 7. **Immunity.** (a) This section does not alter or amend the liabilities and protections
33.14 granted by United States Code, title 47, section 230, and must be construed in a manner
33.15 consistent with federal law.
- 33.16 (b) This section does not impose liability on the provider of an information service or a
33.17 telecommunication service, both as defined in United States Code, title 47, section 153.
- 33.18 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to causes
33.19 of action accruing on or after that date.
- 33.20 Sec. 7. **[325F.7845] PHARMACEUTICAL ADVERTISING.**
- 33.21 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
33.22 the meanings given.
- 33.23 (b) "Prescription drug" has the meaning provided in section 151.441, subdivision 8,
33.24 except that prescription drug only includes drugs covered by the medical assistance program,
33.25 MinnesotaCare program, or state employees group insurance program.
- 33.26 (c) "Television advertisement" means a form of paid marketing communication designed
33.27 to promote products, services, or brands through an over-the-air broadcast or an
33.28 Internet-based, nonbroadcast stream of an over-the-air broadcast.
- 33.29 Subd. 2. **Prohibition.** Television advertisements for the sale of prescription drugs to
33.30 consumers are prohibited.
- 34.1 Subd. 3. **Enforcement.** The attorney general may enforce this section under section
34.2 8.31.
- 34.3 Sec. 8. Minnesota Statutes 2024, section 325F.79, is amended to read:
- 34.4 **325F.79 DEFINITIONS.**
- 34.5 For purposes of sections 325F.79 to 325F.792, the following definitions apply:

- 34.6 (a) "Advertisement" means an oral, written, graphic, or pictorial statement made in the
34.7 course of soliciting business. Advertisement includes without limitation a statement or
34.8 representation:
- 34.9 (1) made in a newspaper, magazine, or other public publication;
- 34.10 (2) contained in a notice, sign, billboard, poster, display, circular, pamphlet, or letter;
- 34.11 or
- 34.12 (3) made on radio, television, or the Internet.
- 34.13 ~~(a)~~ (b) "Animal" means a dog, wholly or in part of the species *Canis familiaris*, or a cat,
34.14 wholly or in part of the species *Felis domesticus*.
- 34.15 ~~(b)~~ (c) "Pet dealer" means any person, firm, partnership, corporation, or association,
34.16 including breeders, that is required to collect sales tax for the sale of animals to the public.
34.17 Pet dealer does not include humane societies, nonprofit organizations performing the
34.18 functions of humane societies, or animal control agencies.
- 34.19 ~~(c)~~ (d) "Breeder" means any person, firm, partnership, corporation, or association that
34.20 breeds animals for direct or indirect sale to the public.
- 34.21 ~~(d)~~ (e) "Broker" means a person, firm, partnership, corporation, or association that
34.22 purchases animals for resale to other brokers or pet dealers.
- 34.23 ~~(e)~~ (f) "Health problem" means any disease, illness, or congenital or hereditary condition
34.24 which would impair the health or function of the animal that is apparent at the time of sale,
34.25 or which should have been apparent to the seller from the veterinary history of the animal.
- 34.26 (g) "Pet shop" means a pet dealer that operates a physical retail store from which animals
34.27 are sold or offered for sale to the general public, whether through an appointment or
34.28 otherwise.
- 34.29 ~~(f)~~ (h) "Veterinarian" means a licensed veterinarian in the state of Minnesota.
- 34.30 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
34.31 committed on or after that date.
- 35.1 Sec. 9. Minnesota Statutes 2024, section 325F.791, subdivision 1, is amended to read:
- 35.2 Subdivision 1. **Disclosure.** (a) Every pet dealer shall deliver to each retail purchaser of
35.3 an animal written disclosure as follows:
- 35.4 ~~(a)~~ (1) the name, address, and USDA license number of the breeder and any broker who
35.5 has had possession of the animal; the date of the animal's birth; the date the pet dealer
35.6 received the animal; the breed, sex, color, and identifying marks of the animal; the individual
35.7 identifying tag, tattoo, or collar number; the name and registration number of the sire and

35.8 dam and the litter number; and a record of inoculations, worming treatments, and medication
35.9 received by the animal while in the possession of the pet dealer;.

35.10 ~~(b)~~ (2) a statement signed by the pet dealer that the animal has no known health problem,
35.11 or a statement signed by the pet dealer disclosing any known health problem and a statement
35.12 signed by a veterinarian that recommends necessary treatment; and

35.13 (3) a copy of all available state or federal inspection reports for the animal's breeder for
35.14 all inspections that occurred during the three years preceding the date the animal was
35.15 purchased.

35.16 (b) The disclosure shall be made part of the statement of consumer rights set forth in
35.17 subdivision 10. The disclosure required in paragraph (a), clause (1), need not be made for
35.18 mixed breed animals if the information is not available and cannot be determined by the
35.19 pet dealer.

35.20 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
35.21 committed on or after that date.

35.22 Sec. 10. Minnesota Statutes 2024, section 325F.791, subdivision 5, is amended to read:

35.23 Subd. 5. **Responsibilities of purchaser.** (a) To obtain the remedies provided in
35.24 subdivision 6, the purchaser shall with respect to an animal with a health problem:

35.25 ~~(a)~~ (1) notify the pet dealer, within two business days, of the diagnosis by a veterinarian
35.26 of the purchaser's choosing of a health problem and provide the pet dealer with the name
35.27 and telephone number of the veterinarian and a copy of the veterinarian's report on the
35.28 animal; and

35.29 ~~(b)~~ (2) if the purchaser wishes to receive a full refund for the animal, return the animal
35.30 no later than two business days after receipt of a written statement from a veterinarian
35.31 indicating the animal is unfit due to a health problem.

36.1 (b) With respect to a dead animal the purchaser must provide the pet dealer a written
36.2 statement from a veterinarian, indicating the animal died from a health problem which
36.3 existed on or before the receipt of the animal by the purchaser.

36.4 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
36.5 committed on or after that date.

36.6 Sec. 11. **[325F.7915] SALE OF DOGS AND CATS PROHIBITED.**

36.7 Subdivision 1. **Prohibition.** A pet shop must not sell, offer to sell, barter, auction, or
36.8 otherwise transfer ownership of an animal.

36.9 Subd. 2. **Adoption of animals.** A pet shop may provide space to a nonprofit humane
36.10 society, animal control agency, or animal rescue and rehoming organization to offer animals

36.11 for adoption if the society, agency, or organization qualifies as a nonprofit organization
36.12 under section 501(c)(3) of the Internal Revenue Code.

36.13 Subd. 3. **Ownership interest and fees.** A pet shop is prohibited from having an ownership
36.14 interest in an animal offered for adoption under subdivision 2 or receiving a fee for providing
36.15 space for animal adoption.

36.16 Subd. 4. **Continued operation.** Notwithstanding subdivision 1, a pet shop that sold or
36.17 offered for sale an animal from the pet shop's physical premises for at least one year before
36.18 the effective date of this section may continue to operate as a pet shop and engage in the
36.19 sale or offer for sale of animals if:

36.20 (1) an animal sold or offered for sale by the pet shop on or after the effective date of this
36.21 section is obtained only from a state-licensed or USDA-licensed breeder; and

36.22 (2) the pet shop discloses the breeder's state or USDA license number on the animal's
36.23 display cage or enclosure.

36.24 Subd. 5. **Local authority.** Notwithstanding this section, a county, city, town, or township
36.25 may enact and enforce by ordinance stricter regulations regarding the transfer of ownership
36.26 of animals, including a prohibition on selling or offering for sale animals by a pet dealer or
36.27 other entity.

36.28 Subd. 6. **Violations.** A pet shop that operates as a pet shop pursuant to subdivision 4
36.29 that violates this section on three separate occasions is prohibited from selling, offering to
36.30 sell, bartering, auctioning, or otherwise transferring ownership of an animal.

36.31 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
36.32 committed on or after that date.

37.1 Sec. 12. Minnesota Statutes 2024, section 325F.792, subdivision 2, is amended to read:

37.2 Subd. 2. **Civil penalty.** (a) A pet dealer who:

37.3 (1) sells an animal without delivery of the disclosure required in section 325F.791,
37.4 subdivision 1;

37.5 (2) fails to maintain the records required by section 325F.791, subdivision 2;

37.6 (3) fails to provide registration papers as provided in section 325F.791, subdivision 3;

37.7 (4) fails to make or provide payment for the examinations required by section 325F.791,
37.8 subdivision 4;

37.9 (5) fails to post the notice required by section 325F.791, subdivision 9; or

37.10 (6) fails to provide the statement of consumer rights required by section 325F.791,
37.11 subdivision 10,

37.12 is subject to a civil fine of up to \$1,000 per violation.

37.13 (b) A pet shop that violates section 325F.7915 is subject to a civil fine of up to \$1,000
37.14 per violation. Each transfer of an animal's ownership in violation of section 325F.7915 is
37.15 a separate violation.

37.16 ~~(b)~~ (c) Civil fines collected under this subdivision shall be collected by the court and
37.17 turned over to the prosecuting attorney.

37.18 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
37.19 committed on or after that date.

37.20 Sec. 13. **[325M.40] MINOR ACCESS TO CHATBOTS.**

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

37.23 (b) "Artificial intelligence" or "AI" means a machine-based system that is capable of,
37.24 for explicit or implicit objectives, inferring from the input the system receives how to
37.25 generate outputs that influence physical or virtual environments.

37.26 (c) "AI companion" means artificial intelligence systems that are specifically designed,
37.27 marketed, or optimized to form ongoing social or emotional bonds with individuals, whether
37.28 or not the systems also provide information, complete tasks, or assist with specific functions.
37.29 AI companions seek to build or engage in an emotional relationship with the user by:

37.30 (1) expressing or inviting emotional attachment;

38.1 (2) reminding, prompting, or nudging the user to return for emotional support or
38.2 companionship;

38.3 (3) depicting nonverbal forms of emotional support;

38.4 (4) behaving in a way that a reasonable user would consider excessive praise designed
38.5 to foster emotional attachment; or

38.6 (5) enabling or purporting to enable increased intimacy based on engagement or pay.

38.7 AI companion does not include a consumer electronic device that incorporates a speaker
38.8 and voice command interface or text interface and acts as a voice- or text-activated virtual
38.9 assistant.

38.10 (d) "Chatbot" means an artificial intelligence system with a natural language interface
38.11 that provides adaptive, human-like responses to user inputs and is capable of meeting a
38.12 user's social needs, including by exhibiting anthropomorphic features and being able to
38.13 sustain a relationship across multiple interactions. Chatbot does not include:

38.14 (1) a chatbot that is used only for customer service, a business' operational purposes,
38.15 productivity and analysis related to source information, internal research, or technical
38.16 assistance;

17.6 Sec. 26. Minnesota Statutes 2024, section 332.32, is amended to read:

17.7 **332.32 EXCLUSIONS.**

17.8 (a) The term "collection agency" does not include banks when collecting accounts owed
17.9 to the banks and when the bank will sustain any loss arising from uncollectible accounts,
17.10 abstract companies doing an escrow business, real estate brokers, public officers, persons
17.11 acting under order of a court, lawyers, trust companies, insurance companies, credit unions,
17.12 savings associations, loan or finance companies unless they are engaged in asserting,
17.13 enforcing or prosecuting unsecured claims which have been purchased from any person,
17.14 firm, or association when there is recourse to the seller for all or part of the claim if the
17.15 claim is not collected.

38.17 (2) a chatbot that is a feature of a video game and is limited to replies related to the video
38.18 game that cannot discuss topics related to mental health, self-harm, sexually explicit conduct,
38.19 or maintain a dialogue on other topics unrelated to the video game; or

38.20 (3) a stand-alone consumer electronic device that functions as a speaker and voice
38.21 command interface, acts as a voice-activated virtual assistant, and does not sustain a
38.22 relationship across multiple interactions or generate outputs that are likely to elicit emotional
38.23 responses in the user.

38.24 (e) "Minor" means an individual under the age of 18.

38.25 Subd. 2. **Prohibition.** (a) A person must ensure that a chatbot operated or distributed
38.26 by the person does not make chatbots available to minors to use, interact with, purchase, or
38.27 converse with.

38.28 (b) A person operating artificial intelligence systems that primarily function as AI
38.29 companions must ensure that chatbots operated or distributed by the person are not available
38.30 to minors to use, interact with, purchase, or converse with.

39.1 Subd. 3. **Remedies; enforcement.** (a) An individual injured by a violation of this section
39.2 may bring a civil action for damages, statutory damages not to exceed \$1,000, injunctive
39.3 relief, and costs and reasonable attorney fees.

39.4 (b) The attorney general may enforce this section under section 8.31. In an action brought
39.5 under this paragraph, the person who owns or controls a website, application, software, or
39.6 program and violates this section is liable for a civil penalty not to exceed \$5,000,000.

39.7 **EFFECTIVE DATE.** This section is effective July 1, 2027.

39.8 Sec. 14. **TRANSITION PERIOD.**

39.9 A person who makes a chatbot available to minors must begin decreasing services in a
39.10 manner that does not harm minors who use chatbots before services end on July 1, 2027.

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

105.3 Sec. 49. Minnesota Statutes 2024, section 332.32, is amended to read:

105.4 **332.32 EXCLUSIONS.**

105.5 (a) The term "collection agency" does not include banks when collecting accounts owed
105.6 to the banks and when the bank will sustain any loss arising from uncollectible accounts,
105.7 abstract companies doing an escrow business, real estate brokers, public officers, persons
105.8 acting under order of a court, lawyers, trust companies, insurance companies, credit unions,
105.9 savings associations, loan or finance companies unless they are engaged in asserting,
105.10 enforcing or prosecuting unsecured claims which have been purchased from any person,
105.11 firm, or association when there is recourse to the seller for all or part of the claim if the
105.12 claim is not collected.

17.16 (b) The term "collection agency" ~~shall~~ does not include a trade association performing
17.17 services authorized by section 604.15, subdivision 4a, but the trade association in performing
17.18 the services may not engage in any conduct that would be prohibited for a collection agency
17.19 under section 332.37.

17.20 (c) The term "collection agency" does not include a residential mortgage servicer licensed
17.21 under chapter 58 or a student loan servicer licensed under chapter 58B if the residential
17.22 mortgage servicer or student loan servicer is engaging in activities subject to licensure under
17.23 chapter 58 or 58B, as applicable.

105.13 (b) The term "collection agency" ~~shall~~ does not include a trade association performing
105.14 services authorized by section 604.15, subdivision 4a, but the trade association in performing
105.15 the services may not engage in any conduct that would be prohibited for a collection agency
105.16 under section 332.37.

105.17 (c) The term "collection agency" does not include a residential mortgage servicer licensed
105.18 under chapter 58 or a student loan servicer licensed under chapter 58B if the residential
105.19 mortgage servicer or student loan servicer is engaging in activities subject to licensure under
105.20 chapter 58 or 58B, as applicable.

105.21 Sec. 50. Minnesota Statutes 2024, section 332.52, subdivision 3, is amended to read:

105.22 Subd. 3. **Credit services organization.** (a) "Credit services organization" means any
105.23 person that, with respect to the extension of credit by others, sells, provides, performs, or
105.24 represents that the person will sell, provide, or perform, in return for the payment of money
105.25 or other valuable consideration, any of the following services:

105.26 (1) improve a buyer's credit record, history, or rating;

105.27 (2) obtain an extension of credit for a buyer; or

105.28 (3) provide advice or assistance to a buyer with regard to either clause (1) or (2).

105.29 (b) "Credit services organization" does not include:

105.30 (1) any person authorized to make loans or extensions of credit under the laws of this
105.31 state or the United States, if the person is subject to regulation and supervision by this state
106.1 or the United States or a lender approved by the United States Secretary of Housing and
106.2 Urban Development for participation in any mortgage insurance program under the National
106.3 Housing Act, United States Code, title 12, section 1701 et seq.;

106.4 (2) any bank, savings bank, or savings and loan institution whose deposits or accounts
106.5 are eligible for insurance by the Federal Deposit Insurance Corporation or a subsidiary of
106.6 the bank, savings bank, or savings and loan institution;

106.7 (3) any credit union, federal credit union, or out-of-state credit union doing business in
106.8 this state;

106.9 (4) any nonprofit organization exempt from taxation under section 501(c)(3) of the
106.10 Internal Revenue Code of 1986, as amended through December 31, 1990;

106.11 (5) any person ~~licensed as a prorating agency~~ registered as a debt management services
106.12 provider or debt settlement services provider under the laws of this state, if the person is
106.13 acting within the course and scope of ~~that license~~ the applicable registration;

106.14 (6) any person licensed as a real estate broker by this state if the person is acting within
106.15 the course and scope of that license;

106.16 (7) any person licensed as a collection agency under the laws of this state if the person
106.17 is acting within the course and scope of that license;

106.18 (8) any person licensed to practice law in this state if the person renders services within
106.19 the course and scope of practice as an attorney;

106.20 (9) any broker-dealer registered with the Securities and Exchange Commission or the
106.21 Commodity Futures Trading Commission if the broker-dealer is acting within the course
106.22 and scope of that regulation; or

106.23 (10) any consumer reporting agency as defined in the federal Fair Credit Reporting Act,
106.24 United States Code, title 15, sections 1681 to 1681t, as amended through December 31,
106.25 1990.

106.26 Sec. 51. Minnesota Statutes 2024, section 332A.04, subdivision 1, is amended to read:

106.27 Subdivision 1. **Form.** Application for registration to operate as a debt management
106.28 services provider in this state must be made in writing to the commissioner, under oath, in
106.29 the form prescribed by the commissioner, and must contain:

106.30 (1) the full name of each principal of the entity applying;

107.1 (2) the address, which must not be a post office box, and the telephone number and, if
107.2 applicable, email address, of the applicant;

107.3 (3) identification of the trust account required under section 332A.13;

107.4 (4) consent to the jurisdiction of the courts of this state;

107.5 (5) the name and address of the registered agent authorized to accept service of process
107.6 on behalf of the applicant or appointment of the commissioner as the applicant's agent for
107.7 purposes of accepting service of process;

107.8 (6) disclosure of:

107.9 (i) whether any controlling or affiliated party has ever been convicted of a crime or found
107.10 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
107.11 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any
107.12 other similar offense or violation, or any violation of a federal or state law or regulation in
107.13 connection with activities relating to the rendition of debt management services or involving
107.14 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
107.15 protection law;

107.16 (ii) any judgments, private or public litigation, tax liens, written complaints, administrative
107.17 actions, or investigations by any government agency against the applicant or any officer,
107.18 director, manager, or shareholder owning more than five percent interest in the applicant,
107.19 unresolved or otherwise, filed or otherwise commenced within the preceding ten years;

107.20 (iii) whether the applicant or any person employed by the applicant has had a record of
107.21 having defaulted in the payment of money collected for others, including the discharge of
107.22 debts through bankruptcy proceedings; and

107.23 (iv) whether the applicant's license or registration to provide debt management services
107.24 in any other state has ever been revoked or suspended;

107.25 (7) a copy of the applicant's standard debt management services agreement that the
107.26 applicant intends to execute with debtors; and

107.27 ~~(8) proof of accreditation, unless the applicant was licensed in Minnesota as a debt~~
107.28 ~~prorater immediately before August 1, 2007; and~~

107.29 ~~(9)~~ (8) any other information and material as the commissioner may require.

107.30 The commissioner may, for good cause shown, temporarily waive any requirement of
107.31 this subdivision.

108.1 Sec. 52. Minnesota Statutes 2024, section 332B.04, subdivision 1, is amended to read:

108.2 Subdivision 1. **Form.** Application for registration to operate as a debt settlement services
108.3 provider in this state must be made in writing to the commissioner, under oath, in the form
108.4 prescribed by the commissioner, and must contain:

108.5 (1) the full name of each principal of the entity applying;

108.6 (2) the address, which must not be a post office box, and the telephone number and, if
108.7 applicable, email address of the applicant;

108.8 (3) consent to the jurisdiction of the courts of this state;

108.9 (4) the name and address of the registered agent authorized to accept service of process
108.10 on behalf of the applicant or appointment of the commissioner as the applicant's agent for
108.11 purposes of accepting service of process;

108.12 (5) disclosure of:

108.13 (i) whether any controlling or affiliated party has ever been convicted of a crime or found
108.14 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
108.15 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any
108.16 other similar offense or violation, or any violation of a federal or state law or regulation in
108.17 connection with activities relating to the rendition of debt settlement services or involving
108.18 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
108.19 protection law;

108.20 (ii) any judgments, private or public litigation, tax liens, written complaints, administrative
108.21 actions, or investigations by any government agency against the applicant or any officer,
108.22 director, manager, or shareholder owning more than five percent interest in the applicant,
108.23 unresolved or otherwise, filed or otherwise commenced within the preceding ten years;

17.24 Sec. 27. **REPEALER.**
17.25 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.
17.26 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
17.27 subdivision 4, are repealed.
17.28 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
17.29 January 17, 2027.

108.24 (iii) whether the applicant or any person employed by the applicant has had a record of
108.25 having defaulted in the payment of money collected for others, including the discharge of
108.26 debts through bankruptcy proceedings; and
108.27 (iv) whether the applicant's license or registration to provide debt settlement services in
108.28 any other state has ever been revoked or suspended;
108.29 (6) a copy of the applicant's standard debt settlement services agreement that the applicant
108.30 intends to execute with debtors; and
108.31 (7) proof of accreditation, unless the applicant submits an affidavit attesting that the
108.32 applicant does not provide credit counseling services; and
109.1 ~~(8)~~ (7) any other information and material as the commissioner may require.
109.2 The commissioner may, for good cause shown, temporarily waive any requirement of
109.3 this subdivision.
39.12 Sec. 15. **REPEALER.**
39.13 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.
39.14 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
39.15 subdivision 4, are repealed.
39.16 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
39.17 January 17, 2027.
109.4 Sec. 53. **REPEALER.**
109.5 Minnesota Statutes 2024, sections 332A.02, subdivision 2; and 332B.02, subdivision 2,
109.6 are repealed.