

84.26 **ARTICLE 5**
84.27 **COMMERCE**

176.12 **ARTICLE 8**
176.13 **DEPARTMENT OF COMMERCE**

176.14 Section 1. Minnesota Statutes 2014, section 16C.144, is amended by adding a
176.15 subdivision to read:

176.16 Subd. 7. **Funding.** (a) The commissioner of commerce is authorized to set and fix a
176.17 fee to fund the program under this section. The fee shall be paid as a percentage of the
176.18 total investment cost for a project that has received a fully executed work order contract
176.19 under the conditions imposed by this section. The fee percentage shall be adjusted on the
176.20 basis of the total value of the contracts approved relative to the funding level needed
176.21 to operate the program.

176.22 (b) Fees collected under this subdivision must be deposited in the guaranteed energy
176.23 savings platform account under subdivision 8.

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

176.25 Sec. 2. Minnesota Statutes 2014, section 16C.144, is amended by adding a subdivision
176.26 to read:

176.27 Subd. 8. **Guaranteed energy savings platform account; appropriation.** (a) A
176.28 guaranteed energy savings platform account is created as a separate account in the special
176.29 revenue fund. The account consists of funds donated, allocated, transferred, or otherwise
176.30 provided to the account, including fees collected and deposited under subdivision 7.
176.31 Earnings, including interest, dividends, and any other earnings arising from account assets,
176.32 must be credited to the account.

177.1 (b) Funds in the account are annually appropriated to the commissioner of commerce
177.2 for activities under this section.

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

84.28 Section 1. Minnesota Statutes 2014, section 45.0135, subdivision 6, is amended to read:

84.29 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention
84.30 account is created in the state treasury. Money received from assessments under subdivision
84.31 7 and from the automobile theft prevention account in section 297I.11, subdivision 2, and
84.32 transferred from the automobile theft prevention account in section 65B.84, subdivision 1,
85.1 is deposited in the account. Money in this fund is appropriated to the commissioner of
85.2 commerce for the purposes specified in this section and sections 60A.951 to 60A.956.

85.3 Sec. 2. Minnesota Statutes 2014, section 45.0135, is amended by adding a subdivision
85.4 to read:

85.5 Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may:

85.6 (1) impose an administrative penalty against any person in an amount as set forth in
85.7 paragraph (b) for each intentional act of insurance fraud committed by that person; and

85.8 (2) order restitution to any person suffering loss as a result of the insurance fraud.

85.9 (b) The administrative penalty for each violation described in paragraph (a) may be
85.10 no more than:

85.11 (1) \$20,000 if the funds or the value of the property or services wrongfully obtained

85.12 exceeds \$5,000;

85.13 (2) \$10,000 if the funds or value of the property or services wrongfully obtained

85.14 exceeds \$1,000, but not more than \$5,000;

85.15 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is

85.16 more than \$500, but not more than \$1,000; and

85.17 (4) \$1,000 if the funds or value of the property or services wrongfully obtained is

85.18 less than \$500.

85.19 (c) If an administrative penalty is not paid after all rights of appeal have been
85.20 waived or exhausted, the commissioner may bring a civil action in a court of competent
85.21 jurisdiction to collect the administrative penalty, including expenses and litigation costs,
85.22 reasonable attorney fees, and interest.

85.23 (d) This section does not affect a person's right to seek recovery, including expenses
85.24 and litigation costs, reasonable attorney fees, and interest, against any person that commits
85.25 insurance fraud.

85.26 (e) For purposes of this subdivision, "insurance fraud" has the meaning given in
85.27 section 60A.951, subdivision 4.

85.28 (f) Hearings under this subdivision must be conducted in accordance with chapter
85.29 14 and any other applicable law.

85.30 (g) All revenues from penalties, expenses, costs, fees, and interest collected under
85.31 paragraphs (a) to (c) shall be deposited in the insurance fraud prevention account under
85.32 section 45.0135, subdivision 6.

177.4 Sec. 3. Minnesota Statutes 2014, section 45.0135, is amended by adding a subdivision
177.5 to read:

177.6 Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may,
177.7 upon recommendation of the Commerce Fraud Bureau:

177.8 (1) impose an administrative penalty against any person in an amount as set forth in
177.9 paragraph (b) for each intentional act of insurance fraud committed by that person; and

177.10 (2) order restitution to any person suffering loss as a result of the insurance fraud.

177.11 (b) The administrative penalty for each violation described in paragraph (a) may be
177.12 no more than:

177.13 (1) \$20,000 if the funds or the value of the property or services wrongfully obtained

177.14 exceeds \$5,000;

177.15 (2) \$10,000 if the funds or value of the property or services wrongfully obtained

177.16 exceeds \$1,000 but not more than \$5,000;

177.17 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is

177.18 more than \$500, but not more than \$1,000; and

177.19 (4) \$1,000 if the funds or value of the property or services wrongfully obtained is

177.20 less than \$500.

177.21 (c) If an administrative penalty is not paid after all rights of appeal have been
177.22 waived or exhausted, the commissioner may bring a civil action in a court of competent
177.23 jurisdiction to collect the administrative penalty, including expenses and litigation costs,
177.24 reasonable attorney fees, and interest.

177.25 (d) This section does not affect a person's right to seek recovery against any person
177.26 that commits insurance fraud.

177.27 (e) For purposes of this subdivision, "insurance fraud" has the meaning given in
177.28 section 60A.951, subdivision 4.

177.29 (f) Hearings under this subdivision must be conducted in accordance with chapter
177.30 14 and any other applicable law.

177.31 **EFFECTIVE DATE.** This section is effective the day following final enactment,
177.32 and apply with respect to acts committed on or after that date.

85.33 Sec. 3. **[59D.01] APPLICATION.**

85.34 (a) This chapter does not apply to:

86.1 (1) a policy of insurance offered in compliance with chapters 60A to 79A;

86.2 (2) a debt cancellation or debt suspension contract, including a guaranteed asset

86.3 protection waiver, being offered by a banking institution or credit union in compliance

86.4 with chapter 48 or 52; and

86.5 (3) a debt cancellation or debt suspension contract being offered in compliance with

86.6 Code of Federal Regulations, title 12, parts 37, 721, or other federal law.

86.7 (b) Guaranteed asset protection waivers regulated under this chapter are not

86.8 insurance and are not subject to chapters 60A to 79A. Persons selling, soliciting, or

86.9 negotiating guaranteed asset protection waivers to borrowers in compliance with this

86.10 chapter are exempt for chapter 60K.

86.11 (c) The commissioner of commerce has the full investigatory authority of chapter 45

86.12 to enforce the terms of this chapter.

86.13 Sec. 4. **[59D.02] DEFINITIONS.**

86.14 Subdivision 1. **Terms.** For purposes of this chapter, the terms defined in subdivisions

86.15 2 to 10 have the meanings given them.

86.16 Subd. 2. **Administrator.** "Administrator" means a person, other than an insurer

86.17 or creditor who performs administrative or operational functions pursuant to guaranteed

86.18 asset protection waiver programs.

86.19 Subd. 3. **Borrower.** "Borrower" means a debtor, retail buyer, or lessee under a

86.20 finance agreement.

86.21 Subd. 4. **Creditor.** "Creditor" means:

86.22 (1) the lender in a loan or credit transaction;

86.23 (2) the lessor in a lease transaction;

86.24 (3) a dealer or seller of motor vehicles that provides credit to purchasers of the motor

86.25 vehicles provided that the entities comply with this section;

86.26 (4) the seller in commercial retail installment transactions; or

86.27 (5) the assignees of any of the forgoing to whom the credit obligation is payable.

86.28 Subd. 5. **Finance agreement.** "Finance agreement" means a loan, lease, or retail

86.29 installment sales contract for the purchase or lease of a motor vehicle.

86.30 Subd. 6. **Free look period.** "Free look period" means the period of time from the

86.31 effective date of the GAP waiver until the date the borrower may cancel the contract without

86.32 penalty, fees, or costs to the borrower. This period of time must not be shorter than 30 days.

- 86.33 Subd. 7. **Guaranteed asset protection waiver.** "Guaranteed asset protection waiver"
86.34 or "GAP waiver" means a contractual agreement wherein a creditor agrees for a separate
87.1 charge to cancel or waive all or part of amounts due on a borrower's finance agreement in
87.2 the event of a total physical damage loss or unrecovered theft of the motor vehicle.
- 87.3 Subd. 8. **Insurer.** "Insurer" means an insurance company licensed, registered, or
87.4 otherwise authorized to do business under Minnesota law.
- 87.5 Subd. 9. **Motor vehicle.** "Motor vehicle" means self-propelled or towed vehicles
87.6 designed for personal or commercial use, including, but not limited to, automobiles;
87.7 trucks; motorcycles; recreational vehicles; all-terrain vehicles; snowmobiles; campers;
87.8 boats; personal watercraft; and motorcycle, boat, camper, and personal watercraft trailers.
87.9 A creditor is prohibited from selling a GAP waiver in conjunction with the sale or lease of
87.10 any used motor vehicle that is an automobile or truck that is valued at less than \$5,000.
- 87.11 Subd. 10. **Person.** "Person" includes an individual, company, association,
87.12 organization, partnership, business trust, corporation, and every form of legal entity.
- 87.13 Sec. 5. **[59D.03] COMMERCIAL TRANSACTIONS EXEMPTED.**
- 87.14 Sections 59D.04, subdivision 3, and 59D.06 do not apply to a guaranteed asset
87.15 protection waiver offered in connection with a lease or retail installment sale associated
87.16 with any transaction not for personal, family, or household purposes.
- 87.17 Sec. 6. **[59D.04] GUARANTEED ASSET PROTECTION WAIVER**
87.18 **REQUIREMENTS.**
- 87.19 Subdivision 1. **Authorization.** GAP waivers may be offered, sold, or provided to
87.20 borrowers in Minnesota in compliance with this chapter.
- 87.21 Subd. 2. **Payment options.** GAP waivers may, at the option of the creditor, be sold
87.22 for a single payment or may be offered with a monthly or periodic payment option.
- 87.23 Subd. 3. **Certain costs not considered finance charge or interest.** Notwithstanding
87.24 any other provision of law, any cost to the borrower for a guaranteed asset protection
87.25 waiver entered into in compliance with United States Code, title 15, sections 1601 to
87.26 1667F, and its implementing regulations under Code of Federal Regulations, title 12, part
87.27 226, as they may be amended from time to time, must be separately stated and is not to
87.28 be considered a finance charge or interest.
- 87.29 Subd. 4. **Insurance.** A retail seller must insure its GAP waiver obligations under a
87.30 contractual liability or other insurance policy issued by an insurer. A creditor, other than a
87.31 retail seller, may insure its GAP waiver obligations under a contractual liability policy or
87.32 other such policy issued by an insurer. The insurance policy may be directly obtained by a
87.33 creditor or retail seller, or may be procured by an administrator to cover a creditor's or
88.1 retail seller's obligations. Retail sellers that are lessors on motor vehicles are not required
88.2 to insure obligations related to GAP waivers on leased vehicles.

88.3 Subd. 5. **Financing agreement.** The GAP waiver must be part of, or a separate
88.4 addendum to, the finance agreement and must remain a part of the finance agreement upon
88.5 the assignment, sale, or transfer of the finance agreement by the creditor.

88.6 Subd. 6. **Purchase restriction.** The extension of credit, the terms of the credit, or
88.7 the terms and conditions of the related motor vehicle sale or lease must not be conditioned
88.8 upon the purchase of a GAP waiver.

88.9 Subd. 7. **Reporting.** A creditor that offers a GAP waiver must report the sale of, and
88.10 forward funds received on, all such waivers to the designated party, if any, as prescribed
88.11 in any applicable administrative services agreement, contractual liability policy, other
88.12 insurance policy, or other specified program documents.

88.13 Subd. 8. **Fiduciary responsibilities.** Funds received or held by a creditor or
88.14 administrator and belonging to an insurer, creditor, or administrator, pursuant to the terms
88.15 of a written agreement, must be held by the creditor or administrator in a fiduciary capacity.

88.16 Subd. 9. **Defined terms.** The terms defined in section 59D.01 are not intended to
88.17 provide actual terms that are required in guaranteed asset protection waivers.

88.18 Sec. 7. **[59D.05] CONTRACTUAL LIABILITY OR OTHER INSURANCE**
88.19 **POLICIES.**

88.20 Subdivision 1. **Reimbursement or payment statement.** Contractual liability or
88.21 other insurance policies insuring GAP waivers must state the obligation of the insurer to
88.22 reimburse or pay to the creditor any sums the creditor is legally obligated to waive under
88.23 the GAP waivers issued by the creditor and purchased or held by the borrower.

88.24 Subd. 2. **Coverage of assignee.** Coverage under a contractual liability or other
88.25 insurance policy insuring a GAP waiver must also cover a subsequent assignee upon the
88.26 assignment, sale, or transfer of the finance agreement.

88.27 Subd. 3. **Term.** Coverage under a contractual liability or other insurance policy
88.28 insuring a GAP waiver must remain in effect unless canceled or terminated in compliance
88.29 with applicable laws.

88.30 Subd. 4. **Effect of cancellation or termination.** The cancellation or termination of
88.31 a contractual liability or other insurance policy must not reduce the insurer's responsibility
88.32 for GAP waivers issued by the creditor before the date of cancellation or termination and
88.33 for which a premium has been received by the insurer.

88.34 Sec. 8. **[59D.06] DISCLOSURES.**

89.1 (a) Guaranteed asset protection waivers must disclose, as applicable, in writing and
89.2 in clear, understandable language that is easy to read, the following:

89.3 (1) the name and address of the initial creditor and the borrower at the time of sale,
89.4 and the identity of any administrator if different from the creditor;

- 89.5 (2) the purchase price and the terms of the GAP waiver, including without limitation,
89.6 the requirements for protection, conditions, or exclusions associated with the GAP waiver;
- 89.7 (3) that the borrower may cancel the GAP waiver within a free look period as
89.8 specified in the waiver, and will be entitled to a full refund of the purchase price, so
89.9 long as no benefits have been provided;
- 89.10 (4) the procedure the borrower must follow, if any, to obtain GAP waiver benefits
89.11 under the terms and conditions of the waiver, including a telephone number and address
89.12 where the borrower may apply for waiver benefits;
- 89.13 (5) whether or not the GAP waiver is cancelable after the free look period and the
89.14 conditions under which it may be canceled or terminated including the procedures for
89.15 requesting a refund due;
- 89.16 (6) that in order to receive a refund due in the event of a borrower's cancellation of
89.17 the GAP waiver agreement or early termination of the finance agreement after the free
89.18 look period of the GAP waiver, the borrower, in accordance with the terms of the waiver,
89.19 must provide a written cancellation request to the creditor, administrator, or other party.
89.20 If such a request is being made because of the termination of the finance agreement,
89.21 notice must be provided to the creditor, administrator, or other party within 90 days of the
89.22 occurrence of the event terminating the finance agreement;
- 89.23 (7) the methodology for calculating a refund of the unearned purchase price of the
89.24 GAP waiver due in the event of cancellation of the GAP waiver or early termination
89.25 of the finance agreement;
- 89.26 (8) that the extension of credit, the terms of the credit, or the terms and conditions
89.27 of the related motor vehicle sale or lease are not conditioned upon the purchase of the
89.28 GAP waiver; and
- 89.29 (9) that the extension of credit, the terms of the credit, or the terms and conditions
89.30 of the related motor vehicle sale or lease are not conditioned upon the purchase of the
89.31 GAP waiver.
- 89.32 (b) The creditor or any person offering a GAP waiver must provide the following
89.33 verbatim disclosure orally and in bold, 14-point type, either in a separate writing or as
89.34 part of the agreement: "THE GAP WAIVER IS OPTIONAL. YOU DO NOT HAVE
89.35 TO PURCHASE THIS PRODUCT IN ORDER TO BUY [OR LEASE] THIS MOTOR
89.36 VEHICLE. YOU ALSO HAVE A LIMITED RIGHT TO CANCEL."
- 90.1 **Sec. 9. [59D.07] CANCELLATION; REFUNDS.**
- 90.2 **Subdivision 1. Refund requirements during free look period.** A GAP waiver must
90.3 provide that, if a borrower cancels a waiver within the free look period, the borrower will
90.4 be entitled to a full refund of the purchase price, so long as no benefits have been provided.

90.5 Subd. 2. **Refund requirements after free-look period.** (a) Guaranteed asset
 90.6 protection waivers may be cancelable or noncancelable after the free-look period.

90.7 (b) In the event of a borrower's cancellation of the GAP waiver or early termination
 90.8 of the finance agreement, after the agreement has been in effect beyond the free-look
 90.9 period, the borrower may be entitled to a refund of any unearned portion of the purchase
 90.10 price of the waiver unless the waiver provides otherwise. In order to receive a refund,
 90.11 the borrower, in accordance with any applicable terms of the waiver, must provide a
 90.12 written request to the creditor, administrator, or other party. If such a request is being
 90.13 made because of the termination of the finance agreement, notice must be provided to
 90.14 the creditor, administrator, or other party within 90 days of the occurrence of the event
 90.15 terminating the finance agreement.

90.16 (c) If the cancellation of a GAP waiver occurs as a result of a default under the
 90.17 finance agreement or the repossession of the motor vehicle associated with the finance
 90.18 agreement, or any other termination of the finance agreement, any refund due may be paid
 90.19 directly to the creditor or administrator and applied as set forth in subdivision 3.

90.20 Subd. 3. **How applied.** A refund under subdivision 1 or 2 may be applied by the
 90.21 creditor as a reduction of the amount owed under the finance agreement, unless the
 90.22 borrower can show that the finance agreement has been paid in full.

177.33 Sec. 4. Minnesota Statutes 2014, section 60D.215, subdivision 2, is amended to read:

178.1 Subd. 2. **Expenses.** Each registered insurer subject to this section is liable for and
 178.2 shall pay the reasonable expenses of the commissioner's participation in a supervisory
 178.3 college in accordance with subdivision 3, including reasonable travel expenses. For
 178.4 purposes of this section, a supervisory college may be convened as either a temporary
 178.5 or permanent forum for communication and cooperation between the regulators charged
 178.6 with the supervision of the insurer or its affiliates, and the commissioner may establish a
 178.7 regular assessment to the insurer for the payment of these expenses. A registered insurer's
 178.8 liability for expenses under this subdivision is limited to the actual, incurred costs of the
 178.9 commissioner's participation in their supervisory college.

178.10 Sec. 5. **[65B.1325] RIGHT TO CONSULT WITH COUNSEL.**

178.11 An insurer may not settle a claim within 30 days of an accident from which the
 178.12 claim arises unless the insurer gives the claimant written disclosure that the claimant has
 178.13 the legal right to consult with an attorney in evaluating the settlement and the claimant
 178.14 separately and specifically acknowledges the disclosure in writing.

178.15 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 178.16 and apply with respect to acts committed on or after that date.

90.23 Sec. 10. Minnesota Statutes 2014, section 65B.44, is amended by adding a subdivision
90.24 to read:

90.25 Subd. 2a. **Person convicted of insurance fraud.** (a) A person convicted of
90.26 insurance fraud under section 609.611 in a case related to this chapter or of employment of
90.27 runners under section 609.612 may not enforce a contract for payment of services eligible
90.28 for reimbursement under subdivision 2 against an insured or reparation obligor.

90.29 (b) After a period of five years from the date of conviction, a person described in
90.30 paragraph (a) may apply to district court to extinguish the collateral sanction set forth in
90.31 paragraph (a), which the court may grant in its reasonable discretion.

90.32 Sec. 11. Minnesota Statutes 2014, section 65B.84, subdivision 1, is amended to read:

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

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

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

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

91.12 (4) develop a plan of operation including:

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

91.15 (ii) an analysis of various methods of combating the problem of automobile theft;

91.16 (iii) a plan for providing financial support to combat automobile theft;

91.17 (iv) a plan for eliminating car hijacking; and

91.18 (v) an estimate of the funds required to implement the plan; and

178.17 Sec. 6. Minnesota Statutes 2014, section 65B.44, is amended by adding a subdivision
178.18 to read:

178.19 Subd. 2a. **Person convicted of insurance fraud.** (a) A person convicted of
178.20 insurance fraud under section 609.611 in a case related to this chapter or of employment of
178.21 runners under section 609.612 may not enforce a contract for payment of services eligible
178.22 for reimbursement under subdivision 2, against an insured or reparation obligor.

178.23 (b) After a period of five years from the date of conviction, a person described in
178.24 paragraph (a) may apply to district court to extinguish the collateral sanction set forth in
178.25 paragraph (a), which the court may grant in its reasonable discretion.

178.26 **EFFECTIVE DATE.** This section is effective the day following final enactment,
178.27 and apply with respect to acts committed on or after that date.

91.19 (5) distribute money, in consultation with the commissioner of public safety,
91.20 pursuant to subdivision 3 from the automobile theft prevention special revenue account
91.21 for automobile theft prevention activities, including:

91.22 (i) paying the administrative costs of the program;

91.23 (ii) providing financial support to the State Patrol and local law enforcement
91.24 agencies for automobile theft enforcement teams;

91.25 (iii) providing financial support to state or local law enforcement agencies for
91.26 programs designed to reduce the incidence of automobile theft and for improved
91.27 equipment and techniques for responding to automobile thefts;

91.28 (iv) providing financial support to local prosecutors for programs designed to reduce
91.29 the incidence of automobile theft;

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

91.32 (vi) providing financial support for neighborhood or community organizations or
91.33 business organizations for programs designed to reduce the incidence of automobile
91.34 theft and to educate people about the common methods of automobile theft, the models
91.35 of automobiles most likely to be stolen, and the times and places automobile theft is
91.36 most likely to occur; and

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

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

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

178.28 Sec. 7. Minnesota Statutes 2014, section 72B.092, subdivision 1, is amended to read:

178.29 Subdivision 1. **Prohibitions on insurer.** No adjuster or insurer, director, officer,
178.30 broker, agent, attorney-in-fact, employee, or other representative of an insurer shall
178.31 in collision cases:

178.32 (1) limit the freedom of an insured or claimant to choose the shop;

92.13 Sec. 12. **[80A.461] MNVEST REGISTRATION EXEMPTION.**

92.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in
 92.15 paragraphs (b) through (e) have the meanings given them.

92.16 (b) "MNvest issuer" means an entity organized under the laws of Minnesota, other
 92.17 than a general partnership, that satisfies the requirements of Code of Federal Regulations,
 92.18 title 17, part 230.147, and the following requirements:

92.19 (1) the principal office of the entity is located in Minnesota;

92.20 (2) as of the last day of the most recent semiannual fiscal period of the entity, at least
 92.21 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part
 92.22 230.147, of the entity's assets were located in Minnesota;

92.23 (3) except in the case of an entity whose gross revenue during the most recent period
 92.24 of 12 full months did not exceed \$5,000, the entity derived at least 80 percent, or other
 92.25 threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's
 92.26 gross revenues from the operation of a business in Minnesota during (i) the previous fiscal
 92.27 year, if the MNvest offering begins during the first six months of the entity's fiscal year; or
 92.28 (ii) during the 12 months ending on the last day of the sixth month of the entity's current
 92.29 fiscal year, if the MNvest offering begins following the last day;

179.1 (2) require that an insured or claimant present the claim or the automobile for loss
 179.2 adjustment or inspection at a particular motor vehicle repair shop or shops designated by
 179.3 the insurer, or a "drive-in" claim center or any other similar facility solely under the
 179.4 control of the insurer;

179.5 (3) engage in boycotts, intimidation or coercive tactics in negotiating repairs to
 179.6 damaged motor vehicles which they insure or are liable to claimants to have repaired;

179.7 (4) attempt to secure, except in an emergency, the insured's or claimant's signature
 179.8 authorizing the party securing the signature to act in behalf of the insured or claimant in
 179.9 selection of a repair shop facility;

179.10 (5) adjust a damage appraisal of a repair shop when the extent of damage is in
 179.11 dispute without conducting a physical inspection of the vehicle;

179.12 (6) specify the use of a particular electronic estimating system, or the use of a
 179.13 particular vendor or software program for the procurement of parts or other materials
 179.14 necessary for the satisfactory repair of the vehicle. This clause does not require the
 179.15 insurer to pay more than a reasonable market price for parts of like kind and quality
 179.16 in adjusting a claim; or

179.17 (7) unilaterally and arbitrarily disregard a repair operation or cost identified by an
 179.18 estimating system, which an insurer and collision repair facility have agreed to utilize
 179.19 in determining the cost of repair.

179.20 Sec. 8. **[80A.461] MNVEST REGISTRATION EXEMPTION.**

179.21 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in
 179.22 paragraphs (b) through (e) have the meanings given them.

179.23 (b) "MNvest issuer" means an entity organized under the laws of Minnesota, other
 179.24 than a general partnership, that satisfies the requirements of Code of Federal Regulations,
 179.25 title 17, part 230.147, and the following requirements:

179.26 (1) the principal office of the entity is located in Minnesota;

179.27 (2) as of the last day of the most recent semiannual fiscal period of the entity, at least
 179.28 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part
 179.29 230.147, of the entity's assets were located in Minnesota;

179.30 (3) except in the case of an entity whose gross revenue during the most recent period
 179.31 of 12 full months did not exceed \$5,000, the entity derived at least 80 percent, or other
 179.32 threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's
 179.33 gross revenues from the operation of a business in Minnesota during (i) the previous fiscal
 179.34 year, if the MNvest offering begins during the first six months of the entity's fiscal year; or
 180.1 (ii) during the 12 months ending on the last day of the sixth month of the entity's current
 180.2 fiscal year, if the MNvest offering begins following the last day;

92.30 (4) the entity does not attempt to limit its liability, or the liability of any other
 92.31 person, for fraud or intentional misrepresentation in connection with the offering of its
 92.32 securities in a MNvest offering; and

92.33 (5) the entity is not:

92.34 (i) engaged in the business of investing, reinvesting, owning, holding, or trading in
 92.35 securities, except that the entity may hold securities of one class in an entity that is not
 93.1 itself engaged in the business of investing, reinvesting, owning, holding, or trading in
 93.2 securities; or

93.3 (ii) subject to the reporting requirements of the Securities and Exchange Act of 1934,
 93.4 section 13 or section 15(d), United States Code, title 15, section 78m and section 78o(d).

93.5 (c) "MNvest offering" means an offer, or an offer and sale, of securities by a MNvest
 93.6 issuer that: (1) is conducted exclusively through a MNvest portal and (2) satisfies the
 93.7 requirements of this section and other requirements the administrator imposes by rule.

93.8 (d) "MNvest portal" means an Internet Web site that is operated by a portal operator
 93.9 for the offer or sale of MNvest offerings under this section or registered securities under
 93.10 section 80A.50, paragraph (b), and satisfies the requirements of subdivision 6.

93.11 (e) "Portal operator" means an entity, including an issuer, that:

93.12 (1) is authorized to do business in Minnesota;

93.13 (2) is a broker-dealer registered under this chapter or otherwise registers with the
 93.14 administrator as a portal operator in accordance with subdivision 7, paragraph (a), and is
 93.15 therefore excluded from broker-dealer registration; and

93.16 (3) satisfies such other conditions as the administrator may determine.

93.17 Subd. 2. **Generally.** The offer, sale, and issuance of securities in a MNvest offering
 93.18 is exempt from the requirements of sections 80A.49 to 80A.54, except section 80A.50,
 93.19 paragraph (a), clause (3), and section 80A.71, if the issuer meets the qualifications under
 93.20 this section.

93.21 Subd. 3. **MNvest offering.** (a) A MNvest offering must satisfy the following
 93.22 requirements:

93.23 (1) the issuer must be a MNvest issuer on the date that its securities are first offered
 93.24 for sale in the offering and continuously through the closing of the offering;

93.25 (2) the offering must meet the requirements of the federal exemption for intrastate
 93.26 offerings in section 3(a)(11) of the Securities Act of 1933, United States Code, title 15,
 93.27 section 77c (a)(11), and Rule 147 adopted under the Securities Act of 1933, Code of
 93.28 Federal Regulations, title 17, part 230.147;

93.29 (3) the sale of securities must be conducted exclusively through a MNvest portal;

180.3 (4) the entity does not attempt to limit its liability, or the liability of any other
 180.4 person, for fraud or intentional misrepresentation in connection with the offering of its
 180.5 securities in a MNvest offering; and

180.6 (5) the entity is not:

180.7 (i) engaged in the business of investing, reinvesting, owning, holding, or trading in
 180.8 securities, except that the entity may hold securities of one class in an entity that is not
 180.9 itself engaged in the business of investing, reinvesting, owning, holding, or trading in
 180.10 securities; or

180.11 (ii) subject to the reporting requirements of the Securities and Exchange Act of
 180.12 1934, section 13 or 15(d), United States Code, title 15, sections 78m and 78o(d).

180.13 (c) "MNvest offering" means an offer, or an offer and sale, of securities by a MNvest
 180.14 issuer that: (1) is conducted exclusively through a MNvest portal, and (2) satisfies the
 180.15 requirements of this section and other requirements the administrator imposes by rule.

180.16 (d) "MNvest portal" means an Internet Web site that is operated by a portal operator
 180.17 for the offer or sale of MNvest offerings under this section or registered securities under
 180.18 section 80A.50, paragraph (b), and satisfies the requirements of subdivision 6.

180.19 (e) "Portal operator" means an entity, including an issuer, that:

180.20 (1) is authorized to do business in Minnesota;

180.21 (2) is a broker-dealer registered under this chapter or otherwise registers with the
 180.22 administrator as a portal operator in accordance with subdivision 7, paragraph (a), and is
 180.23 therefore excluded from broker-dealer registration; and

180.24 (3) satisfies such other conditions as the administrator may determine.

180.25 Subd. 2. **Generally.** The offer, sale, and issuance of securities in a MNvest offering
 180.26 is exempt from the requirements of sections 80A.49 to 80A.54, except 80A.50, paragraph
 180.27 (a), clause (3), and 80A.71, if the issuer meets the qualifications under this section.

180.28 Subd. 3. **MNvest offering.** (a) A MNvest offering must satisfy the following
 180.29 requirements:

180.30 (1) the issuer must be a MNvest issuer on the date that its securities are first offered
 180.31 for sale in the offering and continuously through the closing of the offering;

180.32 (2) the offering must meet the requirements of the federal exemption for intrastate
 180.33 offerings in section 3(a)(11) of the Securities Act of 1933, United States Code, title 15,
 180.34 section 77c(a)(11), and Rule 147 adopted under the Securities Act of 1933, Code of
 180.35 Federal Regulations, title 17, part 230.147;

180.36 (3) the sale of securities must be conducted exclusively through a MNvest portal;

93.30 (4) the MNvest issuer shall require the portal operator to provide or make available
 93.31 to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance
 93.32 sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer
 93.33 was in existence. For offerings beginning more than 90 days after the issuer's most recent
 93.34 fiscal year end, or if the MNvest issuer was not in existence the previous calendar year, the
 93.35 MNvest issuer must provide or make available a balance sheet as of a date not more than
 93.36 90 days before the commencement of the MNvest offering for the MNvest issuer's most
 94.1 recently completed fiscal year, or such shorter portion the MNvest issuer was in existence
 94.2 during that period, and the year-to-date period, or inception-to-date period, if shorter,
 94.3 corresponding with the more recent balance sheet required by this clause;

94.4 (5) in any 12-month period, the MNvest issuer shall not raise more than the
 94.5 aggregate amounts set forth in item (i) or (ii), either in cash or other consideration, in
 94.6 connection with one or more MNvest offerings:

94.7 (i) \$5,000,000 if the financial statements described in clause (4) have been:
 94.8 (A) audited by a certified public accountant firm licensed under chapter 326A using
 94.9 auditing standards issued by either the American Institute of Certified Public Accountants
 94.10 or the Public Company Oversight Board; or

94.11 (B) reviewed by a certified public accountant firm licensed under chapter 326A
 94.12 using the Statements on Standards for Accounting and Review Services issued by the
 94.13 Accounting and Review Services Committee of the American Institute of Certified Public
 94.14 Accountants; or

94.15 (ii) \$2,000,000 if the financial statements described in clause (4) have not been
 94.16 audited or reviewed as described in item (i);

94.17 (6) the MNvest issuer must use at least 80 percent of the net proceeds of the offering
 94.18 in connection with the operation of its business within Minnesota;

94.19 (7) no single purchaser may purchase more than \$10,000 in securities of the MNvest
 94.20 issuer under this exemption in connection with a single MNvest offering unless the
 94.21 purchaser is an accredited investor;

181.1 (4) the MNvest issuer shall require the portal operator to provide or make available
 181.2 to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance
 181.3 sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer
 181.4 was in existence. For offerings beginning more than 90 days after the issuer's most recent
 181.5 fiscal year end, or if the MNvest issuer was not in existence the previous calendar year, the
 181.6 MNvest issuer must provide or make available a balance sheet as of a date not more than
 181.7 90 days before the commencement of the MNvest offering for the MNvest issuer's most
 181.8 recently completed fiscal year, or such shorter portion the MNvest issuer was in existence
 181.9 during that period, and the year-to-date period, or inception-to-date period, if shorter,
 181.10 corresponding with the more recent balance sheet required by this clause;

181.11 (5) in any 12-month period, the MNvest issuer shall not raise more than the
 181.12 aggregate amounts set forth in item (i) or (ii), either in cash or other consideration, in
 181.13 connection with one or more MNvest offerings:

181.14 (i) \$2,000,000 if the financial statements described in clause (4) have been (A)
 181.15 audited by a certified public accountant firm licensed under chapter 326A using auditing
 181.16 standards issued by either the American Institute of Certified Public Accountants or the
 181.17 Public Company Oversight Board, or (B) reviewed by a certified public accountant
 181.18 firm licensed under chapter 326A using the Statements on Standards for Accounting
 181.19 and Review Services issued by the Accounting and Review Services Committee of the
 181.20 American Institute of Certified Public Accountants; or

181.21 (ii) \$1,000,000 if the financial statements described in clause (4) have not been
 181.22 audited or reviewed as described in item (i);

181.23 (6) the MNvest issuer must use at least 80 percent of the net proceeds of the offering
 181.24 in connection with the operation of its business within Minnesota;

181.25 (7) no single purchaser may purchase more than \$10,000 in securities of the MNvest
 181.26 issuer under this exemption in connection with a single MNvest offering unless the
 181.27 purchaser is an accredited investor;

94.22 (8) all payments for the purchase of securities must be held in escrow until the
 94.23 aggregate capital deposited into escrow from all purchasers is equal to or greater than the
 94.24 stated minimum offering amount. Purchasers will receive a return of all their subscription
 94.25 funds if the minimum offering amount is not raised by the stipulated expiration date
 94.26 required in subdivision 4, clause (2). The escrow agent must be a bank, regulated trust
 94.27 company, savings bank, savings association, or credit union authorized to do business
 94.28 in Minnesota. Prior to the execution of the escrow agreement between the issuer and
 94.29 the escrow agent, the escrow agent must conduct searches of the issuer, its executive
 94.30 officers, directors, governors, and managers, as provided to the escrow agent by the portal
 94.31 operator, against the Specially Designated Nationals list maintained by the Office of
 94.32 Foreign Assets Control. The escrow agent is only responsible to act at the direction of the
 94.33 party establishing the escrow account and does not have a duty or liability, contractual
 94.34 or otherwise, to an investor or other person except as set forth in the applicable escrow
 94.35 agreement or other contract;

95.1 (9) the MNvest issuer shall require the portal operator to make available to the
 95.2 prospective purchaser through the MNvest portal a disclosure document that meets the
 95.3 requirements set forth in subdivision 4;

95.4 (10) before selling securities to a prospective purchaser on a MNvest portal, the
 95.5 MNvest issuer shall require the portal operator to obtain from the prospective purchaser
 95.6 the certification required under subdivision 5;

95.7 (11) not less than ten days before the beginning of an offering of securities in reliance
 95.8 on the exemption under this section, the MNvest issuer shall provide the following to
 95.9 the administrator;

95.10 (i) a notice of claim of exemption from registration, specifying that the MNvest
 95.11 issuer will be conducting an offering in reliance on the exemption under this section;

95.12 (ii) a copy of the disclosure document to be provided to prospective purchasers in
 95.13 connection with the offering, as described in subdivision 4; and

95.14 (iii) a filing fee of \$300; and

95.15 (12) the MNvest issuer and the portal operator may engage in solicitation and
 95.16 advertising of the MNvest offering provided that:

95.17 (i) the advertisement contains disclaiming language which clearly states:

95.18 (A) the advertisement is not the offer and is for informational purposes only;

95.19 (B) the offering is being made in reliance on the exemption under this section;

95.20 (C) the offering is directed only to residents of the state;

95.21 (D) all offers and sales are made through a MNvest portal; and

95.22 (E) the Department of Commerce is the securities regulator in Minnesota;

181.28 (8) all payments for the purchase of securities must be held in escrow until the
 181.29 aggregate capital deposited into escrow from all purchasers is equal to or greater than the
 181.30 stated minimum offering amount. Purchasers will receive a return of all their subscription
 181.31 funds if the minimum offering amount is not raised by the stipulated expiration date
 181.32 required in subdivision 4, clause (2). The escrow agent must be a bank, regulated trust
 181.33 company, savings bank, savings association, or credit union authorized to do business
 181.34 in Minnesota. Prior to the execution of the escrow agreement between the issuer and
 181.35 the escrow agent, the escrow agent must conduct searches of the issuer, its executive
 181.36 officers, directors, governors, and managers, as provided to the escrow agent by the portal
 182.1 operator, against the Specially Designated Nationals list maintained by the Office of
 182.2 Foreign Assets Control. The escrow agent is only responsible to act at the direction of the
 182.3 party establishing the escrow account and does not have a duty or liability, contractual
 182.4 or otherwise, to an investor or other person except as set forth in the applicable escrow
 182.5 agreement or other contract;

182.6 (9) the MNvest issuer shall require the portal operator to make available to the
 182.7 prospective purchaser through the MNvest portal a disclosure document that meets the
 182.8 requirements set forth in subdivision 4;

182.9 (10) before selling securities to a prospective purchaser on a MNvest portal, the
 182.10 MNvest issuer shall require the portal operator to obtain from the prospective purchaser
 182.11 the certification required under subdivision 5;

182.12 (11) not less than ten days before the beginning of an offering of securities in reliance
 182.13 on the exemption under this section, the MNvest issuer shall provide the following to
 182.14 the administrator;

182.15 (i) a notice of claim of exemption from registration, specifying that the MNvest
 182.16 issuer will be conducting an offering in reliance on the exemption under this section;

182.17 (ii) a copy of the disclosure document to be provided to prospective purchasers in
 182.18 connection with the offering, as described in subdivision 4; and

182.19 (iii) a filing fee of \$300; and

182.20 (12) the MNvest issuer and the portal operator may engage in solicitation and
 182.21 advertising of the MNvest offering provided that:

182.22 (i) the advertisement contains disclaiming language which clearly states:

182.23 (A) the advertisement is not the offer and is for informational purposes only;

182.24 (B) the offering is being made in reliance on the exemption under this section;

182.25 (C) the offering is directed only to residents of the state;

182.26 (D) all offers and sales are made through a MNvest portal; and

182.27 (E) the Department of Commerce is the securities regulator in Minnesota;

95.23 (ii) along with the disclosures required under item (i), the advertisement may contain
 95.24 no more than the following information:

95.25 (A) the name and contact information of the MNvest issuer;

95.26 (B) a brief description of the general type of business of the MNvest issuer;

95.27 (C) the minimum offering amount the MNvest issuer is attempting to raise through
 95.28 its offering;

95.29 (D) a description of how the issuer will use the funds raised through the MNvest
 95.30 offering;

95.31 (E) the duration that the MNvest offering will remain open;

95.32 (F) the MNvest issuer's logo; and

95.33 (G) a link to the MNvest issuer's Web site and the MNvest portal in which the
 95.34 MNvest offering is being made;

95.35 (iii) the advertisement complies with all applicable state and federal laws.

96.1 **Subd. 4. Required disclosures to prospective MNvest offering purchasers.**

96.2 The MNvest issuer shall require the portal operator to make available to the prospective
 96.3 purchaser through the MNvest portal a printable or downloadable disclosure document
 96.4 containing the following:

96.5 (1) the MNvest issuer's type of entity, the address and telephone number of its
 96.6 principal office, its formation history for the previous five years, a summary of the material
 96.7 facts of its business plan and its capital structure, and its intended use of the offering
 96.8 proceeds, including any amounts to be paid from the proceeds of the MNvest offering, as
 96.9 compensation or otherwise, to an owner, executive officer, director, governor, manager,
 96.10 member, or other person occupying a similar status or performing similar functions on
 96.11 behalf of the MNvest issuer;

96.12 (2) the MNvest offering must stipulate the date on which the offering will expire,
 96.13 which must not be longer than 12 months from the date the MNvest offering commenced;

96.14 (3) a copy of the escrow agreement between the escrow agent, the MNvest issuer,
 96.15 and, if applicable, the portal operator, as described in subdivision 3, clause (8);

96.16 (4) the financial statements required under subdivision 3, clause (4);

96.17 (5) the identity of all persons owning more than ten percent of any class of equity
 96.18 interests in the company;

96.19 (6) the identity of the executive officers, directors, governors, managers, members,
 96.20 and other persons occupying a similar status or performing similar functions in the name of
 96.21 and on the behalf of the MNvest issuer, including their titles and their relevant experience;

182.28 (ii) along with the disclosures required under item (i), the advertisement may contain
 182.29 no more than the following information:

182.30 (A) the name and contact information of the MNvest issuer;

182.31 (B) a brief description of the general type of business of the MNvest issuer;

182.32 (C) the minimum offering amount the MNvest issuer is attempting to raise through
 182.33 its offering;

182.34 (D) a description of how the issuer will use the funds raised through the MNvest
 182.35 offering;

182.36 (E) the duration that the MNvest offering will remain open;

183.1 (F) the MNvest issuer's logo; and

183.2 (G) a link to the MNvest issuer's Web site and the MNvest portal in which the
 183.3 MNvest offering is being made;

183.4 (iii) the advertisement complies with all applicable state and federal laws.

183.5 **Subd. 4. Required disclosures to prospective MNvest offering purchasers.**

183.6 The MNvest issuer shall require the portal operator to make available to the prospective
 183.7 purchaser through the MNvest portal a printable or downloadable disclosure document
 183.8 containing the following:

183.9 (1) the MNvest issuer's type of entity, the address and telephone number of its
 183.10 principal office, its formation history for the previous five years, a summary of the material
 183.11 facts of its business plan and its capital structure, and its intended use of the offering
 183.12 proceeds, including any amounts to be paid from the proceeds of the MNvest offering, as
 183.13 compensation or otherwise, to an owner, executive officer, director, governor, manager,
 183.14 member, or other person occupying a similar status or performing similar functions on
 183.15 behalf of the MNvest issuer;

183.16 (2) the MNvest offering must stipulate the date on which the offering will expire,
 183.17 which must not be longer than 12 months from the date the MNvest offering commenced;

183.18 (3) a copy of the escrow agreement between the escrow agent, the MNvest issuer,
 183.19 and, if applicable, the portal operator, as described in subdivision 3, clause (8);

183.20 (4) the financial statements required under subdivision 3, clause (4);

183.21 (5) the identity of all persons owning more than ten percent of any class of equity
 183.22 interests in the company;

183.23 (6) the identity of the executive officers, directors, governors, managers, members,
 183.24 and other persons occupying a similar status or performing similar functions in the name of
 183.25 and on the behalf of the MNvest issuer, including their titles and their relevant experience;

96.22 (7) the terms and conditions of the securities being offered, a description of investor
 96.23 exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and
 96.24 maximum amount of securities being offered; either the percentage economic ownership
 96.25 of the MNvest issuer represented by the offered securities, assuming the minimum and, if
 96.26 applicable, maximum number of securities being offered is sold, or the valuation of the
 96.27 MNvest issuer implied by the price of the offered securities; the price per share, unit, or
 96.28 interest of the securities being offered; any restrictions on transfer of the securities being
 96.29 offered; and a disclosure that any future issuance of securities might dilute the value of
 96.30 securities being offered;

96.31 (8) the identity of and consideration payable to a person who has been or will be
 96.32 retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and
 96.33 sale of the securities, including a portal operator, but excluding (i) persons acting primarily
 96.34 as accountants or attorneys, and (ii) employees whose primary job responsibilities involve
 96.35 operating the business of the MNvest issuer rather than assisting the MNvest issuer in
 96.36 raising capital;

97.1 (9) a description of any pending material litigation, legal proceedings, or regulatory
 97.2 action involving the MNvest issuer or any executive officers, directors, governors,
 97.3 managers, members, and other persons occupying a similar status or performing similar
 97.4 functions in the name of and on behalf of the MNvest issuer;

97.5 (10) a statement of the material risks unique to the MNvest issuer and its business
 97.6 plans;

97.7 (11) a statement that the securities have not been registered under federal or state
 97.8 securities law and that the securities are subject to limitations on resale; and

97.9 (12) the following legend must be displayed conspicuously in the disclosure
 97.10 document:

97.11 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY
 97.12 ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF
 97.13 THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE
 97.14 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR
 97.15 STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY
 97.16 AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE
 97.17 NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY
 97.18 OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY
 97.19 IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO
 97.20 RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE
 97.21 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION
 97.22 (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART
 97.23 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS
 97.24 AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT
 97.25 TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD

183.26 (7) the terms and conditions of the securities being offered, a description of investor
 183.27 exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and
 183.28 maximum amount of securities being offered; either the percentage economic ownership
 183.29 of the MNvest issuer represented by the offered securities, assuming the minimum and, if
 183.30 applicable, maximum number of securities being offered is sold, or the valuation of the
 183.31 MNvest issuer implied by the price of the offered securities; the price per share, unit, or
 183.32 interest of the securities being offered; any restrictions on transfer of the securities being
 183.33 offered; and a disclosure that any future issuance of securities might dilute the value of
 183.34 securities being offered;

183.35 (8) the identity of and consideration payable to a person who has been or will be
 183.36 retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and
 184.1 sale of the securities, including a portal operator, but excluding (i) persons acting primarily
 184.2 as accountants or attorneys, and (ii) employees whose primary job responsibilities involve
 184.3 operating the business of the MNvest issuer rather than assisting the MNvest issuer in
 184.4 raising capital;

184.5 (9) a description of any pending material litigation, legal proceedings, or regulatory
 184.6 action involving the MNvest issuer or any executive officers, directors, governors,
 184.7 managers, members, and other persons occupying a similar status or performing similar
 184.8 functions in the name of and on behalf of the MNvest issuer;

184.9 (10) a statement of the material risks unique to the MNvest issuer and its business
 184.10 plans;

184.11 (11) a statement that the securities have not been registered under federal or state
 184.12 securities law and that the securities are subject to limitations on resale; and

184.13 (12) the following legend must be displayed conspicuously in the disclosure
 184.14 document:

184.15 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY
 184.16 ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF
 184.17 THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE
 184.18 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR
 184.19 STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY
 184.20 AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE
 184.21 NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY
 184.22 OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY
 184.23 IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO
 184.24 RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE
 184.25 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION
 184.26 (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART
 184.27 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS
 184.28 AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT
 184.29 TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD

97.26 BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL
97.27 RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

97.28 Subd. 5. **Required certification from MNvest offering purchasers.** Before
97.29 selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer
97.30 shall require the portal operator to obtain from the prospective purchaser through the
97.31 applicable MNvest portal a written or electronic certification that includes, at a minimum,
97.32 the following statements:

97.33 "I UNDERSTAND AND ACKNOWLEDGE THAT:

97.34 If I make an investment in an offering through this MNvest portal, it is very likely
97.35 that I am investing in a high-risk, speculative business venture that could result in the
97.36 complete loss of my investment, and I need to be able to afford such a loss.

98.1 This offering has not been reviewed or approved by any state or federal securities
98.2 commission or division or other regulatory authority and that no such person or authority
98.3 has confirmed the accuracy or determined the adequacy of any disclosure made to me
98.4 relating to this offering.

98.5 If I make an investment in an offering through this MNvest portal, it is very likely
98.6 that the investment will be difficult to transfer or sell and, accordingly, I may be required
98.7 to hold the investment indefinitely.

98.8 By entering into this transaction with the company, I am affirmatively representing
98.9 myself as being a Minnesota resident at the time that this contract is formed, and if this
98.10 representation is subsequently shown to be false, the contract is void."

98.11 Subd. 6. **MNvest portal.** A MNvest portal must satisfy the requirements of clauses
98.12 (1) through (4):

98.13 (1) the Web site does not contain the word "MNvest" in its URL address;

98.14 (2) the Web site implements steps to limit Web site access to the offer or sale of
98.15 securities to only Minnesota residents when conducting MNvest offerings;

98.16 (3) MNvest offerings may not be viewed on the MNvest portal by a prospective
98.17 purchaser until:

98.18 (i) the portal operator verifies, through its exercise of reasonable steps, such as using
98.19 a third-party verification service or as otherwise approved by the administrator, that the
98.20 prospective purchaser is a Minnesota resident; and

98.21 (ii) the prospective purchaser makes an affirmative acknowledgment, electronically
98.22 through the MNvest portal, that:

98.23 (A) I am a Minnesota resident;

184.30 BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL
184.31 RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

184.32 Subd. 5. **Required certification from MNvest offering purchasers.** Before
184.33 selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer
184.34 shall require the portal operator to obtain from the prospective purchaser through the
184.35 applicable MNvest portal a written or electronic certification that includes, at a minimum,
184.36 the following statements:

185.1 "I UNDERSTAND AND ACKNOWLEDGE THAT:

185.2 If I make an investment in an offering through this MNvest portal, it is very likely
185.3 that I am investing in a high-risk, speculative business venture that could result in the
185.4 complete loss of my investment, and I need to be able to afford such a loss.

185.5 This offering has not been reviewed or approved by any state or federal securities
185.6 commission or division or other regulatory authority and that no such person or authority
185.7 has confirmed the accuracy or determined the adequacy of any disclosure made to me
185.8 relating to this offering.

185.9 If I make an investment in an offering through this MNvest portal, it is very likely
185.10 that the investment will be difficult to transfer or sell and, accordingly, I may be required
185.11 to hold the investment indefinitely.

185.12 By entering into this transaction with the company, I am affirmatively representing
185.13 myself as being a Minnesota resident at the time that this contract is formed, and if this
185.14 representation is subsequently shown to be false, the contract is void."

185.15 Subd. 6. **MNvest portal.** A MNvest portal must satisfy the requirements of clauses
185.16 (1) through (4):

185.17 (1) the Web site does not contain the word "MNvest" in its URL address;

185.18 (2) the Web site implements steps to limit Web site access to the offer or sale of
185.19 securities to only Minnesota residents when conducting MNvest offerings; and

185.20 (3) MNvest offerings may not be viewed on the MNvest portal by a prospective
185.21 purchaser until:

185.22 (i) the portal operator verifies, through its exercise of reasonable steps, such as using
185.23 a third-party verification service or as otherwise approved by the administrator, that the
185.24 prospective purchaser is a Minnesota resident; and

185.25 (ii) the prospective purchaser makes an affirmative acknowledgment, electronically
185.26 through the MNvest portal, that:

185.27 (A) I am a Minnesota resident;

98.24 (B) the securities and investment opportunities listed on this Web site involve
 98.25 high-risk, speculative business ventures. If I choose to invest in any securities or
 98.26 investment opportunity listed on this Web site, I may lose all of my investment, and
 98.27 I can afford such a loss;

98.28 (C) the securities and investment opportunities listed on this Web site have not
 98.29 been reviewed or approved by any state or federal securities commission or division or
 98.30 other regulatory authority, and no such person or authority, including this Web site, has
 98.31 confirmed the accuracy or determined the adequacy of any disclosure made to prospective
 98.32 investors relating to any offering; and

98.33 (D) if I choose to invest in any securities or investment opportunity listed on this
 98.34 Web site, I understand that the securities I will acquire may be difficult to transfer or sell,
 98.35 that there is no ready market for the sale of such securities, that it may be difficult or
 99.1 impossible for me to sell or otherwise dispose of this investment at any price, and that,
 99.2 accordingly, I may be required to hold this investment indefinitely; and

99.3 (4) the Web site complies with all other rules adopted by the administrator.

99.4 **Subd. 7. Portal operator.** (a) An entity, other than a registered broker-dealer,
 99.5 wishing to become a portal operator shall file with the administrator:

99.6 (1) form [to be approved by the administrator], including all applicable
 99.7 schedules and supplemental information;

99.8 (2) a copy of the articles of incorporation or other documents that indicate the
 99.9 entity's form of organization; and

99.10 (3) a filing fee of \$200.

99.11 (b) A portal operator's registration expires 12 months from the date the administrator
 99.12 has approved the entity as a portal operator, and subsequent registration for the succeeding
 99.13 12-month period shall be issued upon written application and upon payment of a renewal
 99.14 fee of \$200, without filing of further statements or furnishing any further information,
 99.15 unless specifically requested by the administrator. This section is not applicable to a
 99.16 registered broker-dealer functioning as a portal operator.

99.17 (c) A portal operator that is not a broker-dealer registered under this chapter shall not:

99.18 (1) offer investment advice or recommendations, provided that a portal operator
 99.19 shall not be deemed to be offering investment advice or recommendations merely because
 99.20 it (i) selects, or may perform due diligence with respect to, issuers or offerings to be listed,
 99.21 or (ii) provides general investor educational materials;

99.22 (2) provide transaction-based compensation for securities sold under this chapter to
 99.23 employees, agents, or other persons unless the employees, agents, or other persons are
 99.24 registered with the administrator and permitted to receive such compensation;

185.28 (B) the securities and investment opportunities listed on this Web site involve
 185.29 high-risk, speculative business ventures. If I choose to invest in any securities or
 185.30 investment opportunity listed on this Web site, I may lose all of my investment, and
 185.31 I can afford such a loss;

185.32 (C) the securities and investment opportunities listed on this Web site have not
 185.33 been reviewed or approved by any state or federal securities commission or division or
 185.34 other regulatory authority, and no such person or authority, including this Web site, has
 185.35 confirmed the accuracy or determined the adequacy of any disclosure made to prospective
 185.36 investors relating to any offering; and

186.1 (D) if I choose to invest in any securities or investment opportunity listed on this
 186.2 Web site, I understand that the securities I will acquire may be difficult to transfer or sell,
 186.3 that there is no ready market for the sale of such securities, that it may be difficult or
 186.4 impossible for me to sell or otherwise dispose of this investment at any price, and that,
 186.5 accordingly, I may be required to hold this investment indefinitely; and

186.6 (4) the Web site complies with all other rules adopted by the administrator.

186.7 **Subd. 7. Portal operator.** (a) An entity, other than a registered broker-dealer,
 186.8 wishing to become a portal operator shall file with the administrator:

186.9 (1) form [to be approved by the administrator], including all applicable
 186.10 schedules and supplemental information;

186.11 (2) a copy of the articles of incorporation or other documents that indicate the
 186.12 entity's form of organization; and

186.13 (3) a filing fee of \$200.

186.14 (b) A portal operator's registration expires 12 months from the date the administrator
 186.15 has approved the entity as a portal operator, and subsequent registration for the succeeding
 186.16 12-month period shall be issued upon written application and upon payment of a renewal
 186.17 fee of \$200, without filing of further statements or furnishing any further information,
 186.18 unless specifically requested by the administrator. This section is not applicable to a
 186.19 registered broker-dealer functioning as a portal operator.

186.20 (c) A portal operator that is not a broker-dealer registered under this chapter shall not:

186.21 (1) offer investment advice or recommendations, provided that a portal operator
 186.22 shall not be deemed to be offering investment advice or recommendations merely because
 186.23 it (i) selects, or may perform due diligence with respect to, issuers or offerings to be listed,
 186.24 or (ii) provides general investor educational materials;

186.25 (2) provide transaction-based compensation for securities sold under this chapter to
 186.26 employees, agents, or other persons unless the employees, agents, or other persons are
 186.27 registered with the administrator and permitted to receive such compensation;

99.25 (3) charge a fee to the issuer for an offering of securities on a MNvest portal unless
 99.26 the fee is (i) a fixed amount for each offering, (ii) a variable amount based on the length of
 99.27 time that the securities are offered on the MNvest portal, or (iii) a combination of such
 99.28 fixed and variable amounts; or

99.29 (4) hold, manage, possess, or otherwise handle purchaser funds or securities. This
 99.30 restriction does not apply if the issuer is the portal operator.

99.31 (d) A portal operator shall provide the administrator with read-only access to
 99.32 administrative sections of the MNvest portal.

99.33 (e) A portal operator shall comply with the record-keeping requirements of this
 99.34 paragraph, provided that the failure of a portal operator that is not an issuer to maintain
 99.35 records in compliance with this paragraph shall not affect the MNvest issuer's exemption
 99.36 from registration afforded by this section:

100.1 (1) a portal operator shall maintain and preserve, for a period of five years from either
 100.2 the date of the closing or termination of the securities offering, the following records:

100.3 (i) the name of each issuer whose securities have been listed on its MNvest portal;

100.4 (ii) the full name, residential address, Social Security number, date of birth, and
 100.5 copy of a state-issued identification for all owners with greater than ten percent voting
 100.6 equity in an issuer;

100.7 (iii) copies of all offering materials that have been displayed on its MNvest portal;

100.8 (iv) the names and other personal information of each purchaser who has registered
 100.9 at its MNvest portal;

100.10 (v) any agreements and contracts between the portal operator and the issuer; and

100.11 (vi) any information used to establish that a MNvest issuer, prospective MNvest
 100.12 purchaser, or MNvest purchaser is a Minnesota resident;

100.13 (2) a portal operator shall, upon written request of the administrator, furnish to the
 100.14 administrator any records required to be maintained and preserved under this subdivision;

186.28 (3) charge a fee to the issuer for an offering of securities on a MNvest portal unless
 186.29 the fee is (i) a fixed amount for each offering, (ii) a variable amount based on the length of
 186.30 time that the securities are offered on the MNvest portal, or (iii) a combination of such
 186.31 fixed and variable amounts; or

186.32 (4) hold, manage, possess, or otherwise handle purchaser funds or securities. This
 186.33 restriction does not apply if the issuer is the portal operator.

186.34 (d) A portal operator shall provide the administrator with read-only access to
 186.35 administrative sections of the MNvest portal.

187.1 (e) A portal operator shall comply with the record-keeping requirements of this
 187.2 paragraph, provided that the failure of a portal operator that is not an issuer to maintain
 187.3 records in compliance with this paragraph shall not affect the MNvest issuer's exemption
 187.4 from registration afforded by this section:

187.5 (1) a portal operator shall maintain and preserve, for a period of five years from either
 187.6 the date of the closing or termination of the securities offering, the following records:

187.7 (i) the name of each issuer whose securities have been listed on its MNvest portal;

187.8 (ii) the full name, residential address, Social Security number, date of birth, and
 187.9 copy of a state-issued identification for all owners with greater than ten percent voting
 187.10 equity in an issuer;

187.11 (iii) copies of all offering materials that have been displayed on its MNvest portal;

187.12 (iv) the names and other personal information of each purchaser who has registered
 187.13 at its MNvest portal;

187.14 (v) any agreements and contracts between the portal operator and the issuer; and

187.15 (vi) any information used to establish that a MNvest issuer, prospective MNvest
 187.16 purchaser, or MNvest purchaser is a Minnesota resident;

187.17 (2) a portal operator shall, upon written request of the administrator, furnish to the
 187.18 administrator any records required to be maintained and preserved under this subdivision;

100.15 (3) the records required to be kept and preserved under this subdivision must be
 100.16 maintained in a manner, including by any electronic storage media, that will permit the
 100.17 immediate location of any particular document so long as such records are available for
 100.18 immediate and complete access by representatives of the administrator. Any electronic
 100.19 storage system must preserve the records exclusively in a nonrewriteable, nonerasable
 100.20 format; verify automatically the quality and accuracy of the storage media recording
 100.21 process; serialize the original and, if applicable, duplicate units storage media, and
 100.22 time-date for the required period of retention the information placed on such electronic
 100.23 storage media; and be able to download indexes and records preserved on electronic
 100.24 storage media to an acceptable medium. In the event that a records retention system
 100.25 commingles records required to be kept under this subdivision with records not required to
 100.26 be kept, representatives of the administrator may review all commingled records; and

100.27 (4) a portal operator shall maintain such other records as the administrator shall
 100.28 determine by rule.

100.29 Subd. 8. **Portal operator; privacy of purchaser information.** (a) For purposes of
 100.30 this subdivision, "personal information" means information provided to a portal operator
 100.31 by a prospective purchaser or purchaser that identifies, or can be used to identify, the
 100.32 prospective purchaser or purchaser.

100.33 (b) Except as provided in paragraph (c), a portal operator must not disclose personal
 100.34 information without written or electronic consent from the prospective purchaser or
 100.35 purchaser that authorizes the disclosure.

100.36 (c) Paragraph (b) does not apply to:

101.1 (1) records required to be provided to the administrator under subdivision 7,
 101.2 paragraph (e);

101.3 (2) the disclosure of personal information to a MNvest issuer relating to its MNvest
 101.4 offering; or

101.5 (3) the disclosure of personal information to the extent required or authorized under
 101.6 other law.

101.7 Subd. 9. **Bad actor disqualification.** (a) An exemption under this section is not
 101.8 available for a sale if securities in the MNvest issuer; any predecessor of the MNvest
 101.9 issuer; any affiliated issuer; any director, executive officer, other officer participating in
 101.10 the MNvest offering, general partner, or managing member of the MNvest issuer; any
 101.11 beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity
 101.12 securities, calculated on the basis of voting power; any promoter connected with the
 101.13 MNvest issuer in any capacity at the time of the sale; any investment manager of an
 101.14 issuer that is a pooled investment fund; any general partner or managing member of any
 101.15 investment manager; or any director, executive officer, or other officer participating in
 101.16 the offering of any investment manager or general partner or managing member of the
 101.17 investment manager;

187.19 (3) the records required to be kept and preserved under this subdivision must be
 187.20 maintained in a manner, including by any electronic storage media, that will permit the
 187.21 immediate location of any particular document so long as such records are available for
 187.22 immediate and complete access by representatives of the administrator. Any electronic
 187.23 storage system must preserve the records exclusively in a nonrewriteable, nonerasable
 187.24 format; verify automatically the quality and accuracy of the storage media recording
 187.25 process; serialize the original and, if applicable, duplicate units storage media, and
 187.26 time-date for the required period of retention the information placed on such electronic
 187.27 storage media; and be able to download indexes and records preserved on electronic
 187.28 storage media to an acceptable medium. In the event that a records retention system
 187.29 commingles records required to be kept under this subdivision with records not required to
 187.30 be kept, representatives of the administrator may review all commingled records; and

187.31 (4) a portal operator shall maintain such other records as the administrator shall
 187.32 determine by rule.

187.33 Subd. 8. **Portal operator; privacy of purchaser information.** (a) For purposes of
 187.34 this subdivision, "personal information" means information provided to a portal operator
 187.35 by a prospective purchaser or purchaser that identifies, or can be used to identify, the
 187.36 prospective purchaser or purchaser.

188.1 (b) Except as provided in paragraph (c), a portal operator must not disclose personal
 188.2 information without written or electronic consent from the prospective purchaser or
 188.3 purchaser that authorizes the disclosure.

188.4 (c) Paragraph (b) does not apply to:

188.5 (1) records required to be provided to the administrator under subdivision 7,
 188.6 paragraph (e);

188.7 (2) the disclosure of personal information to a MNvest issuer relating to its MNvest
 188.8 offering; or

188.9 (3) the disclosure of personal information to the extent required or authorized under
 188.10 other law.

188.11 Subd. 9. **Bad actor disqualification.** (a) An exemption under this section is not
 188.12 available for a sale if securities in the MNvest issuer; any predecessor of the MNvest
 188.13 issuer; any affiliated issuer; any director, executive officer, other officer participating in
 188.14 the MNvest offering, general partner, or managing member of the MNvest issuer; any
 188.15 beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity
 188.16 securities, calculated on the basis of voting power; any promoter connected with the
 188.17 MNvest issuer in any capacity at the time of the sale; any investment manager of an
 188.18 issuer that is a pooled investment fund; any general partner or managing member of any
 188.19 investment manager; or any director, executive officer, or other officer participating in
 188.20 the offering of any investment manager or general partner or managing member of the
 188.21 investment manager;

101.18 (1) has been convicted, within ten years before the offering, or five years, in the case
 101.19 of MNvest issuers, their predecessors, and affiliated issuers, of any felony or misdemeanor;
 101.20 (i) in connection with the purchase or sale of any security;
 101.21 (ii) involving the making of any false filing with the Securities and Exchange
 101.22 Commission or a state agency; or
 101.23 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
 101.24 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;
 101.25 (2) is subject to any order, judgment, or decree of any court of competent jurisdiction,
 101.26 entered within five years before the sale, that, at the time of the sale, restrains or enjoins
 101.27 the person from engaging or continuing to engage in any conduct or practice;
 101.28 (i) in connection with the purchase or sale of any security;
 101.29 (ii) involving the making of any false filing with the Securities and Exchange
 101.30 Commission; or
 101.31 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
 101.32 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;
 101.33 (3) is subject to a final order of a state securities commission or an agency or officer
 101.34 of a state performing like functions; a state authority that supervises or examines banks,
 101.35 savings associations, or credit unions; a state insurance commission or an agency or
 101.36 officer of a state performing like functions; an appropriate federal banking agency; the
 102.1 United States Commodity Futures Trading Commission; or the National Credit Union
 102.2 Administration that;
 102.3 (i) at the time of the offering, bars the person from:
 102.4 (A) association with an entity regulated by the commission, authority, agency, or
 102.5 officer;
 102.6 (B) engaging in the business of securities, insurance, or banking; or
 102.7 (C) engaging in savings association or credit union activities; or
 102.8 (ii) constitutes a final order based on a violation of any law or regulation that prohibits
 102.9 fraudulent, manipulative, or deceptive conduct entered within ten years before the offering;
 102.10 (4) is subject to an order of the Securities and Exchange Commission entered pursuant
 102.11 to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title
 102.12 15, section 78 o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of
 102.13 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering;
 102.14 (i) suspends or revokes the person's registration as a broker, dealer, municipal
 102.15 securities dealer, or investment adviser;

188.22 (1) has been convicted, within ten years before the offering, or five years, in the case
 188.23 of MNvest issuers, their predecessors, and affiliated issuers, of any felony or misdemeanor;
 188.24 (i) in connection with the purchase or sale of any security;
 188.25 (ii) involving the making of any false filing with the Securities and Exchange
 188.26 Commission or a state administrator; or
 188.27 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
 188.28 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;
 188.29 (2) is subject to any order, judgment, or decree of any court of competent jurisdiction,
 188.30 entered within five years before the sale, that, at the time of the sale, restrains or enjoins
 188.31 the person from engaging or continuing to engage in any conduct or practice;
 188.32 (i) in connection with the purchase or sale of any security;
 188.33 (ii) involving the making of any false filing with the Securities and Exchange
 188.34 Commission or a state administrator; or
 188.35 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
 188.36 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;
 189.1 (3) is subject to a final order of a state securities commission or an agency or officer
 189.2 of a state performing like functions; a state authority that supervises or examines banks,
 189.3 savings associations, or credit unions; a state insurance commission or an agency or
 189.4 officer of a state performing like functions; an appropriate federal banking agency; the
 189.5 United States Commodity Futures Trading Commission; or the National Credit Union
 189.6 Administration that;
 189.7 (i) at the time of the offering, bars the person from:
 189.8 (A) association with an entity regulated by the commission, authority, agency, or
 189.9 officer;
 189.10 (B) engaging in the business of securities, insurance, or banking; or
 189.11 (C) engaging in savings association or credit union activities; or
 189.12 (ii) constitutes a final order based on a violation of any law or regulation that prohibits
 189.13 fraudulent, manipulative, or deceptive conduct entered within ten years before the offering;
 189.14 (4) is subject to an order of the Securities and Exchange Commission entered pursuant
 189.15 to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title
 189.16 15, section 78o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of
 189.17 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering;
 189.18 (i) suspends or revokes the person's registration as a broker, dealer, municipal
 189.19 securities dealer, or investment adviser;

102.16 (ii) places limitations on the activities, functions, or operations of the person; or

102.17 (iii) bars the person from being associated with any entity or from participating in
 102.18 the offering of any penny stock;

102.19 (5) is subject to any order of the Securities and Exchange Commission entered
 102.20 within five years before the sale that, at the time of the sale, orders the person to cease and
 102.21 desist from committing or causing a violation or future violation of:

102.22 (i) any scienter-based antifraud provision of the federal securities laws, including
 102.23 without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title
 102.24 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States
 102.25 Code, title 15, section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5,
 102.26 section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15,
 102.27 section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United
 102.28 States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or

102.29 (ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;

102.30 (6) is suspended or expelled from membership in, or suspended or barred from
 102.31 association with a member of, a registered national securities exchange or a registered
 102.32 national or affiliated securities association for any act or omission to act constituting
 102.33 conduct inconsistent with just and equitable principles of trade;

102.34 (7) has filed as a registrant or issuer, or was named as an underwriter in, any
 102.35 registrations statement or Regulation A offering statement filed with the Securities and
 102.36 Exchange Commission that, within five years before the sale, was the subject of a refusal
 103.1 order, stop order, or order suspending the Regulation A exemption, or is, at the time of
 103.2 the sale, the subject of an investigation or proceeding to determine whether a stop order
 103.3 or suspension order should be issued; or

103.4 (8) is subject to a United States Postal Service false representation order entered
 103.5 within five years before the offering, or is, at the time of the offering, subject to a
 103.6 temporary restraining order or preliminary injunction with respect to conduct alleged by
 103.7 the United States Postal Service to constitute a scheme or device for obtaining money or
 103.8 property through the mail by means of false representations.

103.9 (b) Paragraph (a) does not apply:

103.10 (1) with respect to any conviction, order, judgment, decree, suspension, expulsion,
 103.11 or bar that occurred or was issued before September 23, 2013;

103.12 (2) upon a showing of good cause and without prejudice to any other action by
 103.13 the Securities and Exchange Commission, if the Securities and Exchange Commission
 103.14 determines that it is not necessary under the circumstances that an exemption be denied;

189.20 (ii) places limitations on the activities, functions, or operations of the person; or

189.21 (iii) bars the person from being associated with any entity or from participating in
 189.22 the offering of any penny stock;

189.23 (5) is subject to any order of the Securities and Exchange Commission or a state
 189.24 administrator entered within five years before the sale that, at the time of the sale, orders
 189.25 the person to cease and desist from committing or causing a violation or future violation of:

189.26 (i) any scienter-based antifraud provision of the federal securities laws, including
 189.27 without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title
 189.28 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States
 189.29 Code, title 15, section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5,
 189.30 section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15,
 189.31 section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United
 189.32 States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or

189.33 (ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;

189.34 (6) is suspended or expelled from membership in, or suspended or barred from
 189.35 association with a member of, a registered national securities exchange or a registered
 190.1 national or affiliated securities association for any act or omission to act constituting
 190.2 conduct inconsistent with just and equitable principles of trade;

190.3 (7) has filed as a registrant or issuer, or was or was named as an underwriter in, any
 190.4 registrations statement or Regulation A offering statement filed with the Securities and
 190.5 Exchange Commission or a state administrator that, within five years before the sale, was
 190.6 the subject of a refusal order, stop order, or order suspending the Regulation A exemption,
 190.7 or is, at the time of the sale, the subject of an investigation or proceeding to determine
 190.8 whether a stop order or suspension order should be issued; or

190.9 (8) is subject to a United States Postal Service false representation order entered
 190.10 within five years before the offering, or is, at the time of the offering, subject to a
 190.11 temporary restraining order or preliminary injunction with respect to conduct alleged by
 190.12 the United States Postal Service to constitute a scheme or device for obtaining money or
 190.13 property through the mail by means of false representations.

190.14 (b) Paragraph (a) does not apply:

190.15 (1) with respect to any conviction, order, judgment, decree, suspension, expulsion,
 190.16 or bar that occurred or was issued before September 23, 2013;

190.17 (2) upon a showing of good cause and without prejudice to any other action by
 190.18 the Securities and Exchange Commission or a state administrator, if the Securities and
 190.19 Exchange Commission or a state administrator determines that it is not necessary under
 190.20 the circumstances that an exemption be denied;

103.15 (3) if, before the relevant offering, the court of regulatory authority that entered the
 103.16 relevant order, judgment, or decree advises in writing, whether contained in the relevant
 103.17 judgment, order, or decree or separately to the Securities and Exchange Commission or
 103.18 its staff, that disqualification under paragraph (a) should not arise as a consequence of
 103.19 the order, judgment, or decree; or

103.20 (4) if the MNvest issuer establishes that it did not know and, in the exercise of
 103.21 reasonable care, could not have known that a disqualification existed under paragraph (a).

103.22 (c) For purposes of paragraph (a), events relating to any affiliated issuer that occurred
 103.23 before the affiliation arose will not be considered disqualifying if the affiliated entity is not:

103.24 (1) in control of the issuer; or

103.25 (2) under common control with the issuer by a third party that was in control of the
 103.26 affiliated entity at the time of the events.

190.21 (3) if, before the relevant offering, the court of regulatory authority that entered the
 190.22 relevant order, judgment, or decree advises in writing, whether contained in the relevant
 190.23 judgment, order, or decree or separately to the Securities and Exchange Commission or a
 190.24 state administrator or their staff, that disqualification under paragraph (a) should not arise
 190.25 as a consequence of the order, judgment, or decree; or

190.26 (4) if the MNvest issuer establishes that it did not know and, in the exercise of
 190.27 reasonable care, could not have known that a disqualification existed under paragraph (a).

190.28 (c) For purposes of paragraph (a), events relating to any affiliated issuer that occurred
 190.29 before the affiliation arose will not be considered disqualifying if the affiliated entity is not:

190.30 (1) in control of the issuer; or

190.31 (2) under common control with the issuer by a third party that was in control of the
 190.32 affiliated entity at the time of the events.

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

191.1 Sec. 9. Minnesota Statutes 2014, section 80A.84, is amended to read:

191.2 **80A.84 SECTION 607; PUBLIC RECORDS; CONFIDENTIALITY.**

191.3 (a) **Presumption of public records.** Except as otherwise provided in subsection
 191.4 (b), records obtained by the administrator or filed under this chapter, including a record
 191.5 contained in or filed with a registration statement, application, notice filing, or report, are
 191.6 public records and are available for public examination.

191.7 (b) **Nonpublic records.** The following records are not public records and are not
 191.8 available for public examination under subsection (a):

191.9 (1) a record obtained by the administrator in connection with an audit or inspection
 191.10 under section 80A.66(d) or an investigation under section 80A.79;

191.11 (2) a part of a record filed in connection with a registration statement under sections
 191.12 80A.49 and 80A.51 through 80A.53 or a record under section 80A.66(d) that contains
 191.13 trade secrets or confidential information if the person filing the registration statement or
 191.14 report has asserted a claim of confidentiality or privilege that is authorized by law;

191.15 (3) a record that is not required to be provided to the administrator or filed under this
 191.16 chapter and is provided to the administrator only on the condition that the record will not
 191.17 be subject to public examination or disclosure;

191.18 (4) a nonpublic record received from a person specified in section 80A.85(a);

191.19 (5) any social security number, residential address unless used as a business address,
 191.20 and residential telephone number contained in a record that is filed; ~~and~~

- 191.21 (6) a record obtained by the administrator through a designee of the administrator
191.22 that a rule or order under this chapter determines has been:
- 191.23 (A) expunged from the administrator's records by the designee; or
- 191.24 (B) determined to be nonpublic or nondisclosable by that designee if the administrator
191.25 finds the determination to be in the public interest and for the protection of investors; and
- 191.26 (7) a record furnished to the administrator by a portal operator under section
191.27 80A.461, subdivision 7, paragraph (e).
- 191.28 (c) **Administrator discretion to disclose.** If disclosure is for the purpose of a civil,
191.29 administrative, or criminal investigation, action, or proceeding or to a person specified
191.30 in section 80A.85(a), the administrator may disclose a record obtained in connection
191.31 with an audit or inspection under section 80A.66(d) or a record obtained in connection
191.32 with an investigation under section 80A.79.
- 191.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 191.34 Sec. 10. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:
- 192.1 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
192.2 eligible applicants for reimbursable costs.
- 192.3 (b) The following costs are reimbursable for purposes of this chapter:
- 192.4 (1) corrective action costs incurred by the applicant and documented in a form
192.5 prescribed by the board, ~~except~~ including the costs related to the physical removal of a
192.6 tank when the removal was requested or ordered by the commissioner as necessary for
192.7 corrective action under this chapter;
- 192.8 (2) costs that the responsible person is legally obligated to pay as damages to third
192.9 parties for bodily injury, property damage, or corrective action costs incurred by a third
192.10 party caused by a release where the responsible person's liability for the costs has been
192.11 established by a court order or court-approved settlement; and
- 192.12 (3) up to 180 days of interest costs associated with the financing of corrective action
192.13 and incurred by the applicant in a written extension of credit or loan that has been signed by
192.14 the applicant and executed after July 1, 2002, provided that the applicant documents that:
- 192.15 (i) the interest costs are incurred as a result of an extension of credit or loan from a
192.16 financial institution; and
- 192.17 (ii) the board has not considered the application within the applicable time frame
192.18 specified in subdivision 2a, paragraph (c).

192.19 Interest costs meeting the requirements of this clause are eligible only when they are
192.20 incurred between the date a complete initial application is received by the board, or the
192.21 date a complete supplemental application is received by the board, and the date that the
192.22 board first notifies the applicant of its reimbursement determination. An application is
192.23 complete when the information reasonably required or requested by the board's staff
192.24 from the applicant has been received by the board's staff. Interest costs are not eligible
192.25 for reimbursement to the extent they exceed two percentage points above the adjusted
192.26 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
192.27 extension of credit or loan was executed.

192.28 (c) A cost for liability to a third party is incurred by the responsible person when an
192.29 order or court-approved settlement is entered that sets forth the specific costs attributed
192.30 to the liability. Except as provided in this paragraph, reimbursement may not be made
192.31 for costs of liability to third parties until all eligible corrective action costs have been
192.32 reimbursed. If a corrective action is expected to continue in operation for more than one
192.33 year after it has been fully constructed or installed, the board may estimate the future
192.34 expense of completing the corrective action and, after subtracting this estimate from the
192.35 total reimbursement available under subdivision 3, reimburse the costs for liability to third
192.36 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

193.1 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to
193.2 applications for reimbursement pending or received on or after that date, including those
193.3 that include tank removal costs previously denied payment by the board.

193.4 Sec. 11. Minnesota Statutes 2014, section 216B.1694, subdivision 3, is amended to read:

193.5 Subd. 3. **Staging and permitting.** (a) A natural gas-fired plant, and biomass or
193.6 other feedstock gasification facilities and related fuel or other conversion facilities, that is
193.7 are located on one site designated as an innovative energy project site under subdivision
193.8 1, clause (3), is are accorded the regulatory incentives granted to an innovative energy
193.9 project under subdivision 2, clauses (1) to (3), and may exercise the authorities therein.

193.10 (b) Following issuance of a final state or federal environmental impact statement for
193.11 an innovative energy project that was a subject of contested case proceedings before an
193.12 administrative law judge:

193.13 (1) site and route permits and water appropriation approvals for an innovative energy
193.14 project must also be deemed valid for a plant meeting the requirements of paragraph (a)
193.15 and shall remain valid until the ~~earlier~~ later of (i) four years from the date the final required
193.16 state or federal preconstruction permit is issued or (ii) June 30, 2019; and

193.17 (2) no air, water, or other permit issued by a state agency that is necessary for
193.18 constructing an innovative energy project may be the subject of contested case hearings,
193.19 notwithstanding Minnesota Rules, parts 7000.1750 to 7000.2200.

193.20 Sec. 12. Minnesota Statutes 2014, section 216B.62, subdivision 3b, is amended to read:

193.21 Subd. 3b. **Assessment for department regional and national duties.** In addition
193.22 to other assessments in subdivision 3, the department may assess up to \$1,000,000 per
193.23 fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount
193.24 in this subdivision shall be assessed to energy utilities in proportion to their respective
193.25 gross operating revenues from retail sales of gas or electric service within the state
193.26 during the last calendar year and shall be deposited into an account in the special revenue
193.27 fund and is appropriated to the commissioner of commerce for the purposes of section
193.28 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to
193.29 the cap on assessments provided in subdivision 3 or any other law. For the purpose of
193.30 this subdivision, an "energy utility" means public utilities, generation and transmission
193.31 cooperative electric associations, and municipal power agencies providing natural gas or
193.32 electric service in the state. ~~This subdivision expires June 30, 2015.~~

103.27 Sec. 13. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
103.28 to read:

103.29 Subd. 9. **Voice over Internet Protocol service.** "Voice over Internet Protocol
103.30 service" or "VoIP service" means any service that (1) enables real-time two-way voice
103.31 communications that originate from or terminate at the user's location in Internet protocol
103.32 or any successor protocol, and (2) permits users generally to receive calls that originate
103.33 on the public switched telephone network and terminate calls to the public switched
103.34 telephone network.

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

104.1 Sec. 14. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
104.2 to read:

104.3 Subd. 10. **Internet Protocol-enabled service.** "Internet Protocol-enabled service"
104.4 or "IP-enabled service" means any service, capability, functionality, or application
104.5 provided using Internet protocol, or any successor protocol, that enables an end user to
104.6 send or receive a communication in Internet protocol format or any successor format,
104.7 regardless of whether that communication is voice, data, or video.

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

104.9 Sec. 15. **[237.037] VOICE OVER INTERNET PROTOCOL SERVICE AND**
104.10 **INTERNET PROTOCOL-ENABLED SERVICE.**

104.11 Subdivision 1. **Regulation prohibited.** Except as provided in this section, no
104.12 state agency, including the commission and the Department of Commerce, or political
104.13 subdivision of this state shall by rule, order, or other means directly or indirectly regulate
104.14 the entry, rates, terms, quality of service, availability, classification, or any other aspect of
104.15 VoIP service or IP-enabled service.

104.16 Subd. 2. **VoIP regulation.** (a) To the extent permitted by federal law, VoIP service
104.17 is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard
104.18 to the collection and remittance of the surcharges governed by those sections.

104.19 (b) A provider of VoIP service must comply with the requirements of chapter 403
104.20 applicable to the provision of access to 911 service by service providers, except to the
104.21 extent those requirements conflict with federal requirements for the provision of 911
104.22 service by VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP
104.23 provider is entitled to the benefit of the limitation of liability provisions of section 403.07,
104.24 subdivision 5. Beginning June 1, 2015, and continuing each June 1 thereafter, each VoIP
104.25 provider shall file a plan with the commission describing how it will comply with the
104.26 requirements of this paragraph. After its initial filing under this paragraph, a VoIP provider
104.27 shall file with the commission either an update of the plan or a statement certifying that
104.28 the plan and personnel contact information previously filed is still current.

104.29 Subd. 3. **Relation to other law.** Nothing in this section restricts, creates, expands,
104.30 or otherwise affects or modifies:

104.31 (1) the commission's authority under the Federal Communications Act of 1934,
104.32 United States Code, title 47, sections 251 and 252;

104.33 (2) any applicable wholesale tariff or any commission authority related to wholesale
104.34 services;

105.1 (3) any commission jurisdiction over (i) intrastate switched access rates, terms,
105.2 and conditions, including the implementation of federal law with respect to intercarrier
105.3 compensation, or (ii) existing commission authority to address or affect the resolution of
105.4 disputes regarding intercarrier compensation;

105.5 (4) the rights of any entity, or the authority of the commission and local government
105.6 authorities, with respect to the use and regulation of public rights-of-way under sections
105.7 237.162 and 237.163; or

105.8 (5) the establishment or enforcement of standards, requirements or procedures in
105.9 procurement policies, internal operational policies, or work rules of any state agency or
105.10 political subdivision of the state relating to the protection of intellectual property.

105.11 Subd. 4. **Exemption.** The following services delivered by IP-enabled service are
105.12 not regulated under this chapter:

105.13 (1) video services provided by a cable communications system, as defined in section
105.14 238.02, subdivision 3; or

105.15 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

105.16 (3) any other IP-enabled video service.

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

105.18 Sec. 16. Minnesota Statutes 2014, section 297I.11, subdivision 2, is amended to read:

105.19 Subd. 2. **Automobile theft prevention account.** A special revenue account in
105.20 the state treasury shall be credited with the proceeds of the surcharge imposed under
105.21 subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to
105.22 the ~~general fund~~ insurance fraud prevention account under section 45.0135, subdivision 6.
105.23 Revenues in excess of \$1,300,000 each year may be used only for the automobile theft
105.24 prevention program described in section 65B.84.

193.33 Sec. 13. Minnesota Statutes 2014, section 332.31, subdivision 3, is amended to read:

194.1 Subd. 3. **Collection agency.** "Collection agency" means and includes any person
194.2 engaged in the business of collection for others any account, bill or other indebtedness
194.3 except as hereinafter provided. It includes persons who furnish collection systems carrying
194.4 a name which simulates the name of a collection agency and who supply forms or form
194.5 letters to be used by the creditor, even though such forms direct the debtor to make payments
194.6 directly to the creditor rather than to such fictitious agency. The term also includes any
194.7 person engaged in a business the principal purpose of which is the collection of any debts.

194.8 Sec. 14. Minnesota Statutes 2014, section 332.31, subdivision 6, is amended to read:

194.9 Subd. 6. **Collector.** "Collector" is a person acting under the authority of a collection
194.10 agency under subdivision 3, and on its behalf in the business of collection for others an
194.11 account, bill, or other indebtedness except as otherwise provided in this chapter. The term
194.12 includes a person acting under the authority of a collection agency under subdivision 3
194.13 that is engaged in a business the principal purpose of which is the collection of any debts.

105.25 Sec. 17. Minnesota Statutes 2014, section 345.42, subdivision 1, is amended to read:

105.26 Subdivision 1. **Commissioner's duty.** (a) Within the calendar year next following
105.27 the year in which abandoned property has been paid or delivered to the commissioner,
105.28 the commissioner shall provide public notice of the abandoned property in the manner
105.29 described in subdivision 1a, and frequency otherwise as the commissioner determines to
105.30 be most effective and efficient in communicating to the persons appearing to be owners of
105.31 this property. ~~Public notice may include the use of print, broadcast, or electronic media.~~
105.32 The commissioner shall, at a minimum, expend 15 percent of the funds allocated by
105.33 the legislature to the operations of the unclaimed property division, to comply with the
106.1 public notice requirements of this subdivision section, and shall report to the legislature
106.2 annually on how those funds are expended.

106.3 Sec. 18. Minnesota Statutes 2014, section 345.42, is amended by adding a subdivision
106.4 to read:

106.5 Subd. 1a. **Public notice.** (a) Public notice provided by the commissioner shall
106.6 include the following:

106.7 (1) posting on the Department of Commerce's Web site a list of all persons appearing
106.8 to be owners of abandoned property. The list shall be arranged in alphabetical order by
106.9 the last name of the person, and further organized by county. The list of persons must be
106.10 updated at least three times per year and must remain on the Department of Commerce's
106.11 Web site at all times;

106.12 (2) publication in a qualified newspaper a list of persons appearing to be owners of
106.13 abandoned property having a value of \$500 or more. The list shall be published in the
106.14 largest circulation qualified newspaper in each county, and shall include the names of all
106.15 persons whose last known address is within the county. The list must be published at least
106.16 once per year. The commissioner may stagger publication of the entire list of owners by
106.17 publishing a partial list at least twice, but no more than three times per year. Each qualified
106.18 newspaper that publishes the list shall, at no additional charge to the commissioner, also
106.19 post the list on its Web site or on a central Web site that can be accessed directly from the
106.20 qualified newspaper's Web site. The list must be accessible on the Web site for not less
106.21 than 180 days, and at no cost to the public. The qualified newspaper must include in its
106.22 publication of the list a reference to its Web site or a central Web site; and

106.23 (3) dissemination of information to persons appearing to be owners of abandoned
106.24 property through other means and media, including broadcast media, the Internet, and
106.25 social media.

106.26 (b) Beginning July 1, 2016, and annually thereafter, the commissioner shall
106.27 provide to each member of the legislature a list of all persons appearing to be owners of
106.28 abandoned property whose last known address is located in the legislator's respective
106.29 legislative district.

106.30 Sec. 19. **[609.613] ACCIDENT VICTIM SOLICITATION.**

106.31 (a) A person who contacts an individual to offer professional or commercial services
106.32 with knowledge that the individual has been involved in a motor vehicle accident must not:

106.33 (1) provide any fraudulent, false, deceptive, or misleading information; or

107.1 (2) offer, directly or indirectly, any inducement to use the professional or commercial
107.2 services, including but not limited to the provision of any free service, cash, gift cards,
107.3 cash equivalents, promotional items, entry into a sweepstakes, or any other thing of value.

107.4 (b) The disclosure by a licensed attorney that legal representation may be undertaken
107.5 on a contingency fee basis does not constitute an inducement to use the professional
107.6 or commercial services under this section.

107.7 Sec. 20. **USE OF VENDOR TO FACILITATE RETURN OF ABANDONED**
107.8 **PROPERTY.**

107.9 The commissioner shall, using a request for proposal process, contract with a vendor
107.10 who will facilitate the return of abandoned property to owners. As consideration for
107.11 such services the vendor shall receive up to seven percent of the value of the abandoned
107.12 property, not to exceed \$500,000, when such abandoned property is returned to its owner.
107.13 This consideration shall not be paid from the abandoned property itself. A vendor may not
107.14 assess any fees, charges, or costs to the owner of the abandoned property.

107.15 Sec. 21. **REPORT ON UNCLAIMED PROPERTY DIVISION.**

107.16 The commissioner shall report by February 15, 2016, to the chairs and ranking
107.17 minority members of the standing committees of the house of representatives and senate
107.18 having jurisdiction over commerce issues, regarding the process owners of abandoned
107.19 property must comply with in order to file an allowed claim under Minnesota Statutes,
107.20 chapter 345, and the effectiveness of the vendor used by the commissioner to facilitate the
107.21 return of the abandoned property. The report shall include:

107.22 (1) information regarding the documentation and identification necessary for owners
107.23 of each type of abandoned property under Minnesota Statutes, chapter 345, to file an
107.24 allowed claim; and

107.25 (2) a review of the methods and effectiveness of the vendor in returning abandoned
107.26 property under Minnesota Statutes, chapter 345, to the owner.

107.27 Sec. 22. **REPEALER.**

107.28 Minnesota Statutes 2014, sections 80G.01; 80G.02; 80G.03; 80G.04; 80G.05;
107.29 80G.06; 80G.07; 80G.08; 80G.09; and 80G.10, are repealed.

195.25 Sec. 16. **PUBLIC UTILITY SOLAR PROJECT.**

- 195.26 The public utility for a solar project by or in cooperation with the public utility and
195.27 the Minnesota Army National Guard at a military and civilian training facility in Morrison
195.28 County must install when completing the solar project only solar photovoltaic modules that:
- 195.29 (1) meet the "Made in Minnesota" qualification requirements under Minnesota
195.30 Statutes, section 216C.413;
- 195.31 (2) comply with the "Made in USA" standard established by the United States
195.32 Federal Trade Commission because all or virtually all of the product's significant parts
195.33 and processing are of United States origin;
- 195.34 (3) provide local economic benefits derived from the purchase and use of modules
195.35 manufactured in-state;
- 196.1 (4) demonstrate the manufacturer's and supplier's total combined experience as
196.2 supported by evidence of years of solar manufacturing experience, manufacturing
196.3 certifications, component sourcing criteria, testing, and number of years of actual field
196.4 experience;
- 196.5 (5) have the projected performance of the solar modules over an expected life of 30
196.6 years or more as supported by product design, third-party lab testing, and manufacturer's
196.7 and component supplier's field experience;
- 196.8 (6) have the projected durability, safety, and reliability of the solar modules over an
196.9 expected life of 30 years or more, as supported by product design, third-party lab testing,
196.10 and manufacturer's and component supplier's field experience;
- 196.11 (7) offer a minimum ten-year solar module workmanship warranty and 30-year solar
196.12 module power warranty, with a minimum warranted power performance of 80 percent
196.13 in year 30; and
- 196.14 (8) provide a third-party certification supporting the environmental sustainability of
196.15 module component sources and manufacturing processes.
- 196.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 196.17 **Sec. 17. PREPURCHASING PROPANE; REPORT.**
- 196.18 (a) The commissioner of commerce shall conduct a study of the operation of the
196.19 propane prepurchase program under Minnesota Statutes, section 216B.0951. The study
196.20 must address:
- 196.21 (1) the amount and price of propane prepurchased;
- 196.22 (2) the locations where prepurchased propane was stored and any costs of storage;

196.23 (3) a description of how the propane was distributed to customers, focusing on the
196.24 activities of the local agencies that deliver energy assistance and propane distributors;

196.25 (4) a description of any obstacles that interfered with the efficient operation of the
196.26 program, and suggestions for overcoming those obstacles; and

196.27 (5) an estimate of the savings that accrued to propane customers as a result of the
196.28 prepurchase program.

196.29 (b) By January 1 of 2016 and 2017, the commissioner of commerce shall submit a
196.30 report containing the information required under this section for the previous calendar year
196.31 to the chairs and ranking minority members of the senate and house of representatives
196.32 committees with primary responsibility for energy policy.

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

197.1 Sec. 18. **TASK FORCE ON NO-FAULT AUTO INSURANCE ISSUES.**

197.2 Subdivision 1. **Establishment.** The task force on no-fault auto insurance is
197.3 established to review certain issues related to no-fault automobile insurance reform.

197.4 Subd. 2. **Membership; meetings; staff.** (a) The task force shall be composed of
197.5 the following 19 members, who must be appointed by July 1, 2015, and who serve at the
197.6 pleasure of their appointing authorities:

197.7 (1) the commissioner of commerce or a designee;

197.8 (2) two members of the house of representatives, one appointed by the speaker of the
197.9 house and one appointed by the minority leader;

197.10 (3) two members of the senate, one appointed by the Subcommittee on Committees
197.11 of the Committee on Rules and Administration and one appointed by the minority leader;

197.12 (4) a person appointed by the Minnesota Chiropractic Association;

197.13 (5) a person appointed by the Insurance Federation of Minnesota;

197.14 (6) a person appointed by the Insurance Federation of Minnesota who is not a
197.15 member of the Federation;

197.16 (7) a person appointed by the Minnesota Association for Justice;

197.17 (8) a person appointed by the Minnesota Medical Association;

197.18 (9) a person appointed by the Minnesota Glass Association;

197.19 (10) a person appointed by the Minnesota Hospital Association;

197.20 (11) a person appointed by the Minnesota Ambulance Association;

- 197.21 (12) a person appointed by the Minnesota Physical Therapy Association;
- 197.22 (13) a person appointed by the Academy of Emergency Physicians-Minnesota
- 197.23 Chapter;
- 197.24 (14) a person appointed by the Medical Group Management Association of
- 197.25 Minnesota;
- 197.26 (15) a representative of a medical consulting company specializing in the delivery of
- 197.27 independent medical examinations, appointed by the commissioner;
- 197.28 (16) a person appointed by the Minnesota Defense Lawyers Association; and
- 197.29 (17) a person appointed by the Minnesota Ambulatory Surgery Center Association.
- 197.30 (b) Compensation and expense reimbursement must be as provided under Minnesota
- 197.31 Statutes, section 15.059, subdivision 3, to members of the task force.
- 197.32 (c) The commissioner of commerce shall convene the task force by August 1, 2015,
- 197.33 and shall appoint a chair from the membership of the task force. Staffing and technical
- 197.34 assistance must be provided by the Department of Commerce.
- 197.35 Subd. 3. **Duties.** The task force shall review and evaluate the following issues
- 197.36 related to no-fault automobile insurance reform:
- 198.1 (1) no-fault arbitration process;
- 198.2 (2) independent medical exam process;
- 198.3 (3) treatment standards and fee schedules; and
- 198.4 (4) no-fault health provider oversight.
- 198.5 Subd. 4. **Report.** By February 1, 2016, the task force must submit to the
- 198.6 chairs and ranking minority members of the house of representatives and senate
- 198.7 committees and divisions with primary jurisdiction over commerce and transportation its
- 198.8 written recommendations, including any draft legislation necessary to implement the
- 198.9 recommendations.
- 198.10 Subd. 5. **Expiration.** The task force expires the day after submitting the report
- 198.11 under subdivision 4, or February 2, 2016, whichever is earlier.
- 198.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 198.13 Sec. 19. **COMPETITIVE RATE FOR ENERGY-INTENSIVE,**
- 198.14 **TRADE-EXPOSED ELECTRIC UTILITY CUSTOMER.**
- 198.15 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
- 198.16 have the meanings given them.

- 198.17 (b) "Clean energy technology" is energy technology that generates electricity from a
198.18 carbon neutral generating resource including, but not limited to, solar, wind, hydroelectric,
198.19 and biomass.
- 198.20 (c) "Energy-intensive trade-exposed customer" is defined to include:
- 198.21 (1) an iron mining extraction and processing facility, including a scam mining
198.22 facility as defined in Minnesota Rules, part 6130.0100, subpart 16;
- 198.23 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
198.24 manufacturer;
- 198.25 (3) a steel mill and related facilities;
- 198.26 (4) a retail customer of an investor-owned electric utility that has facilities under a
198.27 single electric service agreement that (i) collectively imposes a peak electrical demand of
198.28 at least 10,000 kilowatts on the electric utility's system, and (ii) has a combined annual
198.29 average load factor in excess of 80 percent; and
- 198.30 (5) any other retail customer of an investor-owned electric utility that is subject to
198.31 globally competitive pressures and whose electric energy costs are at least ten percent of
198.32 the customer's overall cost of production.
- 198.33 (d) "EITE rate schedule" means a rate schedule under which an investor-owned
198.34 electric utility may set terms of service to an individual or group of energy-intensive
198.35 trade-exposed customers.
- 199.1 (e) "EITE rate" means the rate or rates offered by the investor-owned electric utility
199.2 under an EITE rate schedule.
- 199.3 **Subd. 2. Rates and terms of EITE rate schedule.** (a) It is the energy policy of the
199.4 state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed
199.5 customers. To achieve this objective, an investor-owned electric utility shall have the
199.6 ability to propose various EITE rate options within their service territory under an EITE
199.7 rate schedule that include, but are not limited to, fixed-rates, market-based rates, and rates
199.8 to encourage utilization of new clean energy technology.
- 199.9 (b) Notwithstanding Minnesota Statutes, section 216B.03, 216B.05, 216B.06,
199.10 216B.07, or 216B.16, the commission shall, upon a finding of net benefit to the utility or
199.11 the state, approve an EITE rate schedule and any corresponding EITE rate.
- 199.12 (c) The commission shall make a final determination in a proceeding begun under
199.13 this section within 90 days of a miscellaneous rate filing by the electric utility.

199.14 (d) Upon approval of any EITE rate schedule, the utility shall create a separate
199.15 account to track the difference in revenue between what would have been collected under
199.16 the electric utility's applicable standard tariff and the EITE rate schedule. In its next
199.17 general rate case or through an EITE cost recovery rate rider between general rate cases,
199.18 the commission shall allow the utility to recover any costs, including reduced revenues, or
199.19 refund any savings, including increased revenues, associated with providing service to a
199.20 customer under an EITE rate schedule. The utility shall not recover any costs or refund
199.21 any savings under this section from any energy-intensive trade-exposed customer or any
199.22 low-income residential ratepayers as defined in Minnesota Statutes, section 216B.16,
199.23 subdivision 15.

199.24 Subd. 3. **Low-income funding.** Upon the filing of a utility for approval of an EITE
199.25 rate schedule under this section, the filing utility must deposit \$10,000 into an account
199.26 devoted to funding a program approved by the commission under Minnesota Statutes,
199.27 section 216B.16, subdivision 15. The funds shall be used to expand the outreach of the
199.28 commission-approved affordability program.