

Koegel and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4188, A bill for an act relating to consumer protection; modifying various consumer protections for insurance and financial products; prohibiting virtual-currency kiosks; adding certain student loan borrower protections; providing for mortgage loan servicing standards; requiring certain notices to the commissioner of commerce; providing mortgage protections; amending Minnesota Statutes 2024, sections 53B.69, subdivision 10, by adding a subdivision; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.06, subdivisions 4, 6; 72A.18, subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80G.01, subdivision 5a; 332.32; 582.043, subdivisions 1, 5; Minnesota Statutes 2025 Supplement, sections 58B.02, subdivision 8a; 582.043, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 82B; 82C; repealing Minnesota Statutes 2024, section 53B.75.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 CONSUMER PROTECTION

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

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

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.

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.

3.1 Sec. 3. **[58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

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

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

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

3.14 (e) "Real Estate Settlement Procedures Act" or "RESPA" means the Real Estate
3.15 Settlement Procedures Act of 1974, United States Code, title 12, section 2601, et seq., and
3.16 regulations adopted pursuant to RESPA, also known as Regulation X, Code of Federal
3.17 Regulations, title 12, part 1024, as amended.

3.18 (f) "Third-party provider" means any person or entity retained by or on behalf of the
3.19 servicer, including but not limited to foreclosure firms, law firms, foreclosure trustees, other
3.20 agents, independent contractors, subsidiaries, and affiliates, that provides insurance,
3.21 foreclosure, bankruptcy, mortgage servicing including loss mitigation, or other products or
3.22 services in connection with servicing a mortgage loan.

3.23 (g) "Transferee servicer" means a servicer that has agreed to obtain the right to service
3.24 a mortgage loan pursuant to an agreement or understanding.

3.25 (h) "Transferor servicer" means a servicer that has agreed to, or been informed that the
3.26 servicer must, transfer the right to service a mortgage loan to another servicer.

3.27 **Subd. 2. General requirements.** (a) A violation of an applicable state law or
3.28 administrative rule, a federal law or regulation, or a state or federal program is a violation
3.29 of this section.

3.30 (b) In addition to complying with this section, a servicer must comply with:

3.31 (1) other applicable sections of this chapter;

4.1 (2) other applicable state law, including but not limited to chapters 46A, 47, 580, 581,
4.2 and 582;

4.3 (3) applicable sections of RESPA;

4.4 (4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section
4.5 501, et seq.; and

4.6 (5) other applicable federal laws and implementing regulations, as amended, including
4.7 but not limited to:

4.8 (i) the Gramm-Leach-Bliley Act, Public Law 106-102;

4.9 (ii) the Truth-in-Lending Act, United States Code, title 15, section 1601, et seq.; and

4.10 (iii) the Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x.

4.11 Subd. 3. **Servicing and ownership transfers or sales.** (a) When acquiring servicing
4.12 rights from a transferor servicer, a transferee servicer must:

4.13 (1) continue processing loan modification requests and honoring trial and permanent
4.14 modifications; and

4.15 (2) designate the homeowner as a third-party intended beneficiary in any subsequent
4.16 contract for transfer or sale, unless doing so violates another state law or a
4.17 government-sponsored enterprise's modification program requirements.

4.18 (b) When transferring or selling loan servicing with pending modification requests or
4.19 trial or permanent modifications, a transferor servicer must:

4.20 (1) inform the transferee servicer if a loan modification is pending;

4.21 (2) obligate the transferee servicer to (i) accept and continue processing loan modification
4.22 requests, and (ii) honor trial and permanent loan modification agreements; and

4.23 (3) designate the homeowner as a third-party intended beneficiary in any contract for
4.24 transfer or sale, unless doing so violates state law or a government-sponsored enterprise's
4.25 modification program requirements.

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

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

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

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

5.17 (e) A servicer must assess an incurred fee to a borrower's account within 45 days of the
5.18 date the fee was incurred. A servicer must clearly and conspicuously explain the fee in a
5.19 statement mailed to the borrower at the borrower's last known address no more than 30 days
5.20 after the date the fee is assessed. If a servicer provides monthly or more frequent statements
5.21 that include the information under this paragraph, the servicer is not required to provide the
5.22 information in an additional notice.

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

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

5.33 (b) At least annually or upon the borrower's request, a servicer must inform the borrower
5.34 in writing regarding the amount of reserve required in an escrow account. The notice must

6.1 advise the borrower of any fees the borrower incurs (1) for not maintaining the reserve
6.2 amount, or (2) if the servicer advances escrow amounts on the borrower's behalf and
6.3 subsequently collects the escrow amounts from the borrower.

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

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

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

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

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

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

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

6.32 (2) the current balance due on the residential mortgage loan, including the principal due;
6.33 the amount of money, if any, held in a suspense account; the amount of the escrow balance

7.1 known to the servicer, if any; and whether any escrow deficiencies or shortages are known
7.2 to the servicer;

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

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

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

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

7.13 (e) In addition to the statement described under paragraph (a), clause (2), a borrower
7.14 may request more detailed information from a servicer. A servicer that receives a request
7.15 under this paragraph must provide the information to the borrower within 15 business days
7.16 of the date a written request from the borrower is received. A borrower's request must
7.17 include the borrower's name and account number, if any, a statement that the account is or
7.18 may be in error, and sufficient detail to the servicer regarding information sought by the
7.19 borrower. If requested by the borrower, a statement provided under this paragraph must
7.20 also include:

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

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

7.29 (f) For purposes of a borrower request made under paragraph (e) the account history
7.30 period must cover, at a minimum, the two-year period before the date the request for
7.31 information is received. If the servicer has not serviced the residential mortgage loan for
7.32 the entire two-year period, the servicer must provide the information back to the date on
7.33 which the servicer began servicing the residential mortgage loan and must identify the

previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed on the residential mortgage loan prior to the two-year period or the period during which the servicer has serviced the residential mortgage loan, the servicer must provide an account history beginning with the month that the servicer claims any outstanding sums are owed on the residential mortgage loan up to the date the request for the information is received.

(g) If the borrower requests a statement under paragraph (e), a servicer must provide the statement free of charge. A borrower is entitled to only one free statement annually under this paragraph. If a borrower requests more than one statement annually, a servicer may charge \$30 for the second and each subsequent statement.

Subd. 8. Borrower complaints and inquiries. (a) A servicer must establish and maintain:

(1) procedures and systems to respond to and resolve borrower complaints and inquiries in a manner that complies with this section;

(2) a customer service department staffed by trained personnel to whom a borrower may direct complaints and inquiries; and

(3) a toll-free telephone number or collect calling service that enables a borrower to speak, during regular business hours, with a live person trained to answer inquiries and instruct borrowers how to file written complaints.

(b) Each welcome packet, periodic statement, including as applicable either the monthly mortgage statement or annual coupon book that is provided to a borrower, and website maintained by a servicer must clearly and conspicuously state:

(1) an address to which borrowers may direct complaints and inquiries;

(2) the toll-free telephone number or collect calling services provided by the servicer;

(3) whether the servicer is licensed with the commissioner; and

(4) that a borrower may file a complaint and obtain information about the servicer by contacting the Department of Commerce. The information provided under this clause must include the department's current telephone contact information and website.

(c) A servicer must establish and maintain a process that enables borrowers to escalate complaints or pending loss mitigation matters for a supervisory-level review.

Subd. 9. Servicing prohibitions; fair dealing duty. (a) In addition to the prohibitions and standards of conduct under sections 58.12, subdivision 1, paragraph (b), and 58.13, subdivision 1, a servicer is prohibited from:

9.1 (1) engaging in unfair, deceptive, or abusive business practices, or misrepresenting or
9.2 omitting any material information, in connection with servicing a mortgage loan, including
9.3 but not limited to misrepresenting the amount, nature, or terms of a fee, payment due, or
9.4 payment claimed due on the loan, the servicing agreement's terms and conditions, or the
9.5 borrower's obligations under the loan;

9.6 (2) requiring money to be remitted by a method that is more costly to the borrower than
9.7 a bank, certified check, or attorney's check from an attorney's account; or

9.8 (3) refusing to communicate with the borrower's authorized representative if the
9.9 authorized representative provides the servicer with a written authorization, including by
9.10 electronic transmission, signed by the borrower that affirms the authorized representative
9.11 may act on behalf of the borrower. A servicer may adopt procedures, excluding collecting
9.12 the representative's Social Security number, that are reasonably related to verifying that the
9.13 representative is in fact authorized to act on behalf of the borrower.

9.14 (b) A servicer must act in good faith and deal fairly in the servicer's dealings with a
9.15 borrower in connection with servicing a borrower's mortgage loan. For purposes of this
9.16 paragraph, acting in good faith and dealing fairly includes but is not limited to the duty to:

9.17 (1) safeguard and account for any payment made by the borrower or any money belonging
9.18 to the borrower;

9.19 (2) follow reasonable and lawful instructions from the borrower that are consistent with
9.20 the underlying note and mortgage;

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

9.22 (4) consider alternatives to foreclosure when a borrower (i) demonstrates that the borrower
9.23 is in imminent risk of delinquency on the mortgage loan as a result of a financial hardship,
9.24 or (ii) has experienced a financial hardship and is unable to maintain the payment at the
9.25 current payment amount required under the mortgage loan or make delinquent payments;
9.26 and

9.27 (5) structure loan modifications to result in payments that are reasonably affordable and
9.28 sustainable for the borrower at the time the modification is made.

9.29 Subd. 10. **Notices; mailings; evidence of receipt.** (a) A notification, mailing, or other
9.30 correspondence from a mortgage servicer or third-party provider to a borrower must be
9.31 provided via first class mail and email if the borrower has provided an email address for
9.32 notice or communication purposes.

(b) A servicer must provide a mailing address, facsimile number, email address, and a method to facilitate file transfers via the Internet to produce documents requested from the borrower. An option to transfer files via the Internet must allow both the borrower and servicer to view the documents sent and confirm the date the documents were sent for 60 months after the date the documents were produced to the servicer.

(c) A servicer must provide a detailed description of all items received and the items' expiration dates from a borrower within five business days of the date an item was received via any medium described under this subdivision.

(d) A servicer is prohibited from rejecting documentation from a borrower or potential borrower as incomplete without providing the borrower with details regarding which specific portion of the documentation is incomplete.

Sec. 4. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person must investigate and attempt to resolve complaints made regarding acts or practices subject to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain a file containing all materials relating to the complaint and subsequent investigation for a period of 60 months.

Sec. 5. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

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

Sec. 6. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

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

11.1 Sec. 7. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
11.2 read:

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

11.5 (1) record a telephone conversation with a borrower and a borrower's representatives;
11.6 and

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

11.9 Sec. 8. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

11.10 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
11.11 by a federal or state chartered bank, savings bank, or credit union, unless the residential
11.12 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union
11.13 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
11.14 20.

11.15 Sec. 9. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
11.16 read:

11.17 Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program"
11.18 means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the
11.19 Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You
11.20 Earn Plan, and any other state, federal, or private student loan repayment plan that is
11.21 calculated based on a borrower's income and for which a borrower's income may include
11.22 the borrower's household income for purposes of evaluating eligibility under section 58B.06,
11.23 subdivision 5.

11.24 Sec. 10. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
11.25 to read:

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

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

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

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

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

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

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

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

12.10 Sec. 11. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
12.11 read:

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

12.18 Sec. 12. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14.1 Sec. 13. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

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

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

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

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

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

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

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

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

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

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

14.26 Sec. 14. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

14.27 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
14.28 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
14.29 must protect the borrower from negative consequences resulting from the sale, assignment,
14.30 transfer, system conversion, or payment the borrower makes to the original loan servicer
14.31 consistent with the original student loan servicer's policy. For purposes of this paragraph,
14.32 "negative consequences" includes but is not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.22 ~~(d) A new student loan servicer must adopt policies and procedures to verify that the~~
16.23 ~~original student loan servicer has met the requirements of paragraph (a) and implement~~
16.24 ~~policies and procedures to verify that the original student loan servicer meets the requirements~~
16.25 ~~of paragraph (c).~~

16.26 Sec. 15. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

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

17.1 Sec. 16. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

17.2 Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership,
17.3 reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal
17.4 entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster
17.5 ~~and, or an insurance lead generator.~~ For the purposes of sections 72A.31 and 72A.32 "person"
17.6 shall in addition mean any person, firm or corporation even though not engaged in the
17.7 business of insurance.

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

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

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

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

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

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

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

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

17.28 Sec. 19. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
17.29 read:

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

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

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

18.12 Sec. 21. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
18.13 read:

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

18.19 Sec. 22. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

18.20 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
18.21 transaction conducted:

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

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

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

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

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

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

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

19.4 Sec. 23. **[82B.081] NOTICE TO COMMISSIONER.**

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

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

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

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

19.28 Sec. 24. **[82C.031] NOTICE TO COMMISSIONER.**

19.29 Subdivision 1. **Change of application information.** A licensee must provide notice to
19.30 the commissioner if the information in the license application filed with the commissioner
19.31 changes. The notice must be provided in writing or another format prescribed by the
19.32 commissioner within ten days of the date the change occurs. For purposes of this subdivision,

20.1 an information change requiring notice includes but is not limited to a change with respect
20.2 to the licensee's personal name, trade name, address, or business location.

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

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

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

20.20 Sec. 25. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

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

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

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

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

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

- 21.1 (ii) certificate of authority to transact business in Minnesota and business tax identification
21.2 number, if the seller is an entity;
- 21.3 (4) the amount paid and the number of the check or electronic transfer used to purchase
21.4 or acquire the scrap metal or motor vehicle;
- 21.5 (5) the license plate number and description of the vehicle used by the person when
21.6 delivering the scrap metal or motor vehicle, including the vehicle make and model, and any
21.7 identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;
- 21.8 (6) a statement signed by the seller, under penalty of perjury as provided in section
21.9 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
21.10 or encumbrances and the seller has the right to sell it;
- 21.11 (7) a copy of the receipt, which must include at least the following information: the name
21.12 and address of the dealer, the date and time the scrap metal or motor vehicle was received
21.13 by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount
21.14 paid for the scrap metal or motor vehicle;
- 21.15 (8) the identity or identifier of the employee completing the transaction; and
- 21.16 (9) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the
21.17 seller's:
- 21.18 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
21.19 2c; or
- 21.20 (ii) the documentation used to support the seller being deemed to hold a license to sell
21.21 scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).
- 21.22 (b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall
21.23 at all reasonable times be open to the inspection of any properly identified law enforcement
21.24 officer.
- 21.25 (c) Except for the purchase or acquisition of detached catalytic converters or motor
21.26 vehicles, no record is required for property purchased or acquired from merchants,
21.27 manufacturers, salvage pools, insurance companies, rental car companies, financial
21.28 institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having
21.29 an established place of business, or of any goods purchased or acquired at open sale from
21.30 any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained
21.31 and kept by the person, which must be shown upon demand to any properly identified law
21.32 enforcement officer.

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

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

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

22.15 Sec. 26. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

22.16 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
22.17 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
22.18 person has a valid license issued by the commissioner under this subdivision.

22.19 (b) On the first Friday of the months of April and October of each calendar year, from
22.20 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
22.21 from individuals who do not have an approved license to sell scrap metal copper under this
22.22 subdivision. All other requirements of subdivision 1b apply and must be documented by
22.23 the scrap metal dealer on the dates specified in this paragraph.

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

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

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

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

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

23.1 (i) the name, legal entity type, principal business address, telephone number, and date
23.2 of formation of the entity; and

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

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

23.6 (e) Within 30 days of the date an application is received, the commissioner may require
23.7 additional information or submissions from an applicant and may obtain any document or
23.8 information that is reasonably necessary to verify the information contained in the application.
23.9 Within 90 days after the date a completed application is received, the commissioner must
23.10 review the application and issue a license if the applicant is deemed qualified under this
23.11 section. The commissioner may issue a license subject to restrictions or limitations. If the
23.12 commissioner determines the applicant is not qualified, the commissioner must notify the
23.13 applicant and must specify the reason for the denial.

23.14 (f) A person is deemed to hold a license to sell scrap metal copper if the person holds
23.15 one of the following:

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

23.17 (2) a document, certificate, or card of competency issued by a municipality to perform
23.18 work in a given trade or craft in the building trades. The document, certificate, or card must
23.19 state that the individual is authorized to sell scrap metal copper. This clause is effective
23.20 January 1, 2025; or

23.21 (3) a Section 608 Technician Certification issued by the United States Environmental
23.22 Protection Agency.

23.23 (g) A license issued under this subdivision is valid for one year. To renew a license, an
23.24 applicant must submit a completed renewal application on a form prescribed by the
23.25 commissioner and a renewal fee of \$250. The commissioner may request that a renewal
23.26 applicant submit additional information to clarify any new information presented in the
23.27 renewal application. A renewal application submitted after the renewal deadline must be
23.28 accompanied by a nonrefundable late fee of \$500.

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

23.30 (1) the commissioner determines that the applicant is in violation of or noncompliant
23.31 with federal or state law; or

24.1 (2) the applicant fails to timely submit a renewal application and the information required
24.2 under this subdivision.

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

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

24.8 (1) the applicant engages in fraudulent activity that violates state or federal law;

24.9 (2) the commissioner receives consumer complaints that justify an action under this
24.10 subdivision to protect the safety and interests of consumers;

24.11 (3) the applicant fails to pay an application license or renewal fee; or

24.12 (4) the applicant fails to comply with a requirement established in this subdivision.

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

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

24.17 Sec. 27. Minnesota Statutes 2024, section 332.32, is amended to read:

24.18 **332.32 EXCLUSIONS.**

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

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

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

25.5 Sec. 28. **REPEALER.**

25.6 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.

25.7 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
25.8 subdivision 4, are repealed.

25.9 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
25.10 January 17, 2027.

25.11 **ARTICLE 2**
25.12 **TECHNICAL CHANGES**

25.13 Section 1. Minnesota Statutes 2025 Supplement, section 41A.09, subdivision 2a, is amended
25.14 to read:

25.15 Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this
25.16 subdivision have the meanings given them.

25.17 (a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products,
25.18 including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other
25.19 renewable resources, including residue and waste generated from the production, processing,
25.20 and marketing of agricultural products, forest products, and other renewable resources, that:

25.21 (1) meets all of the specifications in ASTM specification ~~D4806-21a~~ D4806; and

25.22 (2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

25.23 (b) "Ethanol plant" means a plant at which ethanol is produced.

25.24 (c) "Commissioner" means the commissioner of agriculture.

25.25 (d) "Rural economic infrastructure" means the development of activities that will enhance
25.26 the value of agricultural crop or livestock commodities or by-products or waste from farming
25.27 operations through new and improved value-added conversion processes and technologies,
25.28 the development of more timely and efficient infrastructure delivery systems, and the
25.29 enhancement of marketing opportunities. "Rural economic infrastructure" also means land,
25.30 buildings, structures, fixtures, and improvements located or to be located in Minnesota and

26.1 used or operated primarily for the processing or the support of production of marketable
26.2 products from agricultural commodities or wind energy produced in Minnesota.

26.3 Sec. 2. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

26.4 Subdivision 1. **Issuance and conditions.** An application for a bank charter must be
26.5 granted if (1) the applicants are of good moral character and financial integrity, (2) there is
26.6 a reasonable public demand for this bank in this location, (3) the probable volume of business
26.7 in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and
26.8 the solvency of the then existing bank or banks in the locality without endangering the safety
26.9 of any bank in the locality as a place of deposit of public and private money, (4) the
26.10 commissioner of commerce is satisfied that the proposed bank will be properly and safely
26.11 managed, and (5) the commissioner is satisfied that the capital funds required pursuant to
26.12 section 48.02 are available and the commissioner may accept any reasonable demonstration
26.13 including subscription agreements supported by current financial statements. If the application
26.14 does not satisfy the requirements of this subdivision, it must be denied. In case of the denial
26.15 of the application, the commissioner of commerce shall specify the grounds for the denial.
26.16 A person aggrieved may obtain judicial review of the determination in accordance with
26.17 chapter 14.

26.18 Sec. 3. Minnesota Statutes 2024, section 48.195, is amended to read:

26.19 **48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.**

26.20 Notwithstanding any law to the contrary, a bank, savings bank, savings association, or
26.21 credit union organized under the laws of this state, or a national bank or federally chartered
26.22 savings bank, savings association, or credit union, doing business in this state, may charge
26.23 on any loan or discount made or upon any note, bill or other evidence of debt, except an
26.24 extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2
26.25 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial
26.26 paper in effect at the Board of Governors of the Federal Reserve Bank ~~located in the Ninth~~
26.27 ~~Federal Reserve District~~ System.

26.28 Sec. 4. Minnesota Statutes 2024, section 49.37, is amended to read:

26.29 **49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION**
26.30 **OR MERGER.**

26.31 (a) Either before or after the consolidation or merger agreement has been approved by
26.32 the commissioner of commerce, it must be submitted to the stockholders of each corporation

at a meeting thereof called, and it does not become binding upon the corporation until it has been approved at each of the meetings required by this section by the vote or ballot of the stockholders, holding at least a majority of the amount of stock of the respective corporations, or a higher percentage as may be required by the certificate of incorporation of the corporations. Proof of the holding of these meetings and the results thereof must be submitted to the commissioner of commerce.

(b) After the agreement called for by sections 49.33 to 49.41 has been approved by the stockholders of the respective corporations and by the commissioner of commerce, the ~~latter~~ shall commissioner of commerce must issue a certificate reciting that the corporations have complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or merger of these corporations and the name of the consolidated or surviving corporation, the amount of capital stock thereof, the names of the first board of directors, and the place of business of the consolidated or surviving corporation, which must be within the city where any of the constituent corporations have been previously authorized to have their places of business.

(c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the Secretary of State,~~ the incorporation is deemed to be complete in the case of the consolidation, and the assets of the constituent corporations merged into the survivor in the case of a merger, and the consolidated or surviving corporation shall, from the date of this certificate, have the term of corporate existence as may be specified in it, not exceeding the longest unexpired term of any constituent corporation. The certificate of the commissioner of commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have been complied with, and is conclusive evidence of the existence of the consolidated or surviving corporation.

Sec. 5. Minnesota Statutes 2024, section 58B.051, is amended to read:

58B.051 REGISTRATION FOR LENDERS.

(a) Beginning January 1, 2025, a lender must register with the commissioner as a lender before providing services in Minnesota. A lender must not offer or make a student loan to a resident of Minnesota without first registering with the commissioner as provided in this section.

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

28.1 (3) the names of all officers, directors, owners, or other persons in control of an applicant,
28.2 as defined in section 58B.02, subdivision 6; and

28.3 (4) any other information the commissioner requires ~~by rule~~.

28.4 (c) Registration issued or renewed expires December 31 of each year. A lender must
28.5 renew the lender's registration on an annual basis.

28.6 (d) The commissioner may adopt and enforce:

28.7 (1) registration procedures for lenders, which may include using the Nationwide
28.8 Multistate Licensing System and Registry;

28.9 (2) nonrefundable registration fees for lenders, which may include fees for using the
28.10 Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

28.11 (3) procedures and nonrefundable fees to renew a lender's registration, which may include
28.12 fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be
28.13 paid directly by the lender; and

28.14 (4) alternate registration procedures and nonrefundable fees for postsecondary education
28.15 institutions that offer student loans.

28.16 Sec. 6. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

28.17 Subdivision 1. **Annual statements required.** Every insurance company, including
28.18 fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file
28.19 with the commissioner, ~~annually, on or before March 1,~~ the appropriate verified National
28.20 Association of Insurance Commissioners' annual statement blank, on or before April 30 for
28.21 all lines of insurance except health, which must be filed on or before May 31. The National
28.22 Association of Insurance Commissioners' annual statement blank must be prepared in
28.23 accordance with the association's instructions handbook and following those accounting
28.24 procedures and practices prescribed by the association's accounting practices and procedures
28.25 manual, unless the commissioner requires or finds another method of valuation reasonable
28.26 under the circumstances. Another method of valuation permitted by the commissioner must
28.27 be at least as conservative as those prescribed in the association's manual. All companies
28.28 required to file an annual statement under this subdivision may also be required to file with
28.29 the commissioner and the National Association of Insurance Commissioners a copy of their
28.30 annual statement in an electronic form prescribed by the commissioner. All Minnesota
28.31 domestic insurers required to file annual statements under this subdivision must also file
28.32 quarterly statements with the commissioner for the first, second, and third calendar quarter
28.33 on or before 45 days after the end of the applicable quarter, prepared in accordance with

29.1 the association's instruction handbook. All companies required to file quarterly statements
 29.2 under this subdivision may also be required to file the quarterly statements with the
 29.3 commissioner and the National Association of Insurance Commissioners in an electronic
 29.4 form prescribed by the commissioner. In addition, the commissioner may require the filing
 29.5 of any other information determined to be reasonably necessary for the continual enforcement
 29.6 of these laws. The statement may be limited to the insurer's business and condition in the
 29.7 United States unless the commissioner finds that the business conducted outside the United
 29.8 States may detrimentally affect the interests of policyholders in this state. The statements
 29.9 shall also contain a verified schedule showing all details required by law for assessment
 29.10 and taxation. The statement or schedules shall be in the form and shall contain all matters
 29.11 the commissioner may prescribe, and it may be varied as to different types of insurers so
 29.12 as to elicit a true exhibit of the condition of each insurer.

29.13 Sec. 7. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

29.14 Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~
 29.15 A company shall transact is prohibited from transacting any new business in this state after
 29.16 May August 31 in any year unless it shall have the company previously transmitted its
 29.17 annual statement to the commissioner and filed a copy of its statement with the National
 29.18 Association of Insurance Commissioners. The commissioner may by order annually require
 29.19 that each insurer pay the required fee to the National Association of Insurance Commissioners
 29.20 for the filing of annual statements, but the fee shall not be more than 50 percent greater than
 29.21 the fee set by the National Association of Insurance Commissioners. Failure to file the
 29.22 annual statement with the commissioner or the National Association of Insurance
 29.23 Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on
 29.24 the relative premium volume of each insurer.

29.25 Sec. 8. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

29.26 Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline
 29.27 or requirement specified by this section, ~~on receiving, not less than ten days if the~~
 29.28 commissioner receives a written request for an extension from the company before the date
 29.29 ~~of default, satisfactory evidence of imminent hardship to the company.~~

29.30 Sec. 9. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 3, is amended
 29.31 to read:

29.32 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
 29.33 with water or other impurities and must comply with ASTM specification ~~D4814-24a~~ D4814.

30.1 Gasoline that is not blended with biofuel must also comply with the volatility requirements
30.2 in Code of Federal Regulations, title 40, part 1090.

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

30.5 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
30.6 4;

30.7 (2) shall not blend the gasoline with any oxygenate other than biofuel;

30.8 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
30.9 biofuel;

30.10 (4) shall not blend the gasoline with products commonly and commercially known as
30.11 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
30.12 gasoline; and

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

30.15 Sec. 10. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 4, is amended
30.16 to read:

30.17 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
30.18 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
30.19 5.

30.20 (b) A gasoline-ethanol blend must:

30.21 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
30.22 1090;

30.23 (2) comply with ASTM specification ~~D4814-24a~~ D4814, or the gasoline base stock from
30.24 which a gasoline-ethanol blend was produced must comply with ASTM specification
30.25 ~~D4814-24a~~ D4814; and

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

31.1 Sec. 11. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 5, is amended
31.2 to read:

31.3 Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must
31.4 be agriculturally derived and must comply with ASTM specification ~~D4806-21a~~ D4806.
31.5 This includes the requirement that ethanol may be denatured only as specified in Code of
31.6 Federal Regulations, title 27, parts 20 and 21.

31.7 Sec. 12. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 6, is amended
31.8 to read:

31.9 Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for
31.10 the product shall comply with the following requirements:

31.11 (1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total,
31.12 of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any
31.13 time in this state; and

31.14 (2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in
31.15 paragraph (b) must not be sold or offered for sale in this state.

31.16 (b) The oxygenates prohibited under paragraph (a) are:

31.17 (1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

31.18 (2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

31.19 (3) tertiary amyl methyl ether.

31.20 (c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM
31.21 specification ~~D4814-24a~~ D4814. Nonethanol oxygenates must not be blended into gasoline
31.22 after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

31.23 Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 7, is amended to read:

31.24 Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification
31.25 ~~D396-12~~ D396.

31.26 Sec. 14. Minnesota Statutes 2024, section 239.761, subdivision 8, is amended to read:

31.27 Subd. 8. **Diesel fuel oil.** (a) When diesel fuel oil is not blended with biodiesel, it must
31.28 comply with ASTM specification ~~D975-12a~~ D975.

32.1 (b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel
32.2 component must comply with ASTM specification ~~D975-12a~~ D975 and the biodiesel
32.3 component must comply with ASTM specification ~~D6751-11b~~ D6751.

32.4 Sec. 15. Minnesota Statutes 2024, section 239.761, subdivision 9, is amended to read:

32.5 Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-08~~ D3699.

32.6 Sec. 16. Minnesota Statutes 2024, section 239.761, subdivision 10, is amended to read:

32.7 Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM specification
32.8 ~~D910-11~~ D910.

32.9 Sec. 17. Minnesota Statutes 2024, section 239.761, subdivision 11, is amended to read:

32.10 Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply
32.11 with ASTM specification ~~D1655-12~~ D1655.

32.12 Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 12, is amended to read:

32.13 Subd. 12. **Gas turbine fuel oil.** Fuel oil for use in nonaviation gas turbine engines must
32.14 comply with ASTM specification ~~D2880-03~~ D2880.

32.15 Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 13, is amended to read:

32.16 Subd. 13. **E85.** A blend of ethanol and gasoline, containing not more than 85 percent
32.17 ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section
32.18 296A.01, subdivision 5, must comply with ASTM specification ~~D5798-11~~ D5798.

32.19 Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 14, is amended to read:

32.20 Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 70 percent methanol
32.21 and not more than 85 percent methanol, produced for use as a motor fuel in alternative fuel
32.22 vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification
32.23 ~~D5797-07~~ D5797.

32.24 Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 16, is amended to read:

32.25 Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable,
32.26 mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal
32.27 fats and that meets American Society for Testing and Materials (ASTM) specification
32.28 ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

33.1 Sec. 22. Minnesota Statutes 2024, section 239.761, subdivision 17, is amended to read:

33.2 Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation gasoline
33.3 must comply with ASTM specification ~~D6227-12~~ D6227.

33.4 Sec. 23. Minnesota Statutes 2024, section 239.77, subdivision 1, is amended to read:

33.5 Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel fuel
33.6 and biodiesel fuel between six percent and 20 percent for on-road and off-road diesel-fueled
33.7 vehicle use. Biodiesel blend must comply with ASTM specification ~~D7467-10~~ D7467.

33.8 (b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible
33.9 liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets
33.10 American Society for Testing and Materials specification ~~D6751-11b~~ D6751 for Biodiesel
33.11 Fuel (B100) Blend Stock for Distillate Fuels.

33.12 (c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section,
33.13 unless the palm oil is contained within waste oil and grease collected within the United
33.14 States or Canada.

33.15 Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 7, is amended to read:

33.16 Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is used to
33.17 produce or generate power for propelling internal combustion engine aircraft.

33.18 Aviation gasoline includes any gasoline:

33.19 (1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor
33.20 or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation
33.21 gasoline" that meets specifications in ASTM specification ~~D910-16~~ D910 or any other
33.22 ASTM specification as gasoline appropriate for use in producing or generating power for
33.23 propelling internal combustion engine aircraft; or

33.24 (2) sold to a dealer of aviation gasoline for dispensing directly into the fuel tank of an
33.25 aircraft.

33.26 Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 8, is amended to read:

33.27 Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean
33.28 blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic
33.29 hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications
33.30 in ASTM specification ~~D1655-12~~ D1655.

34.1 Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 14, is amended to read:

34.2 Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of
34.3 petroleum distillate and residual fuels that is intended for use as a motor fuel in internal
34.4 combustion diesel engines and that meets ASTM specification ~~D975-11b~~ D975.

34.5 Sec. 27. Minnesota Statutes 2024, section 296A.01, subdivision 19, is amended to read:

34.6 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived
34.7 denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent
34.8 ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by
34.9 volume. For the purposes of this chapter, the energy content of E85 will be considered to
34.10 be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles
34.11 as defined in subdivision 5 must comply with ASTM specification ~~D5798-11~~ D5798.

34.12 Sec. 28. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 20, is amended
34.13 to read:

34.14 Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended
34.15 with gasoline, has been agriculturally derived, and complies with ASTM specification
34.16 ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as
34.17 specified in Code of Federal Regulations, title 27, parts 20 and 21.

34.18 Sec. 29. Minnesota Statutes 2024, section 296A.01, subdivision 22, is amended to read:

34.19 Subd. 22. **Gas turbine fuel oil.** "Gas turbine fuel oil" means fuel that contains mixtures
34.20 of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign
34.21 matter, intended for use in nonaviation gas turbine engines, and that meets the specifications
34.22 in ASTM specification ~~D2880-03~~ D2880.

34.23 Sec. 30. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 23, is amended
34.24 to read:

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

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

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-24a~~ D4814.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-24a~~ D4814 and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-24a~~ D4814. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

36.1 Sec. 32. Minnesota Statutes 2024, section 296A.01, subdivision 26, is amended to read:

36.2 Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of
36.3 petroleum distillates and residuals, or petroleum residual heating fuel that meets the
36.4 specifications in ASTM specification ~~D396-12~~ D396.

36.5 Sec. 33. Minnesota Statutes 2024, section 296A.01, subdivision 28, is amended to read:

36.6 Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a
36.7 homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic
36.8 compounds, and excessive amounts of particulate contaminants and that meets the
36.9 specifications in ASTM specification ~~D3699-08~~ D3699.

36.10 Sec. 34. Minnesota Statutes 2024, section 296A.01, subdivision 35, is amended to read:

36.11 Subd. 35. **M85.** "M85" means a petroleum product that is a liquid fuel blend of methanol
36.12 and gasoline that contains at least 70 percent methanol and not more than 85 percent methanol
36.13 by volume. For the purposes of this chapter, the energy content of M85 will be considered
36.14 to be 65,000 BTUs per gallon. M85 produced for use as a motor fuel in alternative fuel
36.15 vehicles, as defined in subdivision 5, must comply with ASTM specification ~~D5797-07~~
36.16 D5797.

36.17 Sec. 35. **REPEALER.**

36.18 Minnesota Statutes 2024, section 48.158, is repealed.

36.19 **ARTICLE 3**

36.20 **SECURITIES**

36.21 Section 1. Minnesota Statutes 2024, section 80A.50, is amended to read:

36.22 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
36.23 **CORPORATE OFFERING REGISTRATION.**

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

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

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

37.1 under the Securities Act of 1933 and a consent to service of process complying with section
37.2 80A.88 signed by the issuer;

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

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

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

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

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

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

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

38.1 (2) **Availability.** Registration under this section is available only to the issuer of securities
38.2 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
38.3 The issuer must be organized under the laws of one of the states or possessions of the United
38.4 States. The securities offered must be exempt from registration under the Securities Act of
38.5 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

38.10 (B) an investment company;

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

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

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

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

38.25 (iii) is currently subject to a state administrative enforcement order or judgment entered
38.26 by a state securities administrator or the Securities and Exchange Commission within five
38.27 years before the filing of the small corporate offering registration application, or is subject
38.28 to a federal or state administrative enforcement order or judgment in which fraud or deceit,
38.29 including, but not limited to, making untrue statements of material facts or omitting to state
38.30 material facts, was found and the order or judgment was entered within five years before
38.31 the filing of the small corporate offering registration application;

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

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

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

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

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

39.18 **(4) Filing and effectiveness of registration statement.** A small corporate offering
39.19 registration statement must be filed with the administrator. If no stop order is in effect and
39.20 no proceeding is pending under section 80A.54, such registration statement shall become
39.21 effective automatically at the close of business on the 20th day after filing of the registration
39.22 statement or the last amendment of the registration statement or at such earlier time as the
39.23 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
39.24 other than by an affiliate of the issuer, all outstanding securities of the same class identified
39.25 in the small corporate offering registration statement as a security registered under this
39.26 chapter are considered to be registered while the small corporate offering registration
39.27 statement is effective. A small corporate offering registration statement is effective for one
39.28 year after its effective date or for any longer period designated in an order under this chapter.
39.29 A small corporate offering registration statement may be withdrawn only with the approval
39.30 of the administrator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Notice filing requirement for federal crowdfunding offerings. This paragraph applies to offerings made under Regulation Crowdfunding, Code of Federal Regulations, title 17, part 227, and sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933, United States Code, title 15, sections 77d(A)(6) and 77r(b)(4)(C).

(1) Initial filing. An issuer that (i) offers and sells securities in Minnesota in an offering exempt under federal Regulation Crowdfunding, and (ii) has a principal place of business in Minnesota or sells at least 50 percent of the offering's aggregate amount to Minnesota residents, must file with the administrator:

(A) a completed Uniform Notice of Federal Crowdfunding Offering form or copies of all documents filed with the Securities and Exchange Commission; and

(B) if the issuer is not filing on the Uniform Notice of Federal Crowdfunding Offering form, consent to service of process on Form U-2.

If the issuer's principal place of business is in Minnesota, the initial filing must be submitted with the administrator when the issuer makes the issuer's initial Form C filing concerning the offering with the Securities and Exchange Commission. If the issuer's principal place of business is not in Minnesota but Minnesota residents have purchased at least 50 percent of the aggregate amount of the offering, the filing must be submitted when the issuer becomes aware that the aggregate purchases made by Minnesota residents meets the threshold, but no later than 30 days after the date the offering is complete. The initial notice filing is effective for a 12-month period beginning on the date the initial filing is submitted to the administrator.

(2) **Renewal.** For each additional 12-month period in which a single offering is continued, an issuer conducting an offering under federal Regulation Crowdfunding may renew the issuer's notice filing by filing with the administrator on or before the date the current notice filing expires:

(A) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked "renewal"; or

(B) a cover letter or other document requesting renewal.

(3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting (i) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked "amendment," or (ii) another document that describes the modified transaction.

Sec. 2. Minnesota Statutes 2025 Supplement, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

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

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

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

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

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

(3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures established under this clause. The procedures must designate by name or title a number of supervisory employees that is reasonable relative to the number of the broker-dealer's registered agents, offices, and transactions in Minnesota. A copy of the written procedures and the system to apply the procedures must be kept and maintained at each branch office affiliated with the broker-dealer. A broker-dealer may use electronic media in accordance with FINRA Rule 3110.11, or any successor federal law, to satisfy its obligation under this paragraph; and

~~(3)~~ (4) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) Records and reports of private funds.

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

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

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

(A) the amount of assets under management;

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

(C) counterparty credit risk exposure;

44.1 (D) trading and investment positions;

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

44.3 (F) types of assets held;

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

44.6 (H) trading practices; and

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

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

44.14 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be
44.15 registered under this chapter and of an investment adviser registered or required to be
44.16 registered under this chapter, including the records of a private fund described in paragraph
44.17 (d) and the records of investment advisers to private funds, are subject to such reasonable
44.18 periodic, special, or other audits or inspections by a representative of the administrator,
44.19 within or without this state, as the administrator considers necessary or appropriate in the
44.20 public interest and for the protection of investors. An audit or inspection may be made at
44.21 any time and without prior notice. The administrator may copy, and remove for audit or
44.22 inspection copies of, all records the administrator reasonably considers necessary or
44.23 appropriate to conduct the audit or inspection. The administrator may assess a reasonable
44.24 charge for conducting an audit or inspection under this subsection.

44.25 (f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
44.26 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the
44.27 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
44.28 under this chapter may require a broker-dealer or investment adviser that has custody of or
44.29 discretionary authority over funds or securities of a customer or client to obtain insurance
44.30 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
44.31 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
44.32 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
44.33 of security may not be required of a broker-dealer registered under this chapter whose net

capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

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

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

(i) Continuing education. A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization, the North American Securities Administrators Association, or the commissioner.

(j) Business continuity and succession plan. An investment adviser registered or required to be registered under this chapter must establish, maintain, and enforce written policies and procedures relating to business continuity and succession planning. At a minimum, the policies and procedures under this paragraph must provide:

(1) a means to protect, back up, and recover books and records;

(2) an alternate method to provide notice to customers; key personnel; employees; vendors; service providers, including third-party custodians; and regulators, regarding issues pertaining to the investment adviser's business operations, including but not limited to significant business interruption, the death or unavailability of key personnel, other disruption to business activities, or ceasing business operations;

(3) a plan to relocate the office space for a principal place of business that is subject to a temporary or permanent loss;

(4) a plan to assign duties to qualified responsible persons if key personnel die or are otherwise unavailable; and

(5) a plan to otherwise minimize service disruption and client harm that might result from sudden and significant business interruption.

(k) Physical security and cybersecurity policies and procedures. An investment adviser registered or required to be registered under this chapter must establish, implement, update, and enforce written physical security and cybersecurity policies and procedures that are designed to ensure the confidentiality, integrity, and availability of physical and electronic records and information. The policies and procedures must be tailored to the investment adviser's business model and must take into account the investment adviser's business size, type of service provided, and number of locations.

(1) The physical security and cybersecurity policies and procedures must:

(A) protect against reasonably anticipated threats or hazards to the security or integrity of client records and information;

(B) ensure that the investment adviser protects confidential client records and information; and

(C) protect client records and information that, if released, might result in harm or inconvenience to the client.

(2) At a minimum, the physical security and cybersecurity policies and procedures must develop and implement:

(A) an organizational understanding to manage information security risk with respect to systems, assets, data, and capabilities;

(B) safeguards to ensure delivery of critical infrastructure services;

(C) actions and tools to identify when an information security event occurs;

(D) actions to take when an information security event is detected; and

(E) plans for security and system resilience, and to restore capabilities or services that are impaired due to an information security event.

(3) At the time a client engages an investment adviser and on an annual basis thereafter, an investment adviser must deliver to the client a privacy policy that is reasonably designed

47.1 to assist the client understand how the investment adviser collects and shares, to the extent
47.2 permitted by state and federal law, nonpublic personal information. If information in the
47.3 policy becomes materially inaccurate, the investment adviser must promptly update and
47.4 deliver an amended privacy policy to the client.

47.5 (l) **Written confirmation.** A broker-dealer must promptly provide to the customer a
47.6 written confirmation at or before completing a transaction in accordance with FINRA Rule
47.7 2232, or any successor federal law. The confirmation must:

47.8 (1) describe the security purchased or sold, the date of the transaction, the price of the
47.9 security purchased or sold, and any commission charged;

47.10 (2) indicate whether the broker-dealer acted for the broker-dealer's account, as an agent
47.11 for a customer, as an agent for another person, or as an agent for both a customer and another
47.12 person;

47.13 (3) if the broker-dealer is acting as an agent for a customer, include (i) the name of the
47.14 person who purchased the security, (ii) the name of the person who sold the security, or (iii)
47.15 a statement that the information in item (i) or (ii) is available to a customer on request if
47.16 the broker-dealer knows the information or is able to ascertain the information with
47.17 reasonable diligence;

47.18 (4) indicate whether the transaction was unsolicited; and

47.19 (5) indicate the name of the agent that executed the transaction.

47.20 A broker-dealer that complies with Securities and Exchange Commission Rule 10b-10,
47.21 Code of Federal Regulations, title 17, part 240.10b-10, or article III, section 12, of the
47.22 Financial Industry Regulatory Authority Rules of Fair Practice, complies with this paragraph.

47.23 (m) **Conditions; stipulations; provisions.** A broker-dealer is prohibited from entering
47.24 into a contract with a customer if the contract contains a condition, stipulation, or provision
47.25 that binds the customer to waive rights under chapter 80A; Minnesota Rules, chapter 2876;
47.26 or an order issued by the commissioner. A condition, stipulation, or provision included in
47.27 a contract subject to this paragraph is void.

47.28 (n) **Principal office; employment.** A broker-dealer whose principal office is located in
47.29 Minnesota must have at least one registered person employed on a full-time basis at the
47.30 principal office located in Minnesota. This paragraph does not apply to a broker-dealer
47.31 engaged solely in offering and selling:

47.32 (1) interests in a direct participation program; or

(2) securities issued by open-end investment companies, face amount certificate companies, or unit investment trusts registered under the Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64.

Sec. 3. Minnesota Statutes 2024, section 80A.69, is amended to read:

80A.69 SECTION 502; PROHIBITED CONDUCT IN PROVIDING INVESTMENT ADVICE.

(a) Fraud in providing investment advice. It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities:

(1) to employ a device, scheme, or artifice to defraud another person; or

(2) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

(b) Rules defining fraud. A rule adopted under this chapter may define an act, practice, or course of business of an investment adviser or an investment adviser representative, other than a supervised person of a federal covered investment adviser, as fraudulent, deceptive, or manipulative, and prescribe means reasonably designed to prevent investment advisers and investment adviser representatives, other than supervised persons of a federal covered investment adviser, from engaging in acts, practices, and courses of business defined as fraudulent, deceptive, or manipulative.

(c) Rules specifying contents of advisory contract. A rule adopted under this chapter may specify the contents of an investment advisory contract entered into, extended, or renewed by an investment adviser.

Sec. 4. [80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL BUSINESS PRACTICES.

Subdivision 1. **Broker-dealers; standards and principles.** A broker-dealer must observe high standards of commercial honor and just and equitable principles of trade when conducting the broker-dealer's business. An act or practice that is contrary to the standards constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's registration or to take other action authorized by statute. For purposes of this subdivision, an act or practice that is contrary to the standards includes:

- 49.1 (1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i)
49.2 delivering securities purchased by a customer; or (ii) upon request, paying free credit balances
49.3 reflecting a customer's completed transactions;
- 49.4 (2) inducing trading in a customer's account that is excessive in size or frequency
49.5 considering the account's financial resources and character;
- 49.6 (3) recommending that a customer purchase, sell, or exchange a security without
49.7 reasonable grounds to believe the transaction or recommendation is suitable for the customer,
49.8 based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial
49.9 situation, and needs; and (ii) other relevant information known by the broker-dealer;
- 49.10 (4) making a recommendation of any security transaction or investment strategy involving
49.11 securities, including account recommendations, to a retail customer if the recommendation
49.12 does not comply with the obligations set forth in Code of Federal Regulations, title 17,
49.13 section 240.151-1;
- 49.14 (5) executing a transaction on behalf of a customer without the customer's authorization;
- 49.15 (6) exercising discretionary power to effect a transaction for a customer's account without
49.16 first obtaining written discretionary authority from the customer, unless the discretionary
49.17 power relates solely to the time the order is executed or the order's price;
- 49.18 (7) executing a transaction in a margin account without securing from the customer a
49.19 properly executed written margin agreement promptly after the account's initial transaction;
- 49.20 (8) failing to segregate customers' free securities or securities held in safekeeping;
- 49.21 (9) hypothecating a customer's securities without having a lien on the customer's
49.22 securities, unless the broker-dealer secures the customer's properly executed written consent
49.23 promptly after the initial transaction, except as permitted by Securities and Exchange
49.24 Commission regulations;
- 49.25 (10) entering into a transaction with or for a customer at a price that is not reasonably
49.26 related to the security's current market price, or receiving an unreasonable commission or
49.27 profit;
- 49.28 (11) failing to furnish to a customer purchasing securities in an offering, no later than
49.29 the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary
49.30 prospectus and an additional document that, when combined with the preliminary prospectus,
49.31 includes all of the information included in the final prospectus;

50.1 (12) charging an unreasonable or inequitable fee for services performed, including: (i)
50.2 miscellaneous services that include but are not limited to collecting money due for principal,
50.3 dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or
50.4 maintaining custody of securities; and (ii) other services related to the broker-dealer's
50.5 securities business;

50.6 (13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared
50.7 to purchase or sell at the stated price and under the stated conditions at the time the offer
50.8 to buy or sell is made;

50.9 (14) representing that a security is being offered to a customer "at the market" or at a
50.10 price relevant to the market price, unless the broker-dealer knows or has reasonable grounds
50.11 to believe a market for the security exists other than the market made, created, or controlled
50.12 by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom
50.13 the broker-dealer is associated with respect to the security's distribution; or (iii) a person
50.14 controlled by, controlling, or under common control with the broker-dealer;

50.15 (15) effecting a transaction in, or inducing the purchase or sale of, a security using a
50.16 manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance,
50.17 which includes but is not limited to:

50.18 (i) effecting a transaction in a security that involves no change in the security's beneficial
50.19 ownership;

50.20 (ii) entering an order to purchase or sell a security with the knowledge that at least one
50.21 other order for the same security that is substantially the same size, entered at substantially
50.22 the same time, and for substantially the same price as the order has been or will be entered
50.23 by or for the same or a different party to create (A) a false or misleading appearance of
50.24 active trading in the security, or (B) a false or misleading appearance with respect to the
50.25 market for the security. This item does not prohibit a broker-dealer from entering bona fide
50.26 agency cross transactions for the broker-dealer's customers; or

50.27 (iii) effecting, alone or with another person, a series of transactions in a security that
50.28 creates actual or apparent active trading in the security, or raises or reduces the price of the
50.29 security, to induce others to purchase or sell the security;

50.30 (16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer
50.31 carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a
50.32 securities transaction effected by the broker-dealer with or for the customer;

51.1 (17) publishing or circulating, or causing to be published or circulated, a notice, circular,
51.2 advertisement, newspaper article, investment service, or communication of any kind that
51.3 purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer
51.4 believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote
51.5 the bid price or asked price for a security, unless the broker-dealer believes the quote
51.6 represents a bona fide bid for or offer of the security;

51.7 (18) using an advertising or sales presentation in a manner that is deceptive or misleading,
51.8 including but not limited to distributing: (i) nonfactual data, material, or a presentation based
51.9 on conjecture, unfounded claims, or unrealistic claims; or (ii) assertions in a brochure, flyer,
51.10 or display using words, pictures, graphs, or other representations that are designed to
51.11 supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

51.12 (19) failing to disclose to a customer, before entering into a contract with or for a customer
51.13 to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated
51.14 with, or under common control with the security's issuer. If a disclosure under this clause
51.15 is not made in writing, the disclosure must be supplemented by giving or sending written
51.16 disclosure before or at the time the transaction is completed;

51.17 (20) failing to make a bona fide public offering of all of the securities allotted to a
51.18 broker-dealer for distribution, whether the securities are acquired as an underwriter, as a
51.19 selling group member, or from a member participating in the distribution as an underwriter
51.20 or selling group member;

51.21 (21) failing or refusing to: (i) furnish a customer, upon reasonable request, information
51.22 the customer is entitled to; or (ii) respond to a formal written request or complaint;

51.23 (22) failing to pay and fully satisfy a final judgment or arbitration award resulting from
51.24 an arbitration or court proceeding relating to an investment and initiated by the customer,
51.25 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
51.26 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
51.27 with the terms of the alternative payment arrangement;

51.28 (23) attempting to avoid paying a final judgment or arbitration award resulting from an
51.29 arbitration or court proceeding relating to an investment and initiated by the customer,
51.30 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
51.31 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
51.32 with the terms of the alternative payment arrangement;

51.33 (24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of
51.34 disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or

52.1 broker-dealer's agent by the Securities and Exchange Commission, a state or provincial
52.2 securities or other financial services regulator, or a self-regulatory organization;

52.3 (25) accessing a client's account by using the client's unique identifying information,
52.4 including but not limited to the client's username and password;

52.5 (26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ
52.6 security, failing to promptly provide the most current prospectus or the most recently filed
52.7 periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States
52.8 Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a
52.9 customer;

52.10 (27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

52.11 (28) for each month in which activity has occurred in a customer's account and no less
52.12 frequently than once every three months regardless of whether customer account activity
52.13 has occurred, failing to provide the customer with an account statement that, with respect
52.14 to all over-the-counter non-NASDAQ equity securities in the account, contains a value for
52.15 each security based on the closing market bid on a date certain. This clause applies only if
52.16 the broker-dealer has been a market maker in the security at any time during the month in
52.17 which the monthly or quarterly statement is issued; or

52.18 (29) failing to comply with an applicable provision of the Financial Industry Regulatory
52.19 Authority conduct rules or an applicable fair practice or ethical standard promulgated by
52.20 the Securities and Exchange Commission or a self-regulatory organization approved by the
52.21 Securities and Exchange Commission.

52.22 Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent
52.23 must observe high standards of commercial honor and just and equitable principles of trade
52.24 when conducting the broker-dealer's agent's business. An act or practice that is contrary to
52.25 the standards constitutes grounds for the administrator to deny, suspend, or revoke the
52.26 broker-dealer's agent's registration or to take other action authorized by statute. For purposes
52.27 of this subdivision, an act or practice that is contrary to the standards includes:

52.28 (1) lending to or borrowing from a customer money or securities, or acting as a custodian
52.29 for a customer's money, securities, or executed stock power, unless otherwise permissible
52.30 under FINRA Rule 3240 or any successor federal law;

52.31 (2) effecting securities transactions that are not recorded on the regular books or records
52.32 maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions
52.33 are authorized in writing by the broker-dealer before executing the transaction or exempt

53.1 as subscription-way transactions under Rule 17a-3 of the Securities Exchange Act of 1934
 53.2 or any successor federal law;

53.3 (3) establishing or maintaining an account that contains fictitious information in order
 53.4 to execute transactions that are otherwise prohibited;

53.5 (4) sharing directly or indirectly in profits or losses in a customer account without the
 53.6 written authorization from the customer and the broker-dealer the broker-dealer's agent
 53.7 represents;

53.8 (5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or
 53.9 other compensation from purchasing or selling securities with a person who is not also
 53.10 registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under
 53.11 direct or indirect common control or unless otherwise allowed under Securities and Exchange
 53.12 Commission rules, guidance, or authorization; or

53.13 (6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6),
 53.14 (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

53.15 Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under
 53.16 subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages
 53.17 in other conduct, including but not limited to forgery, embezzlement, nondisclosure,
 53.18 incomplete disclosure, misstatement of material facts, or manipulative or deceptive practices,
 53.19 is also subject to denial, suspension, or revocation of registration.

53.20 Sec. 5. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

53.21 Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing,
 53.22 may issue a cease and desist order and may issue an order denying, suspending or revoking
 53.23 any registration, amendment or exemption on finding any of the following:

53.24 ~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or
 53.25 employee thereof or any other person has violated or failed to comply with any provision
 53.26 of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

53.27 ~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation
 53.28 to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon
 53.29 purchasers or would so operate;

53.30 ~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or
 53.31 employee thereof or any other person is engaging or about to engage in false, fraudulent or
 53.32 deceptive practices in connection with the offer and sale of a franchise;

~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted of an offense or held liable in a civil action by final judgment described in section 80C.04, subdivision 1, paragraph (e), clause (5) (1), has a civil or criminal action pending as described in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order, or has had a civil judgment entered against the person as described in section 80C.04, clause (5), described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the involvement of the person in the business of the applicant or franchisor creates a substantial risk to prospective franchisees;

~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include activities which are illegal where performed; or

~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation of the business of the franchisor or any term or condition of the franchise agreement or any practice of the franchisor is or would be unfair or inequitable to franchisees.

ARTICLE 4

UNCLAIMED PROPERTY

Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value used as a medium of exchange, unit of account, or store of value that does not have legal tender status recognized by the United States. Virtual currency does not include:

(1) software or protocols governing the transfer of the digital representation of value;

(2) game-related digital content; or

(3) a loyalty card or gift card.

Sec. 2. [345.382] FUNDS HELD FOR THE PREPAYMENT OF FUNERAL-RELATED EXPENSES.

Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related expenses are presumed abandoned at the earliest of:

(1) three years after the date of death of the beneficiary;

- 55.1 (2) one year after the date the beneficiary has attained, or would have attained if living,
55.2 the age of 105, if the holder does not know whether the beneficiary is deceased; or
55.3 (3) 30 years after the contract for prepayment was executed.

55.4 Sec. 3. **[345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN**
55.5 **TAX-DEFERRED ACCOUNTS.**

- 55.6 Property held in a plan described in section 529 or 529A of the Internal Revenue Code,
55.7 as amended, are exempt from the requirements of sections 345.31 to 345.60.

55.8 Sec. 4. **[345.384] VIRTUAL CURRENCY.**

- 55.9 (a) Virtual currency is presumed abandoned three years after the apparent owner's latest
55.10 indication of interest in the virtual currency.

- 55.11 (b) For purposes of this section, an indication of an apparent owner's interest in virtual
55.12 currency includes:

- 55.13 (1) a record communicated by the apparent owner to the holder or agent of the holder
55.14 concerning the property or the account in which the property is held;

- 55.15 (2) an oral communication by the apparent owner to the holder or agent of the holder
55.16 concerning the property or the account in which the property is held, if the holder or its
55.17 agent contemporaneously makes and preserves a record of the fact of the apparent owner's
55.18 communication;

- 55.19 (3) a distribution, or evidence of receipt of a distribution made by electronic or similar
55.20 means; or

- 55.21 (4) activity directed by an apparent owner in the account in which the property is held,
55.22 including accessing the account or information concerning the account, or a direction by
55.23 the apparent owner to increase, decrease, or otherwise change the amount or type of virtual
55.24 currency held in the account.

- 55.25 (c) An action by an agent or other representative of an apparent owner, other than the
55.26 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
55.27 apparent owner.

- 55.28 (d) A communication with an apparent owner by a person other than the holder or the
55.29 holder's representative is not an indication of interest in the property by the apparent owner
55.30 unless a record of the communication evidences the apparent owner's knowledge of a right
55.31 to the property.

56.1 Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to
 56.2 read:

56.3 Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual
 56.4 currency, the holder must liquidate the virtual currency and remit the proceeds to the
 56.5 commissioner.

56.6 (b) The liquidation must occur anytime within 30 days before filing the report under
 56.7 section 345A.26. The owner does not have recourse against the holder or the commissioner
 56.8 to recover any gain in value that occurs after the liquidation of the virtual currency under
 56.9 this subdivision.

56.10 (c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual
 56.11 currency to be liquidated, the holder must promptly notify the commissioner in writing and
 56.12 explain the reasons the virtual currency cannot be liquidated. The commissioner has absolute
 56.13 and sole discretion to direct the holder to:

56.14 (1) transfer the virtual currency that cannot be liquidated to a custodian selected by the
 56.15 commissioner; or

56.16 (2) continue to hold the virtual currency until the commissioner or the holder determines
 56.17 that the virtual currency can be liquidated pursuant to this chapter."

56.18 Delete the title and insert:

56.19 "A bill for an act

56.20 relating to commerce; modifying various consumer protections for insurance and
 56.21 financial products; prohibiting virtual-currency kiosks; modifying various
 56.22 provisions governing securities broker-dealers and broker-dealers' agents; making
 56.23 technical changes to various provisions governed or administered by the Department
 56.24 of Commerce; modifying and adding provisions governing unclaimed property;
 56.25 providing penalties; amending Minnesota Statutes 2024, sections 46.044,
 56.26 subdivision 1; 48.195; 49.37; 53B.69, subdivision 10; 58.14, subdivisions 3, 4, 5,
 56.27 by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions;
 56.28 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.13,
 56.29 subdivisions 1, 6; 72A.061, subdivision 5; 72A.18, subdivision 2, by adding
 56.30 subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80A.50; 80A.69;
 56.31 80C.12, subdivision 1; 80G.01, subdivision 5a; 239.761, subdivisions 7, 8, 9, 10,
 56.32 11, 12, 13, 14, 16, 17; 239.77, subdivision 1; 296A.01, subdivisions 7, 8, 14, 19,
 56.33 22, 26, 28, 35; 325E.21, subdivisions 1b, 2c; 332.32; 345.31, by adding a
 56.34 subdivision; 345.43, by adding a subdivision; Minnesota Statutes 2025 Supplement,
 56.35 sections 41A.09, subdivision 2a; 58B.02, subdivision 8a; 80A.66; 239.761,
 56.36 subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; proposing coding for
 56.37 new law in Minnesota Statutes, chapters 53B; 58; 80A; 82B; 82C; 345; repealing
 56.38 Minnesota Statutes 2024, sections 48.158; 53B.69, subdivisions 3b, 3c; 53B.75,
 56.39 subdivisions 1, 2, 3, 4, 5."

56.40 With the recommendation that when so amended the bill be placed on the General
 56.41 Register.

57.1

This Committee action taken March 25, 2026

57.2

....., Co-Chair

57.3

....., Co-Chair