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

H. F. No. 2403, A bill for an act relating to insurance; modifying Medicare supplement benefits; modifying provisions governing renewability and discontinuation of health plans; amending Minnesota Statutes 2024, sections 62A.31, subdivisions 1r, 1w; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FINANCIAL INSTITUTIONS

Section 1. Minnesota Statutes 2024, section 46A.04, is amended to read:

46A.04 EXCEPTIONS AND EXEMPTIONS.

(a) The requirements under section 46A.03, subdivisions 3, paragraph (b); 5, paragraph ~~(a)~~ (b); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than 5,000 consumers.

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

Sec. 2. Minnesota Statutes 2024, section 47.20, subdivision 2, is amended to read:

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

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

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

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

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

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

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge. <u>A loan that meets the Federal Qualified Mortgage standards in Code of Federal Regulations, title 12, section 1026.43(e)(3), is exempt from the service charge limitations of this section.</u>

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

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

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

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

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

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future

purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

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

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

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face

amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

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

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

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

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

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

Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 4a, is amended to read:

Subd. 4a. **Maximum interest rate.** (a) No conventional or cooperative apartment loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate in an amount equal to the ~~Federal National Mortgage Association posted yields on 30-year mortgage commitments for delivery within 60 days on standard~~

~~conventional fixed-rate mortgages published in the Wall Street Journal for the last business day of the second preceding month~~ <u>average prime offer rate, as defined in Code of Federal Regulations, title 12, section 1026.35(a)(2), that applies to a comparable transaction, as most recently published by the United States Consumer Financial Protection Bureau on the last date the discounted interest rate for the transaction is set before consummation,</u> plus four percentage points. <u>If the index is not available, a substitute index may be adopted by a commissioner order.</u>

(b) The maximum lawful interest rate applicable to a cooperative apartment loan or contract for deed at the time the loan or contract is made is the maximum lawful interest rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding the provisions of section 334.01, a cooperative apartment loan or contract for deed may provide, at the time the loan or contract is made, for the application of specified different consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds the maximum lawful interest rate applicable to the loan or contract at the time the loan or contract is made.

(c) The maximum interest rate that can be charged on a conventional loan or a contract for deed, with a duration of ten years or less, for the purchase of real estate described in section 83.20, subdivisions 11 and 13, is three percentage points above the rate permitted under paragraph (a) or 15.75 percent per year, whichever is less. ~~This paragraph is effective August 1, 1992.~~

(d) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of: (1) an existing conventional or cooperative apartment loan, (2) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the Farmers Home Administration, or (3) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of paragraph (b) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

(e) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 4. Minnesota Statutes 2024, section 47.20, subdivision 8, is amended to read:

Subd. 8. **Conventional loan provisions.** (a) A lender making a conventional loan shall comply with the following:

(1) the promissory note and mortgage evidencing a conventional loan shall be printed in not less than the equivalent of 8-point type, .075 inch computer type, or elite-size typewritten numerals, or shall be legibly handwritten~~.~~;

(2) the mortgage evidencing a conventional loan shall contain a provision whereby the lender agrees to furnish the borrower with a conformed copy of the promissory note and mortgage at the time they are executed or within a reasonable time after recordation of the mortgage~~.~~; and

(3) the mortgage evidencing a conventional loan shall contain a provision whereby the lender, if it intends to foreclose, agrees to give the borrower written notice of any default under the terms or conditions of the promissory note or mortgage, by sending the notice by ~~certified~~: (i) first-class mail to the address of the mortgaged property or ~~such other~~ a different

address ~~as~~ the borrower ~~may have designated~~ designates in writing to the lender; or (ii) email or other electronic communication, if agreed to by the lender and the borrower in writing. The lender need not give the borrower the notice required by this ~~paragraph~~ clause if the default consists of the borrower selling the mortgaged property without the required consent of the lender.

(b) The mortgage shall further provide that the notice under paragraph (a), clause (3), shall contain the following provisions:

~~(a)~~ (1) the nature of the default by the borrower;

~~(b)~~ (2) the action required to cure the default;

~~(c)~~ (3) a date, not less than 30 days from the date the notice is mailed by which the default must be cured;

~~(d)~~ (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by the mortgage and sale of the mortgaged premises;

~~(e)~~ (5) that the borrower has the right to reinstate the mortgage after acceleration; and

~~(f)~~ (6) that the borrower has the right to bring a court action to assert the nonexistence of a default or any other defense of the borrower to acceleration and sale.

Sec. 5. Minnesota Statutes 2024, section 47.77, is amended to read:

47.77 TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.

(a) No financial institution shall initiate a transfer of a deposit account to another deposit account bearing different identification information without sending at least 30 days' prior notice to at least one of the deposit account holders at the last known address on file with the financial institution. If the new account is subject to different terms, the financial institution must obtain the written consent of at least one of the deposit account holders before the new terms become effective.

(b) No financial institution shall initiate a closure of a deposit account without first sending at least one of the deposit account holders a notice of intent to close the deposit account. The notice must be sent to the deposit account holder's last known address on file with the financial institution at least 30 days before the financial institution closes the deposit account~~;~~, except that~~,~~ if the financial institution has reasonable suspicion to believe that account is being used in connection with a check-related fraud or other crime ~~or that~~, funds will not be available to pay items drawn on the account, or the deposit account holder has engaged in harassment, as defined in section 609.749, subdivision 2, paragraph (c), toward financial institution employees or customers, the notice may be sent the same day as the account is closed.

(c) As used in this section, the following terms have the meanings given them. "Deposit account" means a contract of deposit of funds between a depositor and a financial institution, and includes a checking account, savings account, certificate of deposit share account, and other like arrangement. "Financial institution" means any organization authorized to do business under state or federal laws relating to financial institutions, including, without limitation, banks and trust companies, savings banks, savings associations, industrial loan and thrift companies, and credit unions.

Sec. 6. **[47.90] TITLE.**

Sections 47.90 to 47.985 may be cited as the "Uniform Special Deposits Act."

Sec. 7. **[47.905] DEFINITIONS.**

(a) For purposes of sections 47.90 to 47.985, the following terms have the meanings given.

(b) "Account agreement" means an agreement that:

(1) is in a record between a bank and one or more depositors;

(2) may have one or more beneficiaries as additional parties; and

(3) states the intention of the parties to establish a special deposit governed by sections 47.90 to 47.985.

(c) "Bank" means a person engaged in the business of banking and includes a savings bank; savings and loan association; credit union; trust company; and a banking institution, as defined in section 48.01, subdivision 2. Each branch or separate office of a bank is a separate bank for the purposes of sections 47.90 to 47.985.

(d) "Beneficiary" means a person that:

(1) is identified as a beneficiary in an account agreement; or

(2) if not identified as a beneficiary in an account agreement, may be entitled to payment from a special deposit:

(i) under the account agreement; or

(ii) on termination of the special deposit.

(e) "Contingency" means an event or circumstance stated in an account agreement that is not certain to occur but must occur before the bank is obligated to pay a beneficiary.

(f) "Creditor process" means attachment, garnishment, levy, notice of lien, sequestration, or similar process issued by or on behalf of a creditor or other claimant.

(g) "Depositor" means a person that establishes or funds a special deposit.

(h) "Good faith" means honesty in fact and observance of reasonable commercial standards of fair dealing.

(i) "Knowledge" of a fact means:

(1) with respect to a beneficiary, actual knowledge of the fact; or

(2) with respect to a bank holding a special deposit:

(i) if the bank:

(A) has established a reasonable routine for communicating material information to an individual to whom the bank has assigned responsibility for the special deposit; and

(B) maintains reasonable compliance with the routine, actual knowledge of the fact by that individual; or

(ii) if the bank has not established and maintained reasonable compliance with a routine described in item (i) or otherwise exercised due diligence, implied knowledge of the fact that would have come to the attention of an individual to whom the bank has assigned responsibility for the special deposit.

(j) "Obligated to pay a beneficiary" means a beneficiary is entitled under the account agreement to receive from the bank a payment when:

(1) a contingency has occurred; and

(2) the bank has knowledge the contingency has occurred.

"Obligation to pay a beneficiary" has a corresponding meaning.

(k) "Permissible purpose" means a governmental, regulatory, commercial, charitable, or testamentary objective of the parties stated in an account agreement. Permissible purpose includes an objective to:

(1) hold funds:

(i) in escrow, including for a purchase and sale, lease, buyback, or other transaction;

(ii) as a security deposit of a tenant;

(iii) that may be distributed to a person as remuneration, retirement or other benefit, or compensation under a judgment, consent decree, court order, or other decision of a tribunal; or

(iv) for distribution to a defined class of persons after identification of the class members and their interest in the funds;

(2) provide assurance with respect to an obligation created by contract, such as earnest money to ensure a transaction closes;

(3) settle an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure;

(4) provide assurance with respect to an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure; or

(5) hold margin, other cash collateral, or funds that support the orderly functioning of financial market infrastructure or the performance of an obligation with respect to the infrastructure.

(l) "Person" means an individual; estate; business or nonprofit entity; government or governmental subdivision, agency, or instrumentality; or other legal entity. Person includes a protected series, however denominated, of an entity if the protected series is established under law that limits, or limits if conditions specified under law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series.

(m) "Record" means information:

(1) inscribed on a tangible medium; or

(2) stored in an electronic or other medium and retrievable in perceivable form.

(n) "Special deposit" means a deposit that satisfies section 47.92.

(o) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any other territory or possession subject to the jurisdiction of the United States. State includes an agency or instrumentality of the state.

Sec. 8. **[47.91] SCOPE; CHOICE OF LAW; FORUM.**

(a) Sections 47.90 to 47.985 apply to a special deposit under an account agreement that states the intention of the parties to establish a special deposit governed by sections 47.90

to 47.985, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

(b) The parties to an account agreement may choose a forum in this state for settling a dispute arising out of the special deposit, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

(c) Sections 47.90 to 47.985 do not affect:

(1) a right or obligation relating to a deposit other than a special deposit under sections 47.90 to 47.985; or

(2) the voidability of a deposit or transfer that is fraudulent or voidable under other law.

Sec. 9. **[47.915] VARIATION BY AGREEMENT OF AMENDMENT.**

(a) The effect of sections 47.905 to 47.925, 47.935 to 47.96, and 47.975 may not be varied by agreement, except as provided in those sections. Subject to paragraph (b), the effect of sections 47.93, 47.965, and 47.97 may be varied by agreement.

(b) A provision in an account agreement or other record that substantially excuses liability or substantially limits remedies for failure to perform an obligation under sections 47.90 to 47.985 is not sufficient to vary the effect of a provision of sections 47.90 to 47.985.

(c) If a beneficiary is a party to an account agreement, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the agreement expressly permits the amendment.

(d) If a beneficiary is not a party to an account agreement and the bank and the depositor know the beneficiary has knowledge of the agreement's terms, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment does not adversely and materially affect a payment right of the beneficiary.

(e) If a beneficiary is not a party to an account agreement and the bank and the depositor do not know whether the beneficiary has knowledge of the agreement's terms, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment is made in good faith.

Sec. 10. **[47.92] REQUIREMENTS OF SPECIAL DEPOSIT.**

A deposit is a special deposit if it is:

(1) a deposit of funds in a bank under an account agreement;

(2) for the benefit of at least two beneficiaries, one or more of which may be a depositor;

(3) denominated in a medium of exchange that is currently authorized or adopted by a domestic or foreign government;

(4) for a permissible purpose stated in the account agreement; and

(5) subject to a contingency.

Sec. 11. **[47.925] PERMISSIBLE PURPOSE.**

(a) A special deposit must serve at least one permissible purpose stated in the account agreement from the time the special deposit is created in the account agreement until termination of the special deposit.

(b) If, before termination of the special deposit, the bank or a court determines the special deposit no longer satisfies paragraph (a), sections 47.935 to 47.96 cease to apply to any funds deposited in the special deposit after the special deposit ceases to satisfy paragraph (a).

(c) If, before termination of a special deposit, the bank determines the special deposit no longer satisfies paragraph (a), the bank may take action it believes is necessary under the circumstances, including terminating the special deposit.

Sec. 12. **[47.93] PAYMENT TO BENEFICIARY BY BANK.**

(a) Unless the account agreement provides otherwise, the bank is obligated to pay a beneficiary if there are sufficient actually and finally collected funds in the balance of the special deposit.

(b) Except as provided in paragraph (c), the obligation to pay the beneficiary is excused if the funds available in the special deposit are insufficient to cover such payment.

(c) Unless the account agreement provides otherwise, if the funds available in the special deposit are insufficient to cover an obligation to pay a beneficiary, a beneficiary may elect to be paid the funds that are available or, if there is more than one beneficiary, a pro rata share of the funds available. Payment to the beneficiary making the election under this paragraph discharges the bank's obligation to pay a beneficiary and does not constitute an accord and satisfaction with respect to another person obligated to the beneficiary.

(d) Unless the account agreement provides otherwise, the obligation of the bank obligated to pay a beneficiary is immediately due and payable.

(e) The bank may discharge its obligation under this section by:

(1) crediting another transaction account of the beneficiary; or

(2) taking other action that:

(i) is permitted under the account agreement for the bank to obtain a discharge; or

(ii) otherwise would constitute a discharge under law.

(f) If the bank obligated to pay a beneficiary has incurred an obligation to discharge the obligation of another person, the obligation of the other person is discharged if action by the bank under paragraph (e) would constitute a discharge of the obligation of the other person under law that determines whether an obligation is satisfied.

Sec. 13. **[47.935] PROPERTY INTEREST OF DEPOSITOR OR BENEFICIARY.**

(a) Neither a depositor nor a beneficiary has a property interest in a special deposit.

(b) Any property interest with respect to a special deposit is only in the right to receive payment if the bank is obligated to pay a beneficiary and not in the special deposit itself. Any property interest under this paragraph is determined under other law.

Sec. 14. **[47.94] WHEN CREDITOR PROCESS ENFORCEABLE AGAINST BANK.**

(a) Subject to paragraph (b), creditor process with respect to a special deposit is not enforceable against the bank holding the special deposit.

(b) Creditor process is enforceable against the bank holding a special deposit with respect to an amount the bank is obligated to pay a beneficiary or a depositor if the process:

(1) is served on the bank;

(2) provides sufficient information to permit the bank to identify the depositor or the beneficiary from the bank's books and records; and

(3) gives the bank a reasonable opportunity to act on the process.

(c) Creditor process served on a bank before it is enforceable against the bank under paragraph (b) does not create a right of the creditor against the bank or a duty of the bank to the creditor. Other law determines whether creditor process creates a lien enforceable against the beneficiary on a contingent interest of a beneficiary, including a depositor as a beneficiary, even if not enforceable against the bank.

Sec. 15. **[47.945] INJUNCTION OR SIMILAR RELIEF.**

A court may enjoin, or grant similar relief that would have the effect of enjoining, a bank from paying a depositor or beneficiary only if payment would constitute a material fraud or facilitate a material fraud with respect to a special deposit.

Sec. 16. **[47.96] RECOUPMENT OR SET OFF.**

(a) Except as provided in paragraph (b) or (c), a bank may not exercise a right of recoupment or set off against a special deposit.

(b) An account agreement may authorize the bank to debit the special deposit:

(1) when the bank becomes obligated to pay a beneficiary, in an amount that does not exceed the amount necessary to discharge the obligation;

(2) for a fee assessed by the bank that relates to an overdraft in the special deposit account;

(3) for costs incurred by the bank that relate directly to the special deposit; or

(4) to reverse an earlier credit posted by the bank to the balance of the special deposit account, if the reversal occurs under an event or circumstance warranted under other law of this state governing mistake and restitution.

(c) The bank holding a special deposit may exercise a right of recoupment or set off against an obligation to pay a beneficiary, even if the bank funds payment from the special deposit.

Sec. 17. **[47.965] DUTIES AND LIABILITY OF BANK.**

(a) A bank does not have a fiduciary duty to any person with respect to a special deposit.

(b) When the bank holding a special deposit becomes obligated to pay a beneficiary, a debtor-creditor relationship arises between the bank and beneficiary.

(c) The bank holding a special deposit has a duty to a beneficiary to comply with the account agreement and sections 47.90 to 47.985.

(d) If the bank holding a special deposit does not comply with the account agreement or sections 47.90 to 47.985, the bank is liable to a depositor or beneficiary only for damages proximately caused by the noncompliance. Except as provided by other law of this state, the bank is not liable for consequential, special, or punitive damages.

(e) The bank holding a special deposit may rely on records presented in compliance with the account agreement to determine whether the bank is obligated to pay a beneficiary.

(f) If the account agreement requires payment on presentation of a record, the bank shall determine within a reasonable time whether the record is sufficient to require payment. If the agreement requires action by the bank on presentation of a record, the bank is not liable for relying in good faith on the genuineness of the record if the record appears on its face to be genuine.

(g) Unless the account agreement provides otherwise, the bank is not required to determine whether a permissible purpose stated in the agreement continues to exist.

Sec. 18. **[47.97] TERM AND TERMINATION.**

(a) Unless otherwise provided in the account agreement, a special deposit terminates five years after the date the special deposit was first funded.

(b) Unless otherwise provided in the account agreement, if the bank cannot identify or locate a beneficiary entitled to payment when the special deposit is terminated, and a balance remains in the special deposit, the bank shall pay the balance to the depositor or depositors as a beneficiary or beneficiaries.

(c) A bank that pays the remaining balance as provided under paragraph (b) has no further obligation with respect to the special deposit.

Sec. 19. **[47.975] PRINCIPLES OF LAW AND EQUITY.**

Chapter 336; consumer protection law; law governing deposits generally; law related to escheat and abandoned or unclaimed property; and the principles of law and equity, including law related to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, and bankruptcy, supplement sections 47.90 to 47.985, except to the extent inconsistent with sections 47.90 to 47.985.

Sec. 20. **[47.98] UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

In applying and construing this uniform act, a court shall consider the promotion of uniformity of the law among jurisdictions that enact it.

Sec. 21. **[47.985] TRANSITIONAL PROVISION.**

Sections 47.90 to 47.985 apply to:

(1) a special deposit made under an account agreement executed on or after August 1, 2025; and

(2) a deposit made under an agreement executed before August 1, 2025, if:

(i) all parties entitled to amend the agreement agree to make the deposit a special deposit governed by sections 47.90 to 47.985; and

(ii) the special deposit referenced in the amended agreement satisfies section 47.92.

Sec. 22. Minnesota Statutes 2024, section 53B.61, is amended to read:

53B.61 MAINTENANCE OF PERMISSIBLE INVESTMENTS.

(a) A licensee must maintain at all times permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of the licensee's outstanding money transmission obligations.

(b) Except for permissible investments enumerated in section 53B.62, ~~paragraph (a)~~ subdivision 1, clause (1), the commissioner may by administrative rule or order, with respect to any licensee, limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers not reflected in the market value of investments.

(c) Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency; the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization; the filing of a petition by or against the licensee for receivership; the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization; or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to this paragraph are subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of the statutory trust.

(d) Upon the establishment of a statutory trust in accordance with paragraph (c), or when any funds are drawn on a letter of credit pursuant to section 53B.62, paragraph (a), clause (4), the commissioner must notify the applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice is deemed satisfied if performed pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in Minnesota and other states, as defined by a substantially similar statute in the other state. Any statutory trust established under this section terminates upon extinguishment of all of the licensee's outstanding money transmission obligations.

(e) The commissioner may by rule or by order allow other types of investments that the commissioner determines are of sufficient liquidity and quality to be a permissible investment. The commissioner is authorized to participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

Sec. 23. Minnesota Statutes 2024, section 55.07, is amended by adding a subdivision to read:

Subd. 3. **Safe deposit lease; automatic renewal.** A safe deposit lease may renew automatically at the end of the lease's term. A consumer may terminate a safe deposit lease at any time in writing or in any other manner described in the lease.

Sec. 24. Minnesota Statutes 2024, section 58B.02, subdivision 8a, is amended to read:

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

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

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

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

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

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

(6) a regulated lender organized under chapter 56, except that a regulated lender must file the annual report required for lenders under section 58B.03, subdivision ~~11~~ 10; or

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

Sec. 25. Minnesota Statutes 2024, section 334.01, subdivision 2, is amended to read:

Subd. 2. **Contracts of $100,000 or more.** Notwithstanding any law to the contrary, except as stated in section 58.137, and with respect to ~~contracts~~ a conventional loan or contract for deed, section 47.20, subdivision 4a, no limitation on the rate or amount of interest, points, finance charges, fees, or other charges applies to a loan, mortgage, credit sale, or advance made under a written contract, signed by the debtor, for the extension of credit to the debtor in the amount of $100,000 or more, or any written extension and other written modification of the written contract. The written contract, written extension, and written modification are exempt from the other provisions of this chapter.

Sec. 26. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 27. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice

of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 28. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 29. <u>**CERTAIN COMPLIANCE OPTIONAL.**</u>

<u>A lender's compliance with Minnesota Statutes, section 47.20, subdivision 8, is optional with respect to conventional loan mortgage documents dated between August 1, 2024, and July 31, 2025.</u>

<u>**EFFECTIVE DATE.**</u> <u>This section is effective retroactively from July 31, 2024.</u>

ARTICLE 2
INSURANCE

Section 1. Minnesota Statutes 2024, section 60C.09, subdivision 2, is amended to read:

Subd. 2. **Further definition.** In addition to subdivision 1, a covered claim does not include:

(1) claims by an affiliate of the insurer;

(2) claims due a reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries, reinsurance recoveries, contribution, indemnification, or otherwise. This clause does not prevent a person from presenting the excluded claim to the insolvent insurer or its liquidator, but the claims shall not be asserted against another person, including the person to whom the benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer; ~~and~~

(3) any claims, resulting from insolvencies which occur after July 31, 1996, by an insured whose net worth exceeds $25,000,000 on December 31 of the year prior to the year in which the insurer becomes an insolvent insurer; provided that an insured's net worth on that date shall be deemed to include the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis<u>. The association may request financial information from an insured to determine the insured's net worth under this clause. If an insured fails to provide the requested financial information within 60 days of the date the association submits a request, the insured's net worth is deemed to exceed $25,000,000 for purposes of the association's evaluation of the claim under section 60C.10. A request by the association to an insured seeking financial information under this clause must inform the insured of the consequences of failing to provide the requested information</u>;

(4) any claims under a policy written by an insolvent insurer with a deductible or self-insured retention of $300,000 or more, nor that portion of a claim that is within an insured's deductible or self-insured retention;<u> and</u>

(5) claims that are a fine, penalty, interest, or punitive or exemplary damages.

Sec. 2. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed renewal.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier ~~must not refuse~~ is prohibited from refusing to renew ~~an~~ a Minnesota resident's individual health plan~~, except for nonpayment of premiums, fraud, or misrepresentation.~~ unless:

(1) the enrollee has failed to pay premiums in accordance with the health plan's terms, including any timeliness requirements;

(2) the enrollee has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the health plan's terms;

(3) the enrollee no longer lives in the area where the issuer is authorized to operate;

(4) a health carrier discontinues an individual health plan as provided under subdivision 2a; or

(5) a health carrier discontinues issuing new individual health plans and refuses to renew all of the health carrier's existing individual health plans issued in Minnesota as provided under subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 62A.65, is amended by adding a subdivision to read:

Subd. 2a. **Discontinuing individual health plan.** (a) In order to discontinue a particular type of individual health plan in Minnesota for purposes of subdivision 2, clause (4), a health carrier must:

(1) provide written notice to the commissioner that approves the individual health plan's policy forms and filings, in the form and manner approved by the commissioner, regarding the health carrier's intent to discontinue a particular type of individual health plan in Minnesota. The notice must be provided no later than May 1 of the year before the date the individual health plan intends to discontinue the particular type of individual health plan;

(2) provide written notice to each individual enrolled in the individual health plan no later than 90 days before the date the coverage is discontinued;

(3) offer each individual covered by the individual health plan that the health carrier intends to discontinue the option to purchase on a guaranteed-issue basis any other individual health plan currently offered by the health carrier for individuals in that market; and

(4) act uniformly without regard to any factor relating to the health status factor of covered individuals or dependents of covered individuals who may become eligible for coverage.

(b) The commissioner may disapprove a health carrier discontinuing a particular type of individual health plan within 60 days after receiving notice under paragraph (a) if the commissioner determines discontinuing the plan is not in Minnesota policyholders' best interest. When making the determination under this paragraph, the commissioner may consider the size of plan enrollment, the availability of comparable individual health plan options offered by the health carrier in Minnesota, or any other factor the commissioner deems relevant.

(c) A health carrier may appeal the commissioner's determination under paragraph (b) to disapprove the health carrier's plan to discontinue a particular type of individual health plan in Minnesota. An appeal under this paragraph is subject to the contested case procedures under chapter 14 and must be made within 30 days of the date the commissioner makes a written determination under paragraph (b).

Sec. 4. Minnesota Statutes 2024, section 62D.12, subdivision 2, is amended to read:

Subd. 2. **Coverage cancellation; nonrenewal.** No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (1) failure to pay the charge for health care coverage; (2) termination of the health care plan subject to section 62A.65, subdivisions 2 and 2a; (3) termination of the group plan; (4) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (5) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (6) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (7) fraud or misrepresentation by the enrollee with respect to eligibility for coverage or any other material fact; or (8) other reasons established in rules promulgated by the commissioner of health.

Sec. 5. Minnesota Statutes 2024, section 62D.12, subdivision 2a, is amended to read:

Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under section 62A.65, subdivisions 2, clause (4), and 2a, must receive the 90 days' notice required under section 62A.65, subdivision 2a, paragraph (a), clause (2); and (2) enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive 90 days' notice as provided under section 62D.121, subdivision 5.

Sec. 6. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

Subdivision 1. **Replacement coverage.** When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Sec. 7. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration, in consultation with~~ the commissioners of health and commerce~~, shall~~ must contract with ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide independent external reviews of all adverse determinations submitted for external review. The contract ~~shall~~ must ensure that the fees for services rendered in connection with the reviews are reasonable.

Sec. 8. Minnesota Statutes 2024, section 65B.02, subdivision 7, is amended to read:

Subd. 7. **Participation ratio.** "Participation ratio" means the ratio of the member's Minnesota premiums, or other measure of business written approved by the commissioner, in relation to the comparable statewide totals for all members.

(1) For private passenger nonfleet automobile insurance coverages the participation ratio shall be based on voluntary car years written in this state for the calendar year ending December 31 of the second prior year, as reported by the statistical agent of each member as private passenger nonfleet exposures.

(2) For insurance coverages on all other automobiles, including insurance for fleets, commercial vehicles, public vehicles and garages, the ratio shall be based on the total Minnesota gross, direct automobile insurance premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, and less the amount of such premiums reported as received for insurance on private passenger nonfleet vehicles, for the calendar year ending December 31 of the second prior year.

(3) For the purpose of determining each member's responsibility for expenses and assessments to operate the facility, the ratio shall be based on each member's total Minnesota car years and gross, direct premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, for the calendar year ending December 31 of the second prior year, provided, however, that the preliminary determination of each member's responsibility for expenses and assessments may use the calendar year ending December 31 of the third prior year.

Sec. 9. Minnesota Statutes 2024, section 65B.05, is amended to read:

65B.05 POWER OF FACILITY, GOVERNING COMMITTEE.

(a) The facility is authorized to: (1) issue or cause to be issued insurance policies in the name of the Minnesota automobile insurance plan to applicants for the types of insurance available under the plan, subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to the plan; and (3) retain, hire, or appoint an individual or company to perform a function under clause (1) or (2).

(b) The governing committee shall have the power to direct the operation of the facility in all pursuits consistent with the purposes and terms of sections 65B.01 to 65B.12, including but not limited to ~~the following~~:

(1) ~~To sue and be~~ suing and being sued in the name of the facility and ~~to~~ assess each member in accord with its participation ratio to pay any judgment against the facility as an entity, provided, however, that no judgment against the facility shall create any liabilities in one or more members disproportionate to their participation ratio or an individual representing members on the governing committee~~.~~;

(2) ~~To delegate~~ delegating ministerial duties, ~~to hire~~ hiring a manager, and ~~to contract~~ contracting for goods and services from others~~.~~;

(3) ~~To assess~~ assessing members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility~~.~~; and

(4) ~~To impose~~ imposing limitations on cancellation or nonrenewal by members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.1311 to 65B.21.

Sec. 10. Minnesota Statutes 2024, section 65B.06, subdivision 1, is amended to read:

Subdivision 1. **Distribution of private passenger, nonfleet auto risks.** With respect to private passenger, nonfleet automobiles, the facility shall provide for ~~the equitable distribution of qualified applicants to~~ members to share premium, losses, costs, and expenses in accordance with the participation ratio ~~or among these insurance companies as selected under the provisions of the plan of operation~~.

Sec. 11. Minnesota Statutes 2024, section 65B.06, subdivision 2, is amended to read:

Subd. 2. **Private passenger; nonfleet auto coverage.** With respect to private passenger, nonfleet automobiles, the facility shall provide for the issuance of policies of automobile insurance ~~by members~~ with coverage as follows:

(1) bodily injury liability and property damage liability coverage in the minimum amounts specified in section 65B.49, subdivision 3;

(2) uninsured and underinsured motorist coverages as required by section 65B.49, subdivisions 3a and 4a;

(3) a reasonable selection of higher limits of liability coverage up to $50,000 because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, up to $100,000 because of bodily injury to or death of two or more persons in any one accident, and up to $25,000 because of injury to or destruction of property of others in any one accident, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(4) basic economic loss benefits, as required by section 65B.44, and other optional coverages as recommended by the governing committee and approved by the commissioner; and

(5) automobile physical damage coverage, including coverage of loss by collision, subject to deductible options.

Sec. 12. Minnesota Statutes 2024, section 65B.06, subdivision 3, is amended to read:

Subd. 3. **Other auto coverage.** With respect to all automobiles not included in subdivisions 1 and 2, the facility shall provide:

(1) the minimum limits of coverage required by section 65B.49, subdivisions 2, 3, 3a, and 4a, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(2) for the equitable ~~distribution of qualified applicants~~ sharing of premium, losses, costs, and expenses for this coverage among the members in ~~accord~~ accordance with the applicable participation ratio~~, or among these insurance companies as selected under the provisions of the plan of operation~~; and

(3) for a school district or contractor transporting school children under contract with a school district, that amount of automobile liability insurance coverage, not to exceed $1,000,000, required by the school district by resolution or contract, or that portion of such $1,000,000 of coverage for which the school district or contractor applies and for which it is eligible under section 65B.10.

Sec. 13. Minnesota Statutes 2024, section 65B.10, subdivision 2, is amended to read:

Subd. 2. **Termination of eligibility.** Eligibility for placement through the facility will terminate if an insured is offered equivalent coverage in the voluntary market at a rate lower than the facility rate. ~~If the member that is required to provide coverage by the facility makes such an offer after giving 30 days' advance written notice to the agent of record before making the offer, the member shall have no further obligation to the agent of record.~~

Sec. 14. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 42. **Availability of current policy.** After an original policy of automobile insurance under section 65B.14, subdivision 2, or homeowner's insurance under section 65A.27, subdivision 4, has been issued, an insurer must deliver a copy of the current policy to the first named insured within 21 days of the date a request for the current policy is received. The copy may be delivered in paper form, electronically, or via a website link. An insurer is required to provide a current policy in response to a request under this subdivision once per policy period.

Sec. 15. **REPEALER.**

Minnesota Statutes 2024, section 65B.10, subdivision 3, is repealed.

ARTICLE 3

LIMITED LONG-TERM CARE INSURANCE

Section 1. **[62A.481] LIMITED LONG-TERM CARE INSURANCE.**

Subdivision 1. **Short title.** This section may be known and cited as the "Limited Long-Term Care Insurance Act."

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Applicant" means:

(1) in the case of an individual limited long-term care insurance policy, the person who seeks to contract for benefits; or

(2) in the case of a group limited long-term care insurance policy, the proposed certificate holder.

(c) "Certificate" means a certificate issued under a group limited long-term care insurance policy that has been delivered or issued for delivery in Minnesota.

(d) "Commissioner" means the commissioner of commerce.

(e) "Elimination period" means the length of time between meeting the eligibility for benefit payment and receiving benefit payments from an insurer.

(f) "Group limited long-term care insurance" means a limited long-term care insurance policy that is delivered or issued for delivery in Minnesota and issued to:

(1) one or more employers or labor organizations, a trust or the trustees of a fund established by one or more employers, labor organizations, or a combination of employers and labor organizations for: (i) employees, former employees, or a combination of employees or former employees; or (ii) members, former members, or a combination of members or former members of the labor organizations;

(2) a professional, trade, or occupational association for the association's members, former members, retired members, or a combination of members, former members, or retired members, if the association:

(i) is composed of individuals, all of whom are or were actively engaged in the same profession, trade, or occupation; and

(ii) has been maintained in good faith for purposes other than obtaining insurance;

(3) an association, a trust, or the trustees of a fund established, created, or maintained for the benefit of members of one or more associations. Prior to advertising, marketing, or offering the policy within Minnesota, the association or associations, or the insurer of the association or associations, must file evidence with the commissioner that the association or associations have at the outset:

(i) a minimum of 100 persons;

(ii) been organized and maintained in good faith for purposes other than obtaining insurance;

(iii) been in active existence for at least one year; and

(iv) a constitution and bylaws that provide:

(A) the association or associations hold regular meetings not less than annually to further purposes of the members;

(B) except for credit unions, the association or associations collect dues or solicit contributions from members; and

(C) the members have voting privileges and representation on the governing board and committees.

Thirty days after the filing, the association or associations are deemed to satisfy the organizational requirements unless the commissioner makes a finding that the association or associations do not satisfy the organizational requirements; or

(4) a group other than a group described in clauses (1) to (3), subject to the commissioner finding that:

(i) issuing the policy is not contrary to the public interest;

(ii) issuing the policy results in acquisition or administrative economies; and

(iii) the policy's benefits are reasonable in relation to the premiums charged.

(g) "Limited long-term care insurance" means an insurance policy or rider:

(1) issued by: (i) an insurer; (ii) a fraternal benefit society; (iii) a nonprofit health, hospital, or medical service corporation; (iv) a prepaid health plan; (v) a health maintenance

organization; or (vi) a similar organization, to the extent the organization is authorized to issue life or health insurance;

(2) advertised, marketed, offered, or designed to provide coverage for less than 12 consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis; and

(3) for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care service provided in a setting other than a hospital's acute care unit.

Limited long-term care insurance includes a policy or rider that provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. Limited long-term care insurance does not include an insurance policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset-protection coverage, accident-only coverage, specified disease or specified accident coverage, or limited benefit health coverage.

(h) "Policy" means a policy, contract, subscriber agreement, rider, or endorsement delivered or issued for delivery in Minnesota by an insurer; fraternal benefit society; nonprofit health, hospital, or medical service corporation; prepaid health plan; health maintenance organization; or any similar organization.

(i) "Waiting period" means the time an insured individual must wait before some or all of the insured individual's coverage becomes effective.

Subd. 3. **Scope.** (a) This section applies to policies delivered or issued for delivery in Minnesota on or after January 1, 2026. This section does not supersede an obligation that an entity subject to this section has to comply with other applicable insurance laws to the extent the other insurance laws do not conflict with this section, except that laws and regulations designed and intended to apply to Medicare supplement insurance policies must not be applied to limited long-term care insurance.

(b) Notwithstanding any other provision of this section, a product, policy, certificate, or rider advertised, marketed, or offered as limited long-term care insurance is subject to this section.

Subd. 4. **Group limited long-term care insurance; extra-territorial jurisdiction.** Group limited long-term care insurance coverage must not be offered to a Minnesota resident under a group policy issued in another state to a group described in subdivision 2, paragraph (f), clause (4), unless Minnesota or another state having statutory and regulatory limited long-term care insurance requirements substantially similar to those adopted in Minnesota makes a determination that the statutory and regulatory limited long-term care insurance requirements have been met.

Subd. 5. **Limited long-term care insurance; disclosure and performance standards.** (a) A limited long-term care insurance policy must not:

(1) cancel, not renew, or otherwise terminate on the basis of the insured individual's or certificate holder's age, gender, or deterioration of mental or physical health;

(2) contain a provision that establishes a new waiting period in the event existing coverage is converted to or replaced by a new or other form of coverage within the same company, except with respect to an increase in benefits voluntarily selected by the insured individual or group policyholder; or

(3) provide coverage for only skilled nursing care or provide significantly more coverage for skilled nursing care in a facility than coverage provided for lower levels of care.

(b) A limited long-term care insurance policy or certificate issued to a group identified in subdivision 2, paragraph (f), clauses (2) to (4), is prohibited from: (1) using a definition for preexisting condition that is more restrictive than or excludes a condition for which medical advice or treatment was recommended by or received from a health care services provider within the six months preceding the date an insured individual's coverage is effective; and (2) excluding coverage for a loss or confinement that is the result of a preexisting condition unless the loss or confinement begins within six months of the date an insured individual's coverage is effective. The commissioner may extend the limitation periods established in clauses (1) and (2) with respect to specific age group categories in specific policy forms upon a finding that the extension is in the public interest. The definition of preexisting condition required under clause (1) does not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant and, on the basis of the applicant's answers on the application, from underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, an insurer is not required to cover a preexisting condition, regardless of whether the preexisting condition is disclosed on the application, until the waiting period under clause (2) expires. A limited long-term care insurance policy or certificate is prohibited from excluding or using waivers or riders of any kind to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions beyond the waiting period established in clause (2).

(c) A limited long-term care insurance policy must not be delivered or issued for delivery in Minnesota if the policy conditions eligibility: (1) for any benefits, on a prior hospitalization requirement; (2) for benefits provided in an institutional care setting, on the receipt of a higher level of institutional care; or (3) for any benefits other than waiver of premium, post-confinement, post-acute care, or recuperative benefits, on a prior institutionalization requirement. A limited long-term care insurance policy, certificate, or rider is prohibited from conditioning eligibility for noninstitutional benefits on the prior or continuing receipt of skilled care services.

(d) The commissioner may adopt administrative rules that establish loss ratio standards for limited long-term care insurance policies if a specific reference to limited long-term care insurance policies is contained in the administrative rule.

(e) A limited long-term care insurance applicant has the right to: (1) return the policy, certificate, or rider to the company or the company's agent or insurance producer within 30 days of the date the policy, certificate, or rider is received; and (2) have the premium refunded if, after examination of the policy, certificate, or rider, the applicant is not satisfied with the policy, certificate, or rider for any reason.

(f) A limited long-term care insurance policy, certificate, or rider must have a notice prominently printed on the first page or attached to the policy, certificate, or rider that includes specific instructions for a limited long-term care insurance applicant to return a policy, certificate, or rider under paragraph (e). The following statement or a substantially similar statement must be included with the instructions:

"You have 30 days from the date you receive this policy, certificate, or rider to review and return it to the company if you decide not to keep it. You do not have to tell the company why you are returning it. If you decide to not keep the policy, certificate, or rider, simply return it to the company at the company's administrative office, or you may return it to the agent or insurance producer that you bought it from. You must return the policy, certificate, or rider within 30 days of the date you first received it. The company must refund the full amount of any premium paid within 30 days of the date the company receives the returned policy, certificate, or rider. The premium refund is sent directly to the person who paid it. A returned policy, certificate, or rider is void, as if it never was issued."

This paragraph does not apply to certificates issued pursuant to a policy issued to a group defined in subdivision 2, paragraph (f), clause (1).

(g) A coverage outline must be delivered to a prospective applicant for limited long-term care insurance at the time an initial solicitation is made, using a means that prominently directs the recipient's attention to the coverage outline and the coverage outline's purpose. The commissioner must prescribe: (1) a standard format, including style, arrangement, and overall appearance; and (2) the content that must be contained on a coverage outline. With respect to an agent solicitation, the agent must deliver the coverage outline before presenting an application or enrollment form. With respect to a direct response solicitation, the coverage outline must be provided in conjunction with an application or enrollment form. Delivery of a coverage outline is not required for a policy issued to a group defined in subdivision 2, paragraph (f), clause (1), if the information described in paragraph (h) is contained in other materials relating to enrollment. A copy of the other materials must be made available to the commissioner upon request.

(h) The coverage outline provided under paragraph (g) must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a description of the eligibility triggers for benefits and how the eligibility triggers are met;

(3) a statement identifying the principal exclusions, reductions, and limitations contained in the policy;

(4) a statement describing the terms under which the policy, certificate, or both may be continued in force or discontinued, including any reservation in the policy of a right to change premium. A continuation or conversion provision for group coverage must be specifically described;

(5) a statement indicating that coverage outline is a summary only and not an insurance contract, and that the policy or group master policy contains the governing contractual provisions;

(6) a description of the terms under which the policy or certificate may be returned and premium refunded;

(7) a brief description of the relationship between cost of care and benefits; and

(8) a statement that discloses to the policyholder or certificate holder that the policy is not long-term care insurance.

(i) A certificate issued pursuant to a group limited long-term care insurance policy that is delivered or issued for delivery in Minnesota must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a statement identifying the principal exclusions, reductions, and limitations contained in the policy; and

(3) a statement indicating that the group master policy determines governing contractual provisions.

(j) If an application for a limited long-term care insurance contract or certificate is approved, the issuer must deliver the contract or certificate of insurance to the applicant no later than 30 days after the date the application is approved.

(k) If a claim under a limited long-term care insurance contract is denied, the issuer must, within 60 days of the date the policyholder, certificate holder, or a representative of the policyholder or certificate holder submits a written request:

(1) provide a written explanation detailing the reasons for the denial; and

(2) make available all information directly related to the denial.

(l) A disclosure, statement, or written information and explanation required in this section, whether in print or electronic form, must accommodate the communication needs of individuals with disabilities and persons with limited English proficiency, as required by law.

Subd. 6. **Incontestability period.** (a) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for less than six months upon a showing of misrepresentation that is material to the coverage acceptance.

(b) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for at least six months but less than two years upon a showing of misrepresentation that is both material to the coverage acceptance and that pertains to the condition for which benefits are sought.

(c) A policy or certificate that has been in force for two years is not contestable upon the grounds of misrepresentation alone. A policy or certificate that has been in force for two years may be contested only upon a showing that the insured knowingly and intentionally misrepresented relevant facts relating to the insured individual's health.

(d) A limited long-term care insurance policy or certificate may be field issued if compensation to the field issuer is not based on the number of policies or certificates issued. For purposes of this paragraph, "field issued" means a policy or certificate issued by a producer or a third-party administrator (1) pursuant to the underwriting authority granted to the producer or third-party administrator by an insurer, and (2) using the insurer's underwriting guidelines.

(e) If an insurer paid benefits under the limited long-term care insurance policy or certificate, the benefit payments are not recoverable by the insurer if the policy or certificate is rescinded.

Subd. 7. **Nonforfeiture benefits.** (a) A limited long-term care insurance policy may offer the option to purchase a policy or certificate that includes a nonforfeiture benefit. A nonforfeiture benefit may be offered in the form of a rider that is attached to the policy. If the policyholder or certificate holder does not purchase the nonforfeiture benefit, the insurer must provide a contingent benefit upon lapse that must be available for a specified period of time after a substantial increase in premium rates, as determined by the commissioner under paragraph (c).

(b) When a group limited long-term care insurance policy is issued, a nonforfeiture benefit offer must be made to the group policyholder. If the policy is issued as group limited long-term care insurance, as defined in subdivision 2, paragraph (f), clause (4), to an entity other than a continuing care retirement community or other similar entity, a nonforfeiture benefit offer must be made to each proposed certificate holder.

(c) The commissioner must adopt administrative rules that specify: (1) the type or types of nonforfeiture benefits that must be offered as part of limited long-term care insurance policies and certificates; (2) the standards for nonforfeiture benefits; and (3) requirements regarding contingent benefit upon lapse, including determining the specified period of time during which a contingent benefit upon lapse is available and the substantial premium rate increase that triggers a contingent benefit upon lapse, as described in paragraph (a).

Subd. 8. **Administrative rulemaking.** (a) The commissioner must adopt reasonable administrative rules to: (1) promote premium adequacy; (2) protect a policyholder in the event of a substantial rate increase; and (3) establish minimum standards for producer education, marketing practices, producer compensation, producer testing, independent review of benefit determinations, penalties, and reporting practices for limited long-term care insurance.

(b) Administrative rules adopted under this section are subject to chapter 14.

Subd. 9. **Severability.** If any provision of this section or the application of the provision to any person or circumstance is held invalid for any reason, the remainder of the section and the application of the invalid provision to other persons or circumstances is not affected.

Subd. 10. **Penalties.** In addition to any other penalties provided by the laws of Minnesota, an insurer or producer that violates any requirement under this section or other law relating to the regulation of limited long-term care insurance or the marketing of limited long-term care insurance is subject to a fine of up to three times the amount of commissions paid for each policy involved in the violation or up to $10,000, whichever is greater.

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

ARTICLE 4
MEDICARE SUPPLEMENT INSURANCE

Section 1. Minnesota Statutes 2024, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. **Policy requirements.** No individual or group policy, certificate, subscriber contract issued by a health service plan corporation regulated under chapter 62C, or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage, including to supplement coverage under Medicare Advantage plans established under Medicare Part C, issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the requirements in subdivisions 1a to ~~1w~~ 1v are met.

Sec. 2. Minnesota Statutes 2024, section 62A.31, subdivision 1f, is amended to read:

Subd. 1f. **Suspension based on entitlement to medical assistance.** (a) The policy or certificate must provide that benefits and premiums under the policy or certificate shall be suspended for any period that may be provided by federal regulation at the request of the policyholder or certificate holder for the period, not to exceed 24 months, in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder or certificate holder notifies the issuer of the policy or certificate within 90 days after the date the individual becomes entitled to this assistance.

(b) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy or certificate shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder or certificate holder provides notice of loss of the entitlement within 90 days after the date of the loss and pays the premium attributable to the period, effective as of the date of termination of entitlement.

(c) The policy must provide that upon reinstatement (1) there is no additional waiting period with respect to treatment of preexisting conditions, (2) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension. If the suspended policy provided coverage for outpatient prescription drugs, reinstitution of the policy for Medicare Part D enrollees must be without coverage for outpatient prescription drugs and must otherwise provide coverage substantially equivalent to the coverage in effect before the date of suspension, and (3) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended.

Sec. 3. Minnesota Statutes 2024, section 62A.31, subdivision 1h, is amended to read:

Subd. 1h. **Limitations on denials, conditions, and pricing of coverage.** No health carrier issuing Medicare-related coverage in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any such coverage available for sale in this state, nor may it discriminate in the pricing of such coverage, because of the health status, claims experience, receipt of health care, medical condition, or age of an applicant where an application for such coverage is submitted~~: (1)~~ prior to or during the six-month period beginning with the first day of the month in which an individual first enrolled for benefits under Medicare Part B~~; or (2) during the open enrollment period~~. This subdivision applies to each Medicare-related coverage offered by a health carrier regardless of whether the individual has attained the age of 65 years. If an individual who is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss of disability status, the individual is eligible for another six-month enrollment period provided under this subdivision beginning the first day of the month in which the individual later becomes eligible for and enrolls again in Medicare Part B ~~and during the open enrollment period~~. An individual who is or was previously enrolled in Medicare Part B due to disability status is eligible for another six-month enrollment period under this subdivision beginning the first day of the month in which the individual has attained the age of 65 years and either maintains enrollment in, or enrolls again in, Medicare Part B ~~and during the open enrollment period~~. If an individual enrolled in Medicare Part B voluntarily disenrolls from Medicare Part B because the individual becomes enrolled under an employee welfare benefit plan, the individual is eligible for another six-month enrollment period, as provided in this subdivision, beginning the first day of the month in which the individual later becomes eligible for and enrolls again in Medicare Part B ~~and during the open enrollment period~~.

Sec. 4. Minnesota Statutes 2024, section 62A.31, subdivision 1p, is amended to read:

Subd. 1p. **Renewal or continuation provisions.** Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy or certificate, and shall include any reservation by the issuer of the right to change premiums. Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy or certificate, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy or certificate after the date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy or certificate shall require a signed acceptance by the insured. After the date of policy or certificate issue, a rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy or certificate term shall be agreed to in writing and signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy, declaration page, or certificate. If a Medicare supplement policy or certificate contains limitations with respect to preexisting conditions, the limitations shall appear as a separate paragraph of the policy or certificate and be labeled as "preexisting condition limitations."

Issuers of accident and sickness policies or certificates that provide hospital or medical expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare shall provide to those applicants a "Guide to Health Insurance for People with Medicare" in the form developed by the Centers for Medicare and Medicaid Services and in a type size no smaller than 12-point type. Delivery of the guide must be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this section and section 62A.3099. Except in the case of direct response issuers, delivery of the guide must be made to the applicant at the time of application, and acknowledgment of receipt of the guide must be obtained by the issuer. Direct response issuers shall deliver the guide to the applicant upon request, but no later than the time at which the policy is delivered.

Sec. 5. Minnesota Statutes 2024, section 62A.31, subdivision 1u, is amended to read:

Subd. 1u. **Guaranteed issue for eligible persons.** (a)(1) Eligible persons are those individuals described in paragraph (b) who seek to enroll under the policy during the period specified in paragraph (c) and who submit evidence of the date of termination or disenrollment described in paragraph (b), or of the date of Medicare Part D enrollment, with the application for a Medicare supplement policy.

(2) With respect to eligible persons, an issuer shall not: deny or condition the issuance or effectiveness of a Medicare supplement policy described in paragraph (c) that is offered and is available for issuance to new enrollees by the issuer; discriminate in the pricing of such a Medicare supplement policy because of health status, claims experience, receipt of health care, medical condition, or age; or impose an exclusion of benefits based upon a preexisting condition under such a Medicare supplement policy.

(b) An eligible person is an individual described in any of the following:

(1) the individual is enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under Medicare; and the plan terminates, or the plan ceases to provide all such supplemental health benefits to the individual;

(2) the individual is enrolled with a Medicare Advantage organization under a Medicare Advantage plan under Medicare Part C, and any of the following circumstances apply, or the individual is 65 years of age or older and is enrolled with a Program of All-Inclusive Care for the Elderly (PACE) provider under section 1894 of the federal Social Security Act, and there are circumstances similar to those described in this clause that would permit discontinuance of the individual's enrollment with the provider if the individual were enrolled in a Medicare Advantage plan:

(i) the organization's or plan's certification under Medicare Part C has been terminated or the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides;

(ii) the individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the secretary, but not including termination of the individual's enrollment on the basis described in section 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under section 1856 of the federal Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated for all individuals within a residence area;

(iii) the individual demonstrates, in accordance with guidelines established by the Secretary, that:

(A) the organization offering the plan substantially violated a material provision of the organization's contract in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or

(B) the organization, or agent or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual; or

(iv) the individual meets such other exceptional conditions as the secretary may provide;

(3)(i) the individual is enrolled with:

(A) an eligible organization under a contract under section 1876 of the federal Social Security Act, United States Code, title 42, section 1395mm (Medicare cost);

(B) a similar organization operating under demonstration project authority, effective for periods before April 1, 1999;

(C) an organization under an agreement under section 1833(a)(1)(A) of the federal Social Security Act, United States Code, title 42, section 1395l(a)(1)(A) (health care prepayment plan); or

(D) an organization under a Medicare Select policy under section 62A.318 or the similar law of another state; and

(ii) the enrollment ceases under the same circumstances that would permit discontinuance of an individual's election of coverage under clause (2);

(4) the individual is enrolled under a Medicare supplement policy, and the enrollment ceases because:

(i)(A) of the insolvency of the issuer or bankruptcy of the nonissuer organization; or

(B) of other involuntary termination of coverage or enrollment under the policy;

(ii) the issuer of the policy substantially violated a material provision of the policy; or

(iii) the issuer, or an agent or other entity acting on the issuer's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual;

(5)(i) the individual was enrolled under a Medicare supplement policy and terminates that enrollment and subsequently enrolls, for the first time, with any Medicare Advantage organization under a Medicare Advantage plan under Medicare Part C; any eligible organization under a contract under section 1876 of the federal Social Security Act, United States Code, title 42, section 1395mm (Medicare cost); any similar organization operating under demonstration project authority; any PACE provider under section 1894 of the federal

Social Security Act, or a Medicare Select policy under section 62A.318 or the similar law of another state; and

(ii) the subsequent enrollment under item (i) is terminated by the enrollee during any period within the first 12 months of the subsequent enrollment during which the enrollee is permitted to terminate the subsequent enrollment under section 1851(e) of the federal Social Security Act;

(6) the individual, upon first enrolling for benefits under Medicare Part B, enrolls in a Medicare Advantage plan under Medicare Part C, or with a PACE provider under section 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12 months after the effective date of enrollment;

(7) the individual enrolls in a Medicare Part D plan during the initial Part D enrollment period, as defined under United States Code, title 42, section 1395ss(v)(6)(D), and, at the time of enrollment in Part D, was enrolled under a Medicare supplement policy that covers outpatient prescription drugs and the individual terminates enrollment in the Medicare supplement policy and submits evidence of enrollment in Medicare Part D along with the application for a policy described in paragraph (e), clause (4); or

(8) the individual was enrolled in a state public program and is losing coverage due to the unwinding of the Medicaid continuous enrollment conditions, as provided by Code of Federal Regulations, title 45, section 155.420 (d)(9) and (d)(1), and Public Law 117-328, section 5131 (2022).

(c)(1) In the case of an individual described in paragraph (b), clause (1), the guaranteed issue period begins on the later of: (i) the date the individual receives a notice of termination or cessation of all supplemental health benefits or, if a notice is not received, notice that a claim has been denied because of a termination or cessation; or (ii) the date that the applicable coverage terminates or ceases; and ends 63 days after the later of those two dates.

(2) In the case of an individual described in paragraph (b), clause (2), (3), (5), or (6), whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends 63 days after the date the applicable coverage is terminated.

(3) In the case of an individual described in paragraph (b), clause (4), item (i), the guaranteed issue period begins on the earlier of: (i) the date that the individual receives a notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar notice if any; and (ii) the date that the applicable coverage is terminated, and ends on the date that is 63 days after the date the coverage is terminated.

(4) In the case of an individual described in paragraph (b), clause (2), (4), (5), or (6), who disenrolls voluntarily, the guaranteed issue period begins on the date that is 60 days before the effective date of the disenrollment and ends on the date that is 63 days after the effective date.

(5) In the case of an individual described in paragraph (b), clause (7), the guaranteed issue period begins on the date the individual receives notice pursuant to section 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the 60-day period immediately preceding the initial Part D enrollment period and ends on the date that is 63 days after the effective date of the individual's coverage under Medicare Part D.

(6) In the case of an individual described in paragraph (b) but not described in this paragraph, the guaranteed issue period begins on the effective date of disenrollment and ends on the date that is 63 days after the effective date.

~~(7) For all individuals described in paragraph (b), the open enrollment period is a guaranteed issue period.~~

(d)(1) In the case of an individual described in paragraph (b), clause (5), or deemed to be so described, pursuant to this paragraph, whose enrollment with an organization or provider described in paragraph (b), clause (5), item (i), is involuntarily terminated within the first 12 months of enrollment, and who, without an intervening enrollment, enrolls with another such organization or provider, the subsequent enrollment is deemed to be an initial enrollment described in paragraph (b), clause (5).

(2) In the case of an individual described in paragraph (b), clause (6), or deemed to be so described, pursuant to this paragraph, whose enrollment with a plan or in a program described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months of enrollment, and who, without an intervening enrollment, enrolls in another such plan or program, the subsequent enrollment is deemed to be an initial enrollment described in paragraph (b), clause (6).

(3) For purposes of paragraph (b), clauses (5) and (6), no enrollment of an individual with an organization or provider described in paragraph (b), clause (5), item (i), or with a plan or in a program described in paragraph (b), clause (6), may be deemed to be an initial enrollment under this paragraph after the two-year period beginning on the date on which the individual first enrolled with the organization, provider, plan, or program.

(e) The Medicare supplement policy to which eligible persons are entitled under:

(1) paragraph (b), clauses (1) to (4), is any Medicare supplement policy that has a benefit package consisting of the basic Medicare supplement plan described in section 62A.316, paragraph (a), plus any combination of the three optional riders described in section 62A.316, paragraph (b), clauses (1) to (3), offered by any issuer;

(2) paragraph (b), clause (5), is the same Medicare supplement policy in which the individual was most recently previously enrolled, if available from the same issuer, or, if not so available, any policy described in clause (1) offered by any issuer, except that after December 31, 2005, if the individual was most recently enrolled in a Medicare supplement policy with an outpatient prescription drug benefit, a Medicare supplement policy to which the individual is entitled under paragraph (b), clause (5), is:

(i) the policy available from the same issuer but modified to remove outpatient prescription drug coverage; or

(ii) at the election of the policyholder, a policy described in clause (4), except that the policy may be one that is offered and available for issuance to new enrollees that is offered by any issuer;

(3) paragraph (b), clause (6), is any Medicare supplement policy offered by any issuer;

(4) paragraph (b), clause (7), is a Medicare supplement policy that has a benefit package classified as a basic plan under section 62A.316 if the enrollee's existing Medicare supplement policy is a basic plan or, if the enrollee's existing Medicare supplement policy is an extended basic plan under section 62A.315, a basic or extended basic plan at the option of the enrollee, provided that the policy is offered and is available for issuance to new enrollees by the same issuer that issued the individual's Medicare supplement policy with outpatient prescription drug coverage. The issuer must permit the enrollee to retain all optional benefits contained in the enrollee's existing coverage, other than outpatient prescription drugs, subject to the provision that the coverage be offered and available for issuance to new enrollees by the same issuer.

(f)(1) At the time of an event described in paragraph (b), because of which an individual loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated contemporaneously with the notification of termination.

(2) At the time of an event described in paragraph (b), because of which an individual ceases enrollment under a contract or agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated within ten working days of the issuer receiving notification of disenrollment.

(g) Reference in this subdivision to a situation in which, or to a basis upon which, an individual's coverage has been terminated does not provide authority under the laws of this state for the termination in that situation or upon that basis.

(h) An individual's rights under this subdivision are in addition to, and do not modify or limit, the individual's rights under subdivision 1h.

Sec. 6. Minnesota Statutes 2024, section 62A.31, subdivision 4, is amended to read:

Subd. 4. **Prohibited policy provisions.** (a) A Medicare supplement policy or certificate in force in the state shall not contain benefits that duplicate benefits provided by Medicare or contain exclusions on coverage that are more restrictive than those of Medicare. Duplication of benefits is permitted to the extent permitted under subdivision 1s, paragraph (a), for benefits provided by Medicare Part D.

(b) No Medicare supplement policy or certificate may use waivers to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions<u>, except as permitted under subdivision 1b</u>.

Sec. 7. Minnesota Statutes 2024, section 62A.44, subdivision 2, is amended to read:

Subd. 2. **Questions.** (a) Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant has another Medicare supplement or other health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and agent containing the questions and statements may be used.

"(1) You do not need more than one Medicare supplement policy or certificate.

(2) If you purchase this policy, you may want to evaluate your existing health coverage and decide if you need multiple coverages.

(3) You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy or certificate.

(4) The benefits and premiums under your Medicare supplement policy or certificate can be suspended, if requested, during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be reinstated if requested within 90 days of losing Medicaid eligibility.

(5) Counseling services may be available in Minnesota to provide advice concerning medical assistance through state Medicaid, Qualified Medicare Beneficiaries (QMBs), and Specified Low-Income Medicare Beneficiaries (SLMBs).

To the best of your knowledge:

(1) Do you have another Medicare supplement policy or certificate in force?

(a) If so, with which company?

(b) If so, do you intend to replace your current Medicare supplement policy with this policy or certificate?

(2) Do you have any other health insurance policies that provide benefits which this Medicare supplement policy or certificate would duplicate?

(a) If so, please name the company.

(b) What kind of policy?

(3) Are you covered for medical assistance through the state Medicaid program? If so, which of the following programs provides coverage for you?

(a) Specified Low-Income Medicare Beneficiary (SLMB),

(b) Qualified Medicare Beneficiary (QMB), or

(c) full Medicaid Beneficiary?"

(b) Agents shall list any other health insurance policies they have sold to the applicant.

(1) List policies sold that are still in force.

(2) List policies sold in the past five years that are no longer in force.

(c) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer on delivery of the policy or certificate.

(d) Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of the notice signed by the applicant and the agent, except where the coverage is sold without an agent, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy or certificate the notice regarding replacement of Medicare supplement coverage.

(e) The notice required by paragraph (d) for an issuer shall be provided in substantially the following form in no less than 12-point type:

"NOTICE TO APPLICANT REGARDING REPLACEMENT
OF MEDICARE SUPPLEMENT INSURANCE

(Insurance company's name and address)

SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to (your application) (information you have furnished), you intend to terminate existing Medicare supplement insurance and replace it with a policy or certificate to be issued by (Company Name) Insurance Company. Your new policy or certificate will provide 30 days within which you may decide without cost whether you desire to keep the policy or certificate.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. If, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision you should terminate your present Medicare supplement policy. You should evaluate the need for other accident and sickness coverage you have that may duplicate this policy.

STATEMENT TO APPLICANT BY ISSUER, AGENT, (BROKER OR OTHER REPRESENTATIVE): I have reviewed your current medical or health insurance coverage. To the best of my knowledge this Medicare supplement policy will not duplicate your existing Medicare supplement policy because you intend to terminate the existing Medicare supplement policy. The replacement policy or certificate is being purchased for the following reason(s) (check one):

.... Additional benefits

.... No change in benefits, but lower premiums

.... Fewer benefits and lower premiums

.... Other (please specify)

....

....

....

(1) Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy or certificate. This could result in denial or delay of a claim for benefits under the new policy or certificate, whereas a similar claim might have been payable under your present policy or certificate.

(2) State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent the time was spent (depleted) under the original policy or certificate.

(3) If you still wish to terminate your present policy or certificate and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy or certificate had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. (If the policy or certificate is guaranteed issue, this paragraph need not appear.)

Do not cancel your present policy or certificate until you have received your new policy or certificate and you are sure that you want to keep it.

....

(Signature of Agent, Broker, or Other Representative)*

....

(Typed Name and Address of Issuer, Agent, or Broker)

....

(Date)

....

(Applicant's Signature)

....

(Date)

*Signature not required for direct response sales."

(f) Paragraph (e), clauses (1) and (2), of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

Sec. 8. **REPEALER.**

(a) Minnesota Statutes 2024, sections 62A.3099, subdivision 18b; and 62A.31, subdivision 1w, are repealed.

(b) Laws 2023, chapter 57, article 2, section 66, is repealed.

Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 5
INSURANCE HOLDING COMPANY SYSTEMS

Section 1. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

Subd. 5. **Other violations.** If the commissioner believes a person has committed a violation of section 60D.17 that prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Sec. 2. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with~~,~~ or corporate office held by~~, or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 3. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 4c. **Group capital calculation instructions.** "Group capital calculation instructions" means the group capital calculation instructions adopted by the NAIC and as amended by the NAIC from time to time in accordance with procedures adopted by the NAIC.

Sec. 4. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6b. **NAIC.** "NAIC" means the National Association of Insurance Commissioners.

Sec. 5. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework" means an NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, scope criteria, instructions, and reporting template being adopted by the NAIC, and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

Sec. 6. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but does not include any joint venture partnership exclusively engaged in owning, managing, leasing, or developing real or tangible personal property.

Sec. 7. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test framework, means the designated exposure bases along with minimum magnitudes of the designated exposure bases for the specified data year that are used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for that data year.

Sec. 8. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** In addition to investments in common stock, preferred stock, debt obligations, and other securities otherwise permitted under this chapter, a domestic insurer may also:

(a) Invest, in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of these investments, investments in domestic or foreign insurance subsidiaries and health maintenance organizations must be excluded, and there must be included:

(1) total net money or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and

(2) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities, and all contributions to the capital or surplus~~,~~ of a subsidiary subsequent to its acquisition or formation.

(b) Invest any amount in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries engaged or organized to engage exclusively in the ownership and management of assets authorized as investments for the insurer provided that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~ do not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph (a) or other statutes applicable to the insurer. For the purpose of this paragraph, "the total investment of the insurer" includes:

(1) any direct investment by the insurer in an asset; and

(2) the insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which must be calculated by multiplying the amount of the subsidiary's investment by the percentage of the ownership of the subsidiary.

(c) With the approval of the commissioner, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

Sec. 9. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities ~~or~~ for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, the person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time the offer, request, or invitation is made or the agreement is entered into, or before the acquisition of the securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this section.

(b) For purposes of this section, a controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days before the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer will be required to file for and obtain approval of the transaction.

(c) With respect to a transaction subject to this section, the acquiring person must also file a preacquisition notification with the commissioner, which must contain the information set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification may be subject to penalties specified in section 60D.18, subdivision 5.

(d) For purposes of this section, a domestic insurer includes a person controlling a domestic insurer unless the person, as determined by the commissioner, is either directly or through its affiliates primarily engaged in business other than the business of insurance. For the purposes of this section, "person" does not include any securities broker holding, in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting securities of an insurance company or of any person that controls an insurance company.

(e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must remain confidential until the transaction is approved by the commissioner, except that all attachments filed with the statement remain confidential after the approval unless the commissioner, in the commissioner's discretion, determines that confidential treatment of any of this information will interfere with enforcement of this section.

Sec. 10. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

Subd. 3. **Preacquisition notification; waiting period.** (a) An acquisition covered by subdivision 2 may be subject to an order pursuant to subdivision ~~4~~ 5 unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification. The commissioner shall give confidential treatment to information submitted under this section in the same manner as provided in section 60D.22.

(b) The preacquisition notification must be in the form and contain the information as prescribed by the National Association of Insurance Commissioners relating to those markets that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be exempted from the provisions of this section. The commissioner may require ~~the~~ additional material and information as the commissioner deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subdivision 4. The required information may include an opinion of an economist as to the competitive impact of the acquisition in this state accompanied by a summary of the education and experience of the person indicating that person's ability to render an informed opinion.

(c) The waiting period required begins on the date of receipt of the commissioner of a preacquisition notification and ends on the earlier of the 30th day after the date of its receipt, or termination of the waiting period by the commissioner. Before the end of the waiting period, the commissioner on a onetime basis may require the submission of additional needed information relevant to the proposed acquisition, in which event the waiting period shall end on the earlier of the 30th day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

Sec. 11. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

Subd. 4. **Materiality.** No information need be disclosed on the registration statement filed pursuant to subdivision 2 if the information is not material for the purposes of this section. Unless the commissioner by rule or order provides otherwise; sales, purchases, exchanges, loans or extensions of credit, investments, or guarantees involving one-half of one percent or less of an insurer's admitted assets as of the 31st day of December next preceding shall not be deemed material for purposes of this section. The definition of materiality provided in this subdivision does not apply for purposes of the group capital calculation or the NAIC liquidity stress test framework.

Sec. 12. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph, the ultimate controlling person of every insurer subject to registration must concurrently file with the registration an annual group capital calculation as directed by the commissioner. The report must be completed in accordance with the NAIC group capital calculation instructions, which may permit the commissioner to allow a controlling person that is not the ultimate controlling person to file the group capital calculation. The report must be filed with the commissioner, as determined by the commissioner in accordance with the procedures within the Financial Analysis Handbook adopted by the NAIC. The following insurance holding company systems are exempt from filing the group capital calculation:

(1) an insurance holding company system that (i) has only one insurer within the insurance holding company system's holding company structure, (ii) only writes business and is only licensed in the insurance holding company system's domestic state, and (iii) assumes no business from any other insurer;

(2) an insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The commissioner must request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board is unable to share the calculation with the commissioner, the insurance holding company system is not exempt from the group capital calculation filing;

(3) an insurance holding company system whose non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b, that recognizes the United States state regulatory approach to group supervision and group capital; or

(4) an insurance holding company system:

(i) that provides information to the commissioner that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the groupwide supervisor, that has determined the information is satisfactory to allow the commissioner to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook; and

(ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction recognizes and accepts, as specified by the commissioner by rule, the group capital calculation as the worldwide group capital assessment for United States insurance groups that operate in that jurisdiction.

(b) Notwithstanding paragraph (a), clauses (3) and (4), a commissioner must require the group capital calculation for the United States operations of any non-United States based insurance holding company system where, after any necessary consultation with other supervisors or officials, requiring the group capital calculation is deemed appropriate by the commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(c) Notwithstanding the exemptions from filing the group capital calculation under paragraph (a), the commissioner may exempt the ultimate controlling person from filing the annual group capital calculation or accept a limited group capital filing or report in accordance with criteria specified by the commissioner by rule.

(d) If the commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this subdivision, the insurance holding company system must file the group capital calculation at the next annual filing date unless given an extension by the commissioner based on reasonable grounds shown.

Sec. 13. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer subject to registration and also scoped into the NAIC liquidity stress test framework must file the results of a specific year's liquidity stress test. The filing must be made to the commissioner, as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC.

(b) The NAIC liquidity stress test framework includes scope criteria applicable to a specific data year. The scope criteria must be reviewed at least annually by the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any change made to the NAIC liquidity stress test framework or to the data year for which the scope criteria must be measured is effective January 1 of the year following the calendar year in which the change is adopted. An insurer meeting at least one threshold of the scope criteria is scoped into the NAIC liquidity stress test framework for the specified data year unless the commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should not be scoped into the framework for that data year. An insurer that does not trigger at least one threshold of the scope criteria is scoped out of the NAIC liquidity stress test framework for the specified data year unless the commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should be scoped into the framework for the specified data year.

(c) The commissioner and other state insurance commissioners must avoid scoping insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, must assess irregular scope status as part of an insurer's determination.

(d) The performance of and filing of the results from a specific year's liquidity stress test must comply with (1) the NAIC liquidity stress test framework's instructions and reporting templates for the specific year, and (2) any commissioner determinations, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, provided within the framework.

Sec. 14. **[60D.195] GROUP CAPITAL CALCULATION.**

Subdivision 1. **Annual group capital calculation; exemption permitted.** The commissioner may exempt the ultimate controlling person from filing the annual group capital calculation if the commissioner makes a determination that the insurance holding company system meets the following criteria:

(1) has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000;

(2) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(3) has no banking, depository, or other financial entity that is subject to an identified regulatory capital framework within the insurance holding company's structure;

(4) attests that no material changes in the transactions between insurers and noninsurers in the group have occurred since the last annual group capital filing; and

(5) the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 2. **Limited group capital filing.** The commissioner may accept a limited group capital filing in lieu of the group capital calculation if:

(1) the insurance holding company system has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000; and

(2) the insurance holding company system:

(i) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(ii) does not include a banking, depository, or other financial entity that is subject to an identified regulatory capital framework; and

(iii) attests that no material changes in transactions between insurers and noninsurers in the group have occurred and the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 3. **Previous exemption; required filing.** For an insurance holding company that has previously met an exemption with respect to the group capital calculation under subdivision 1 or 2, the commissioner may at any time require the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC group capital calculation instructions, if:

(1) an insurer within the insurance holding company system is in a risk-based capital action level event under section 60A.62 or a similar standard for a non-United States insurer;

(2) an insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition, as defined under section 60E.02, subdivision 5; or

(3) an insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer, as determined by the commissioner based on unique circumstances, including but not limited to the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United States jurisdiction is deemed to recognize and accept the group capital calculation if the non-United States jurisdiction:

(1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

(i) recognizes the United States state regulatory approach to group supervision and group capital by providing confirmation by a competent regulatory authority in the non-United States jurisdiction that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential insurance group supervision, including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state; and (B) are not subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-United States jurisdiction; or

(ii) if no United States insurance group operates in the non-United States jurisdiction, indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. The formal indication under this item serves as the documentation otherwise required under item (i); and

(2) provides confirmation by a competent regulatory authority in the non-United States jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or affiliated entities, if applicable, must be provided to the commissioner in accordance with a memorandum of understanding or similar document between the commissioner and the non-United States jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner must determine, in consultation with the NAIC committee process, if the information sharing agreement requirements are effective.

Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States jurisdictions that recognize and accept the group capital calculation under section 60D.19, subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee process to assist the commissioner determine what insurers must file an annual group capital calculation. The list must clarify the situations in which a jurisdiction is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States insurance group's operations in the non-United States jurisdiction.

(b) For a non-United States jurisdiction where no United States insurance group operates, the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as support for a recommendation to be published that the non-United States jurisdiction is a jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC committee process.

(c) If the commissioner makes a determination pursuant to section 60D.19, subdivision 11b, that differs from the NAIC list, the commissioner must provide thoroughly documented justification to the NAIC and other states.

(d) Upon a determination by the commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the commissioner may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

Sec. 15. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

Subdivision 1. **Transactions within an insurance holding company system.** (a) Transactions within an insurance holding company system to which an insurer subject to registration is a party are subject to the following standards:

(1) the terms shall be fair and reasonable;

(2) agreements for cost-sharing services and management shall include the provisions required by rule issued by the commissioner;

(3) charges or fees for services performed shall be reasonable;

(4) expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied;

(5) the books, accounts, and records of each party to all such transactions shall be so maintained as to clearly and accurately disclose the nature and details of the transactions including this accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties; ~~and~~

(6) the insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs~~.~~;

(7) if the commissioner determines an insurer subject to this chapter is in a hazardous financial condition, as defined under section 60E.02, subdivision 5, or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, the commissioner may require the insurer to secure and maintain either a deposit, held by the commissioner,

or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for the duration of the contract, agreement, or the existence of the condition for which the commissioner required the deposit or bond. When determining whether a deposit or bond is required, the commissioner must consider whether concerns exist with respect to the affiliated person's ability to fulfill the contract or agreement if the insurer entered into liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, and a deposit or bond is necessary, the commissioner may determine the amount of the deposit or bond, not to exceed the value of the contract or agreement in any one year, and whether the deposit or bond is required for a single contract, multiple contracts, or a contract only with a specific person or persons;

(8) all of an insurer's records and data held by an affiliate are and remain the property of the insurer, are subject to control of the insurer, are identifiable, and are segregated or readily capable of segregation, at no additional cost to the insurer, from all other persons' records and data. For purposes of this clause, records and data include all records and data that are otherwise the property of the insurer in whatever form maintained, including but not limited to claims and claim files, policyholder lists, application files, litigation files, premium records, rate books, underwriting manuals, personnel records, financial records, or similar records within the affiliate's possession, custody, or control. At the request of the insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records of any type that pertain to the insurer's business, (ii) obtain access to the operating systems on which the data are maintained, (iii) obtain the software that runs the operating systems either through assumption of licensing agreements or otherwise, and (iv) restrict the use of the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate must provide a waiver of any landlord lien or other encumbrance to provide the insurer access to all records and data in the event the affiliate defaults under a lease or other agreement; and

(9) premiums or other funds belonging to the insurer that are collected or held by an affiliate are the exclusive property of the insurer and are subject to the control of the insurer. Any right of offset in the event an insurer is placed into receivership is subject to chapter 576.

(b) The following transactions involving a domestic insurer and any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously filed pursuant to this section, which are subject to any materiality standards contained in clauses (1) to (7), may not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction at least 30 days prior thereto, or a shorter period the commissioner permits, and the commissioner has not disapproved it within this period. The notice for amendments or modifications must include the reasons for the change and the financial impact on the domestic insurer. Informal notice must be reported, within 30 days after a termination of a previously filed agreement, to the commissioner for determination of the type of filing required, if any:

(1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(2) loans or extensions of credit to any person who is not an affiliate, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(3) reinsurance agreements or modifications to those agreements, including: (i) all reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or a change in the insurer's liabilities, or the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years, equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates of the insurer;

(4) all management agreements, service contracts, tax allocation agreements, guarantees, and all cost-sharing arrangements;

(5) guarantees when made by a domestic insurer; provided, however, that a guarantee which is quantifiable as to amount is not subject to the notice requirements of this paragraph unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten percent of surplus as regards policyholders as of the 31st day of December next preceding.

Further, all guarantees which are not quantifiable as to amount are subject to the notice requirements of this paragraph;

(6) direct or indirect acquisitions or investments in a person that controls the insurer or in an affiliate of the insurer in an amount which, together with its present holdings in the investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

(7) any material transactions, specified by regulation, which the commissioner determines may adversely affect the interests of the insurer's policyholders.

Nothing contained in this section authorizes or permits any transactions that, in the case of an insurer not a member of the same insurance holding company system, would be otherwise contrary to law.

(c) A domestic insurer may not enter into transactions which are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that the separate transactions were entered into over any 12-month period for the purpose, the commissioner may exercise the authority under section 60D.25.

(d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider whether the transactions comply with the standards set forth in paragraph (a), and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within 30 days of any investment of the domestic insurer in any one corporation if the total investment in the corporation by the insurance holding company system exceeds ten percent of the corporation's voting securities.

(f) An affiliate that is party to an agreement or contract with a domestic insurer that is subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer and to the authority of a supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's obligations under the agreement or contract to perform services for the insurer that are: (1) an integral part of the insurer's operations, including but not limited to management, administrative, accounting, data processing, marketing, underwriting, claims handling, investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill the insurer's obligations under insurance policies. The commissioner may require that an agreement or contract pursuant to paragraph (b), clause (4), to provide the services described in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided under this paragraph.

Sec. 16. Minnesota Statutes 2024, section 60D.217, is amended to read:

60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE INSURANCE GROUPS.

(a) The commissioner is authorized to act as the groupwide supervisor for any internationally active insurance group in accordance with the provisions of this section. However, the commissioner may otherwise acknowledge another regulatory official as the groupwide supervisor where the internationally active insurance group:

(1) does not have substantial insurance operations in the United States;

(2) has substantial insurance operations in the United States, but not in this state; or

(3) has substantial insurance operations in the United States and this state, but the commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b) and (f) that the other regulatory official is the appropriate groupwide supervisor.

An insurance holding company system that does not otherwise qualify as an internationally active insurance group may request that the commissioner make a determination or acknowledgment as to a groupwide supervisor pursuant to this section.

(b) In cooperation with other state, federal, and international regulatory agencies, the commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active insurance group. The commissioner may determine that the commissioner is the appropriate groupwide supervisor for an internationally active insurance group that conducts substantial insurance operations concentrated in this state. However, the commissioner may acknowledge that a regulatory official from another jurisdiction is the appropriate groupwide supervisor for the internationally active insurance group. The commissioner shall consider the following factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

(1) the place of domicile of the insurers within the internationally active insurance group that hold the largest share of the group's written premiums, assets, or liabilities;

(2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group;

(3) the location of the executive offices or largest operational offices of the internationally active insurance group;

(4) whether another regulatory official is acting or is seeking to act as the groupwide supervisor under a regulatory system that the commissioner determines to be:

(i) substantially similar to the system of regulation provided under the laws of this state; or

(ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk analysis, and cooperation with other regulatory officials; and

(5) whether another regulatory official acting or seeking to act as the groupwide supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

However, a commissioner identified under this section as the groupwide supervisor may determine that it is appropriate to acknowledge another supervisor to serve as the groupwide supervisor. The acknowledgment of the groupwide supervisor shall be made after consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation with and subject to the acknowledgment of other regulatory officials involved with supervision of members of the internationally active insurance group, and in consultation with the internationally active insurance group.

(c) Notwithstanding any other provision of law, when another regulatory official is acting as the groupwide supervisor of an internationally active insurance group, the commissioner shall acknowledge that regulatory official as the groupwide supervisor. However, in the event of a material change in the internationally active insurance group that results in:

(1) the internationally active insurance group's insurers domiciled in this state holding the largest share of the group's premiums, assets, or liabilities; or

(2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group,

the commissioner shall make a determination or acknowledgment as to the appropriate groupwide supervisor for such an internationally active insurance group pursuant to ~~subsection~~ paragraph (b).

(d) Pursuant to section 60D.21, the commissioner is authorized to collect from any insurer registered pursuant to section 60D.19 all information necessary to determine whether the commissioner may act as the groupwide supervisor of an internationally active insurance group or if the commissioner may acknowledge another regulatory official to act as the groupwide supervisor. Prior to issuing a determination that an internationally active insurance group is subject to groupwide supervision by the commissioner, the commissioner shall notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have not less than 30 days to provide the commissioner with additional information pertinent to the pending determination. The commissioner shall publish in the State Register and on the department's website the identity of internationally active insurance groups that the commissioner has determined are subject to groupwide supervision by the commissioner.

(e) If the commissioner is the groupwide supervisor for an internationally active insurance group, the commissioner is authorized to engage in any of the following groupwide supervision activities:

(1) assess the enterprise risks within the internationally active insurance group to ensure that:

(i) the material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

(ii) reasonable and effective mitigation measures are in place; or

(2) request, from any member of an internationally active insurance group subject to the commissioner's supervision, information necessary and appropriate to assess enterprise risk, including but not limited to information about the members of the internationally active insurance group regarding:

(i) governance, risk assessment, and management;

(ii) capital adequacy; and

(iii) material intercompany transactions;

(3) coordinate and, through the authority of the regulatory officials of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of ~~such~~ the internationally active insurance group that are engaged in the business of insurance;

(4) communicate with other state, federal and international regulatory agencies for members within the internationally active insurance group and share relevant information subject to the confidentiality provisions of section 60D.22, through supervisory colleges as set forth in section 60D.215 or otherwise;

(5) enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any member of the internationally active insurance group, and any other state, federal, and international regulatory agencies for members of the internationally active insurance group, providing the basis for or otherwise clarifying the commissioner's role as groupwide supervisor, including provisions for resolving disputes with other regulatory officials. ~~Such~~ Agreements or documentation<u> under this clause</u> shall not serve as evidence in any proceeding that any insurer or person within an insurance holding company system not domiciled or incorporated in this state is doing business in this state or is otherwise subject to jurisdiction in this state; and

(6) other groupwide supervision activities, consistent with the authorities and purposes enumerated above, as considered necessary by the commissioner.

(f) If the commissioner acknowledges that another regulatory official from a jurisdiction that is not accredited by the NAIC is the groupwide supervisor, the commissioner is authorized to reasonably cooperate, through supervisory colleges or otherwise, with groupwide supervision undertaken by the groupwide supervisor, provided that:

(1) the commissioner's cooperation is in compliance with the laws of this state; and

(2) the regulatory official acknowledged as the groupwide supervisor also recognizes and cooperates with the commissioner's activities as a groupwide supervisor for other internationally active insurance groups where applicable. Where ~~such~~ recognition and cooperation<u> by the groupwide supervisor</u> is not reasonably reciprocal, the commissioner is authorized to refuse recognition and cooperation.

(g) The commissioner is authorized to enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any affiliate of the insurer, and other state, federal, and international regulatory agencies for members of the internationally active insurance group, that provide the basis for or otherwise clarify a regulatory official's role as groupwide supervisor.

(h) A registered insurer subject to this section shall be liable for and shall pay the reasonable expenses of the commissioner's participation in the administration of this section, including the engagement of attorneys, actuaries, and any other professionals and all reasonable travel expenses.

Sec. 17. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

Subdivision 1. **Classification protection and use of information by commissioner.** <u>(a)</u> Documents, materials, or other information in the possession or control of the department that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 60D.21 and all information reported pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph (e); 60D.18; 60D.19; ~~and~~ 60D.20~~,~~; and 60D.217, are classified as confidential or protected nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action. However, the commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected by this action notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the publication of it, in which event the commissioner may publish all or any part in the manner the commissioner deems appropriate.

(b) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the Federal Reserve Board or any United States groupwide supervisor.

(c) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of the liquidity stress test results and supporting disclosures and any liquidity stress test information received from an insurance holding company supervised by the Federal Reserve Board and non-United States groupwide supervisors.

Sec. 18. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

Subd. 3. **Sharing of information.** In order to assist in the performance of the commissioner's duties, the commissioner:

(1) may share documents, materials, or other information, including the confidential, protected nonpublic, and privileged documents, materials, or information subject to this section, including proprietary and trade secret documents and materials, with: (i) other state, federal, and international regulatory agencies~~, with~~; (ii) the NAIC ~~and its affiliates and subsidiaries,~~; (iii) any third-party consultants designated by the commissioner; and ~~with~~ (iv) state, federal, and international law enforcement authorities, including members of any supervisory college described in section 60D.215, provided that the recipient agrees in

writing to maintain the confidentiality and privileged status of the document, material, or other information, and has verified in writing the legal authority to maintain confidentiality;

(2) notwithstanding clause (1), may only share confidential, protected nonpublic, and privileged documents, materials, or information reported pursuant to section 60D.19, subdivision 11a, with commissioners of states having statutes or regulations substantially similar to subdivision 1 and who have agreed in writing not to disclose this information;

(3) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(4) shall enter into written agreements with the NAIC and a third-party consultant designated by the commissioner governing sharing and use of information provided pursuant to sections 60D.15 to 60D.29 consistent with this clause that shall:

(i) specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures and protocols for sharing by the NAIC with other state, federal, or international regulators. The agreement must provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other information, and has verified in writing the legal authority to maintain confidentiality;

(ii) specify that ownership of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with the commissioner and the NAIC's or a third-party consultant's, as designated by the commissioner, use of the information is subject to the direction of the commissioner;

(iii) excluding documents, material, or information reported pursuant to section 60D.19, subdivision 11c, prohibit the NAIC or a third-party consultant designated by the commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29 in a permanent database after the underlying analysis is completed;

~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected nonpublic information in the possession of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or subpoena to the NAIC or a third-party consultant designated by the commissioner for disclosure or production; ~~and~~

~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner to consent to intervention by an insurer in any judicial or administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner may be required to disclose confidential or protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29~~.~~; and

(vi) for documents, material, or information reported pursuant to section 60D.19, subdivision 11c, in the case of an agreement involving a third-party consultant, provide for notification of the identity of the consultant to the applicable insurers.

Sec. 19. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

Subd. 6. **Classification protection and use by others.** Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action.

Sec. 20. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to read:

Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation and resulting group capital ratio required under section 60D.19, subdivision 11b, and the liquidity stress test along with the liquidity stress test's results and supporting disclosures required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks and capital adequacy and group liquidity risks, respectively, and are not intended as a means to rank insurers or insurance holding company systems generally.

(b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing, disseminating, circulating, or placing before the public, or causing directly or indirectly to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio, television station, or any electronic means of communication available to the public, or in any other way as an advertisement, announcement, or statement containing a representation or statement with regard to the group capital calculation, group capital ratio, the liquidity stress test results, or supporting disclosures for the liquidity stress test of any insurer or any insurer group, or of any component derived in the calculation by any insurer, broker, or other person engaged in any manner in the insurance business is misleading and is prohibited.

(c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written publication if any materially false statement with respect to the group capital calculation, resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or insurance group's group capital calculation or resulting group capital ratio, liquidity stress test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison of any amount to an insurer's or insurance group's liquidity stress test result or supporting disclosures is published in any written publication and the insurer is able to demonstrate to the commissioner with substantial proof the statement's falsity or inappropriateness. The sole purpose of an announcement under this paragraph must be to rebut the materially false statement.

Sec. 21. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in contravention of the provisions of this chapter or of any rule or order issued by the commissioner may be voted at any shareholder's meeting, or may be counted for quorum purposes, and any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though the securities were not issued and outstanding. No action taken at the meeting shall be invalidated by the voting of the securities, unless the action would materially affect control of the insurer or unless the courts of this state have so ordered. If an insurer or the commissioner has reason to believe that any security of the insurer has been or is about to be acquired in contravention of the provisions of this chapter or of any rule or order issued by the commissioner, the insurer or the commissioner may apply to the district court for the county in which the insurer has its principal place of business to enjoin any offer, request, invitation, agreement, or acquisition made in contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner to enjoin the voting of any security so acquired, to void any vote of the security already cast at any meeting of shareholders and for other equitable relief as the nature of the case and the interest of the insurer's policyholders or the public requires.

Sec. 22. Minnesota Statutes 2024, section 60D.25, is amended to read:

60D.25 RECEIVERSHIP.

Whenever it appears to the commissioner that any person has committed a violation of this chapter that so impairs the financial condition of a domestic insurer as to threaten insolvency or make the further transaction of business by it hazardous to its policyholders, creditors, shareholders, or the public, ~~then~~ the commissioner may proceed as provided in chapter 60B to take possessions of the property of the domestic insurer and to conduct the business of ~~that~~ the domestic insurer.

ARTICLE 6

MINNESOTA BUSINESS CORPORATIONS ACT

Section 1. Minnesota Statutes 2024, section 302A.011, subdivision 41, is amended to read:

Subd. 41. **Beneficial owner; beneficial ownership.** (a) "Beneficial owner," when used with respect to shares or other securities, includes, but is not limited to, any person who, directly or indirectly through any written or oral agreement, arrangement, relationship, understanding, or otherwise, has or shares the power to vote, or direct the voting of, the shares or securities or has or shares the power to dispose of, or direct the disposition of, the shares or securities, except that:

(1) a person shall not be deemed the beneficial owner of shares or securities tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares or securities are accepted for purchase or exchange; and

(2) a person shall not be deemed the beneficial owner of shares or securities with respect to which the person has the power to vote or direct the voting arising solely from a revocable proxy given in response to a proxy solicitation required to be made and made in accordance with the applicable rules and regulations under the Securities Exchange Act of 1934 and is not then reportable under that act on a Schedule 13D or comparable report, or, if the corporation is not subject to the rules and regulations under the Securities Exchange Act of 1934, would have been required to be made and would not have been reportable if the corporation had been subject to the rules and regulations.

(b) "Beneficial ownership" includes, but is not limited to, the right to acquire shares or securities through the exercise of options, warrants, or rights, or the conversion of convertible securities, or otherwise. The shares or securities subject to the options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding shares or securities of the class or series owned by the person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series owned by any other person. A person ~~shall be~~ is deemed the beneficial owner of shares and securities beneficially owned by: (1) any relative or spouse of the person or any relative of the spouse, residing in the home of the person~~,~~; (2) any trust or estate in which the person (i) owns ten percent or more of the total beneficial interest of the trust or estate, or (ii) serves as trustee or executor or in a similar fiduciary capacity~~,~~ for the trust or estate; (3) any organization in which the person owns ten percent or more of the equity~~,~~; and (4) any affiliate of the person.

(c) When two or more persons act or agree to act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, owning, or voting shares or other securities of a corporation, all members of the partnership, syndicate, or other group are deemed to constitute a "person" and to have acquired beneficial ownership, as of the date they first so act or agree to act together, of all shares or securities of the corporation beneficially owned by the person.

Sec. 2. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 72. **Defective corporate act.** "Defective corporate act" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or an act or transaction purportedly taken by or on behalf of the corporation that is and, at the time the act or transaction was purportedly taken, would have been within the corporation's power under section 302A.101 but is void or voidable due to a failure of authorization.

Sec. 3. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 73. **Emergency.** "Emergency" means a situation during which it is impracticable for the corporation to conduct the corporation's affairs in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given as a result of a catastrophic event or condition, including but not limited to an act of nature, an epidemic or pandemic, a technological failure or malfunction, a terrorist incident or an act of war, a cyber attack, a civil disturbance, or a governmental authority's emergency declaration.

Sec. 4. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 74. **Failure of authorization.** "Failure of authorization" means the failure: (1) to authorize or effect an act or transaction in compliance with (i) this chapter, (ii) the articles or bylaws, (iii) any plan or agreement to which the corporation is a party, or (iv) the disclosure set forth in any proxy or consent solicitation statement, if and to the extent the failure renders the act or transaction void or voidable; or (2) of the board or an officer to authorize or approve an act or transaction taken by or on behalf of the corporation that requires board or officer approval for the act or transaction's due authorization.

Sec. 5. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 75. **Overissue.** "Overissue" means the purported issuance of: (1) shares of a class or series in excess of the number of shares of the class or series the corporation has the power under the articles to issue under section 302A.401, subdivision 1, at the time of the issuance; or (2) shares of any class or series that are not then authorized for issuance by the articles.

Sec. 6. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 76. **Putative shares.** "Putative shares" means shares, including shares issued upon exercise of rights to purchase, in each case, that were created or issued pursuant to a defective corporate act, that: (1) but for a failure of authorization, would constitute valid shares; or (2) the board is unable to determine are valid shares.

Sec. 7. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 77. **Time of defective corporate act.** "Time of defective corporate act" means the date and time at which the defective corporate act was purportedly taken.

Sec. 8. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 78. **Validation effective time.** "Validation effective time," with respect to a defective corporate act ratified under section 302A.166 or 302A.167, means the latest of:

(1) the time when a defective corporate act submitted to shareholders for approval under section 302A.166, subdivision 4, is approved by shareholders or, if no vote of the shareholders is required to approve the ratification of the defective corporate act, immediately following the time when the board adopts the resolutions required under section 302A.166, subdivision 2 or 3;

(2) if no certificate of validation must be filed under section 302A.166, subdivision 6, the time, if any, specified by the board of directors in the resolutions adopted under section 302A.166, subdivision 2 or 3, provided the time specified by the board of directors does not precede the time when the resolutions are adopted; or

(3) the time when any certificate of validation filed under section 302A.166, subdivision 6, is filed with the secretary of state.

Sec. 9. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 79. **Valid shares.** "Valid shares" means shares that have been duly authorized and validly issued as required under this chapter.

Sec. 10. Minnesota Statutes 2024, section 302A.111, subdivision 2, is amended to read:

Subd. 2. **Statutory provisions that may be modified only in articles or in a shareholder control agreement.** The following provisions govern a corporation unless modified in the articles or in a shareholder control agreement under section 302A.457:

(a) a corporation has general business purposes (section 302A.101);

(b) a corporation has perpetual existence and certain powers (section 302A.161);

(c) the power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);

(d) a corporation must allow cumulative voting for directors (section 302A.215, subdivision 2);

(e) the affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);

(f) a written action by the board taken without a meeting must be signed by all directors (section 302A.239);

(g) the board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);

(h) all shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));

(i) all shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));

(j) the par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) the board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends, divisions, or combinations, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends, divisions, or combinations, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) a corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) a shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) the affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a plurality of the votes cast (section 302A.215, subdivision 1) or a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1);

(q) each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3);

(r) a corporation may issue shares for a consideration less than the par value, if any, of the shares (section 302A.405, subdivision 2);

(s) the board may effect share dividends, divisions, and combinations under certain circumstances without shareholder approval (section 302A.402);

(t) a written action of shareholders must be signed by all shareholders (section 302A.441);

(u) specified amendments of the articles create dissenters' rights (section 302A.471, subdivision 1, clause (a)); ~~and~~

(v) shareholders are entitled to vote as a class or series upon proposed amendments to the articles in specified circumstances (section 302A.137)~~.~~; and

(w) the corporation's business and affairs must be managed by or under the board's direction (section 302A.201).

Sec. 11. Minnesota Statutes 2024, section 302A.161, is amended by adding a subdivision to read:

Subd. 23a. **Emergency powers.** (a) During an emergency, unless emergency bylaws provide otherwise:

(1) notice of a meeting of the board must be given only to the directors that are practicable to reach and may, if ordinary notice is impracticable or inadvisable due to the emergency, be given in any practicable manner; and

(2) the officers designated on a list approved by the board of directors before the emergency, in the priority order and subject to conditions as may be provided in the board resolution approving the list, must, to the extent required to provide a quorum at any meeting of the board, be deemed directors for the meeting.

(b) During an emergency that makes it impracticable to convene a meeting of shareholders in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given, unless emergency bylaws provide otherwise, the board may postpone a meeting of shareholders for which notice has been given or authorize shareholders to participate in a meeting by any means of remote communication that conforms with section 302A.436. The corporation must give notice to shareholders, by the means and with shorter advance notice as are reasonable in the circumstances, of a postponement, including any new date, time, or place, and describe any means of remote communication to be used. The notice to shareholders by a publicly held corporation may be given solely by means of a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to the rules and regulations under the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(c) A corporate action taken in good faith under this subdivision during an emergency to further the business and affairs of the corporation binds the corporation.

Sec. 12. **[302A.166] DEFECTIVE CORPORATE ACTS AND SHARES; RATIFICATION.**

Subdivision 1. **Effect of ratification or validation.** Subject to subdivision 7, a defective corporate act or putative share is not void or voidable solely as a result of a failure of authorization if the defective corporate act or putative share is ratified under this section or validated by a court in a proceeding brought under section 302A.167.

Subd. 2. **Board approval; generally.** (a) In order to ratify one or more defective corporate acts under this section other than ratifying an election of the first board under subdivision 3, the board must adopt resolutions stating:

(1) the defective corporate act or acts to be ratified;

(2) the date of each defective corporate act or acts;

(3) if the defective corporate act or acts involved the issuance of putative shares, the number and type of putative shares issued and the date or dates upon which the putative shares were purported to have been issued;

(4) the nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(5) that the board approves ratification of the defective corporate act or acts.

(b) The resolutions also may provide that, at any time before the validation effective time in respect of a defective corporate act set forth in the resolutions, notwithstanding the approval of the ratification of the defective corporate act by shareholders, the board may abandon the ratification of the defective corporate act without further action of the shareholders.

(c) The quorum and voting requirements that apply to the board's ratification of any defective corporate act must be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time the board adopts the resolutions ratifying the defective corporate act. If the articles or bylaws, any plan or agreement to which the corporation was a party, or any provision of this chapter, in each case as in effect as of the time of the defective corporate act, require a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, the larger number or portion of the directors or the specified directors must be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable; except that the presence or approval of a director elected, appointed, or nominated by holders of any class or series of which no shares are outstanding at the time the board adopts the resolutions ratifying the defective corporate act, or by any person that is no longer a shareholder at the time the board adopts the resolutions ratifying the defective corporate act, is not required.

Subd. 3. **Board approval; election of first board.** To ratify a defective corporate act in respect of the election of the first board under section 302A.201, subdivision 1, a majority of the persons who, at the time the resolutions required by this subdivision are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(1) the name of the person or persons who first took action in the name of the corporation as the first board;

(2) the earlier of the date on which the persons first took the action or were purported to have been elected as the first board; and

(3) that the ratification of the election of the person or persons as the first board is approved.

Subd. 4. **Shareholder approval; when required.** A defective corporate act ratified under subdivision 2 must be submitted to shareholders for approval under subdivision 5, unless:

(1)(i) no other provision of this chapter, and no provision of the articles or bylaws, or of any plan or agreement to which the corporation is a party, requires shareholder approval of the defective corporate act to be ratified, either at the time of the defective corporate act or at the time the board adopts the resolutions ratifying the defective corporate act under subdivision 2, and (ii) the defective corporate act did not result from a failure to comply with section 302A.673; or

(2) as of the adoption of the resolutions of the board under subdivision 2, there are no valid shares outstanding and entitled to vote thereon, regardless of whether there then exist any putative shares.

Subd. 5. **Shareholder approval; process.** (a) If the ratification of a defective corporate act must be submitted to shareholders for approval under subdivision 4, notice of the meeting must be given in the manner set forth in section 302A.435 to each holder of valid shares and putative shares, whether voting or nonvoting.

(b) The notice under this subdivision must be given as follows:

(1) in the case of a defective corporate act that did not involve the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of

shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the corporation's records; or

(2) in the case of a defective corporate act that involved the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the record date for notice of or voting at the meeting, the record date for written action, or the record date for the other action, as the case may be, other than holders whose identities or addresses cannot be determined from the corporation's records.

(c) The notice must contain a copy of the resolutions adopted by the board under subdivision 2 or the information required by subdivision 2, paragraph (a), clauses (1) to (5). The notice must include a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the applicable validation effective time.

(d) At the meeting, the quorum and voting requirements that apply to ratification of the defective corporate act must be the same quorum and voting requirements that apply to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(1) if the articles or bylaws, a plan or agreement to which the corporation was a party, or a provision under this chapter in effect as of the time of the defective corporate act requires a larger number or portion of shares or of any class or series thereof or of specified shareholders for a quorum to be present or to approve the defective corporate act, the presence or approval of the larger number or portion of stock or of the class or series thereof or of the specified shareholders must be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required; and

(2) the approval by shareholders of the ratification of a director's election requires the affirmative vote of a plurality of shares present at the meeting and entitled to vote on the

election of the director in the manner set forth in section 302A.215, except that, if the articles or bylaws then in effect or in effect at the time of the defective election require or required a larger number or portion of shares or of any class or series thereof or of specified shareholders to elect the director, the affirmative vote of the larger number or portion of shares or of any class or series thereof or of the specified shareholders must be required to ratify the election of the director; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required.

(e) Putative shares, measured as of the adoption by the board of resolutions under subdivision 2 and without giving effect to any ratification that becomes effective after the adoption, are neither entitled to vote nor counted for quorum purposes in a vote to ratify a defective corporate act.

Subd. 6. **Certificate of validation.** (a) If a defective corporate act ratified under this section requires under any other section of this chapter a certificate to be filed with the secretary of state, and either (1) the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, or (2) a certificate was not previously filed with respect to the defective corporate act, the corporation must file with the secretary of state a certificate of validation with respect to the defective corporate act in lieu of filing the certificate otherwise required by this chapter.

(b) A separate certificate of validation is required for each defective corporate act that requires the filing of a certificate of validation under this section, except that (1) two or more defective corporate acts may be included in a single certificate of validation if the corporation filed with the secretary of state, or to comply with this chapter would have filed with the secretary of state, a single certificate under another provision of this chapter to effect the acts, and (2) two or more overissues of shares, or of any class or series of shares, may be included in a single certificate of validation; provided that the increase in the number of authorized shares, or of each class or series, set forth in the certificate of validation is effective on the date of the first overissue.

(c) The certificate of validation must set forth:

(1) that the corporation has ratified one or more defective corporate acts that would have required filing with the secretary of state of a certificate under this chapter;

(2) that each defective corporate act has been ratified in accordance with this section; and

(3) the following information:

(i) if a certificate was previously filed with the secretary of state under this chapter with respect to the defective corporate act and the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, the certificate of validation must set forth:

(A) the name, title, and filing date of the certificate previously filed and any certificate of correction to the certificate previously filed;

(B) a statement that a certificate containing all of the information that must be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(C) the date and time that the certificate is deemed effective pursuant to this section; or

(ii) if a certificate was not previously filed with the secretary of state under this chapter in respect of the defective corporate act and the defective corporate act ratified pursuant to this section would have required under any other section of this chapter the filing with the secretary of state of a certificate, the certificate of validation shall set forth:

(A) a statement that a certificate containing all of the information required to be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(B) the date and time that the certificate shall be deemed to have become effective pursuant to this section.

(d) A certificate attached to a certificate of validation need not be separately executed and acknowledged and need not include a statement required by another section under this chapter that the instrument has been approved and adopted in accordance with the provisions of the other section under this chapter.

Subd. 7. **Retroactive effect.** From and after the validation effective time, unless otherwise determined in an action brought pursuant to section 302A.167, subject to subdivision 5, paragraph (e):

(1) each defective corporate act ratified in accordance with this section is no longer deemed void or voidable as a result of the failure of authorization described in the resolutions

adopted under subdivision 2, effective retroactively from the time of the defective corporate act; and

(2) each share or fraction of a share of putative shares issued or purportedly issued pursuant to the defective corporate act is no longer deemed void or voidable, and is deemed to be an identical outstanding share or fraction of an outstanding share as of the time the share or fraction of a share was purportedly issued.

Subd. 8. **Postratification notice.** (a) Except as provided under paragraph (b), with respect to each defective corporate act ratified by the board under subdivision 2 or subdivision 3, prompt notice of the ratification must be given to all shareholders of valid shares and putative shares, whether voting or nonvoting, as of the date the board adopts the resolutions approving the defective corporate act, or as of a date within 60 days after the date of adoption, as established by the board. The notice must be sent to the address of the holder as the address appears or most recently appeared, as appropriate, on the corporation's records. The notice must be given to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice must contain a copy of the resolutions adopted under subdivision 2 or the information specified under subdivision 2, paragraph (a), clauses (1) to (5), or subdivision 3, clauses (1) to (3), as applicable, and a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the latter of the validation effective time or the time at which the notice required by this subdivision is given.

(b) Notice is not required if notice of the ratification of the defective corporate act is given in accordance with subdivision 5 and, in the case of a corporation that has a class of shares listed on a national securities exchange, the notice required by this subdivision and subdivision 5 may be deemed given if disclosed in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to section 13, 14, or 15(d) of the Securities Exchange Act of 1934, as amended, United States Code, title 15, section 78a, et seq., and rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, or the corresponding provisions of any subsequent United States securities laws, rules, or regulations.

(c) If a defective corporate act has been approved by shareholders acting pursuant to section 302A.441, the notice required by this subdivision may be included in a notice required under section 302A.441, subdivision 3. If the notice is given under section 302A.441, the notice must be sent to the shareholders entitled to the notice under section 302A.441, subdivision 3, and to all holders of valid shares and putative shares to whom notice is required under this subdivision if the defective corporate act had been approved at a meeting and the record date for determining the shareholders entitled to notice of the meeting had been the date for determining the shareholders entitled to notice under paragraph (a) other than any shareholder who approved the written action in lieu of a meeting under section 302A.441 or any holder of putative shares who otherwise consented thereto in writing.

(d) For purposes of this subdivision and subdivision 5 only, notice to holders of putative shares, and notice to holders of valid shares and putative shares as of the time of the defective corporate act, is treated as notice to holders of valid shares for purposes of sections 302A.435 and 302A.441.

Sec. 13. **[302A.167] VALIDITY OF DEFECTIVE CORPORATE ACTS AND SHARES; PROCEEDINGS.**

Subdivision 1. **When permitted.** Subject to subdivision 5, upon application by the corporation, a successor entity to the corporation, a member of the board, a shareholder or beneficial owner of valid shares or putative shares, a shareholder or beneficial owner of valid shares or putative shares as of the time of a defective corporate act ratified pursuant to section 302A.166, or other person claiming to be substantially and adversely affected by a ratification pursuant to section 302A.166, a court may:

(1) determine the validity and effectiveness of any defective corporate act ratified pursuant to section 302A.166;

(2) determine the validity and effectiveness of the ratification of any defective corporate act pursuant to section 302A.166;

(3) determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to section 302A.166;

(4) determine the validity of any corporate act or transaction and any shares or rights to purchase; and

(5) modify or waive any of the procedures set forth in section 302A.166 to ratify a defective corporate act.

Subd. 2. **Remedies.** In connection with an action under this section, a court may:

(1) declare that a ratification under section 302A.166 is not effective or is only effective at a time or upon conditions established by the court;

(2) validate and declare effective a defective corporate act or putative shares and impose conditions upon the court's validation;

(3) require measures to remedy or avoid harm to a person substantially and adversely affected by a ratification under section 302A.166 or from a court order pursuant to this section, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) order the secretary of state to accept an instrument for filing with an effective time specified by the court, which may be before or after the time of the order, provided that the filing date of the instrument must be determined in accordance with section 302A.011, subdivision 11;

(5) approve a share register for the corporation that includes any shares ratified or validated in accordance with this section or section 302A.166;

(6) declare that putative shares are valid shares or require a corporation to issue and deliver valid shares in place of any putative shares;

(7) order a meeting of holders of valid shares or putative shares and determine the right and power of persons claiming to hold valid shares or putative shares to vote at the ordered meeting;

(8) declare that a defective corporate act validated by a court is effective as of the time of the defective corporate act or at another time the court may determine;

(9) declare that putative shares validated by a court shall be deemed to be an identical share or fraction of a valid share as of the time originally issued or purportedly issued or at such other time as the court may determine; and

(10) make other orders regarding matters as the court deems proper under the circumstances.

Subd. 3. **Service.** Service of the application under subdivision 1 upon the registered agent of the corporation is deemed to be service upon the corporation, and no other party needs to be joined in order for a court to adjudicate the matter. In an action filed by the corporation, a court may require notice of the action be provided to other persons specified by the court and permit the other persons to intervene in the action.

Subd. 4. **Considerations.** In connection with resolving matters pursuant to subdivisions 1 and 2, a court may consider the following:

(1) whether the defective corporate act was originally approved or effectuated with the good faith belief that the approval or effectuation was in compliance with the provisions of this chapter, the articles, or the bylaws;

(2) whether the corporation and board have treated the defective corporate act as a valid act or transaction and whether a person has acted in reliance on the public record that the defective corporate act was valid;

(3) whether any person may be or was harmed by the ratification or validation of the defective corporate act, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) whether any person is harmed by the failure to ratify or validate the defective corporate act; and

(5) any other factors or considerations the court deems just and equitable.

Subd. 5. **Statute of limitations.** An action asserting that (1) a defective corporate act or putative shares ratified in accordance with section 302A.166 is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with section 302A.166, subdivision 2 or 3, or (2) a court should declare in its discretion that a ratification in accordance with section 302A.166 not be effective or be effective only on certain conditions, is prohibited from being brought after the expiration of 120 days from the later of the validation effective time and the time notice, if any, that is required to be given pursuant to section 302A.166, subdivision 8, is given with respect to the ratification; except that this subdivision does not apply to an action asserting that a ratification was not accomplished in accordance with section 302A.166 or to any person to whom notice of the ratification was required to have been given pursuant to 302A.166, subdivision 5 or 8, but to whom the notice was not given.

Sec. 14. Minnesota Statutes 2024, section 302A.181, is amended by adding a subdivision to read:

Subd. 4. **Emergency bylaws.** (a) Unless the articles provide otherwise, bylaws may contain provisions that are effective only during an emergency. The emergency bylaws may contain provisions necessary to manage the corporation during the emergency, including:

(1) procedures for calling a meeting of the board;

(2) quorum requirements for the meeting;

(3) designation of additional or substitute directors; and

(4) procedures for the board to determine the duration of an emergency.

(b) All provisions of the regular bylaws that are not inconsistent with the emergency bylaws remain effective during the emergency.

(c) Corporate action taken in good faith in accordance with the emergency bylaws binds the corporation.

Sec. 15. Minnesota Statutes 2024, section 302A.201, subdivision 1, is amended to read:

Subdivision 1. **Board to manage.** The business and affairs of a corporation shall be managed by or under the direction of a board, subject to the provisions of subdivision 2 and section 302A.457, and except as may be otherwise provided in the articles. If a provision is made in the articles: (1) the powers and duties conferred or imposed upon the board of directors by this chapter must be exercised or performed to the extent and by the natural persons provided in the articles, (2) the directors have no duties, liabilities, or responsibilities as directors under this chapter with respect to or arising from the exercise or performance of, or from the failure to exercise or perform, the conferred or imposed powers and duties by the other persons, and (3) the other persons have all of the duties, liabilities, and responsibilities of directors under this chapter with respect to and arising from the exercise or performance of, or the failure to exercise or perform, the conferred or imposed powers and duties. The members of the first board may be named in the articles or elected by the incorporators pursuant to section 302A.171 or by the shareholders.

Sec. 16. Minnesota Statutes 2024, section 302A.237, is amended by adding a subdivision to read:

Subd. 3. **Agreements and other instruments; authorization.** When this chapter requires the board to approve or to take other action with respect to an agreement, instrument, plan, or document, the agreement, instrument, plan, or document may be approved by the board in final form or in substantially final form. If the board acts to approve or take other action with respect to an agreement, instrument, plan, or document that this chapter requires to be filed with the secretary of state or referenced in any certificate filed, the board may, at any time after providing the approval or taking other action and prior to the effectiveness of the filing with the secretary of state, adopt a resolution ratifying the agreement, instrument, plan, or document. The ratification under this subdivision is effective as of the time of the original approval or other action by the board and to satisfy any requirement under this chapter that the board approve or take other action with respect to the agreement, instrument, plan, or document in a specific manner or sequence.

Sec. 17. Minnesota Statutes 2024, section 302A.361, is amended to read:

302A.361 STANDARD OF CONDUCT.

Subdivision 1. **Standard; liability.** An officer shall discharge the duties of an office in good faith, in a manner the officer reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been an officer of the corporation. A person exercising the principal functions of an office or to whom some or all of the duties and powers of an office are delegated pursuant to section 302A.351 is deemed an officer for purposes of this section and sections 302A.467 and 302A.521.

Subd. 2. **Liability; elimination or limitation.** The articles of a corporation may provide that an officer's personal liability to the shareholders for monetary damages for breach, during the time the corporation is a publicly held corporation, of fiduciary duty as an officer may be eliminated or limited. The articles must not eliminate or limit the liability of an officer:

(1) for any breach of the officer's duty of loyalty to the corporation or the corporation's shareholders;

(2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(3) under section 80A.76;

(4) for any transaction from which the officer derived an improper personal benefit;

(5) in any action by or in the right of the corporation; or

(6) for any act or omission occurring prior to the date when the provision in the articles eliminating or limiting liability becomes effective.

Sec. 18. Minnesota Statutes 2024, section 302A.461, subdivision 4, is amended to read:

Subd. 4. **Right to inspect.** (a) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has an absolute right, upon written demand, to examine and copy, in person or by a legal representative, at any reasonable time, and the corporation shall make available within ten days after receipt by an officer of the corporation of the written demand:

(1) the share register; and

(2) all documents referred to in subdivision 2.

(b) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has a right, upon written demand, to examine and copy, in person or by a legal representative, other corporate records at any reasonable time only if the shareholder, beneficial owner, or holder of a voting trust certificate demonstrates a proper purpose for the examination.

(c) A shareholder, beneficial owner, or a holder of a voting trust certificate of a publicly held corporation has, upon written demand stating the purpose and acknowledged or verified in the manner provided in chapter 358, a right at any reasonable time to examine and copy the corporation's share register and other corporate records reasonably related to the stated purpose and described with reasonable particularity in the written demand upon demonstrating the stated purpose to be a proper purpose. The acknowledged or verified demand must be directed to the corporation at its registered office in this state or at its principal place of business.

(d) For purposes of this section, a "proper purpose" is one reasonably related to the person's interest as a shareholder, beneficial owner, or holder of a voting trust certificate of the corporation.

(e) If a corporation or an officer or director of the corporation violates this section, a court in Minnesota may, in an action brought by a shareholder, beneficial owner, or a holder of a voting trust certificate of the corporation, specifically enforce this section and award expenses, including attorney fees and disbursements, to the shareholder, beneficial owner, or a holder of a voting trust certificate.

Sec. 19. Minnesota Statutes 2024, section 302A.471, subdivision 1, is amended to read:

Subdivision 1. **Actions creating rights.** A shareholder of a corporation may dissent from, and obtain payment for the fair value of the shareholder's shares in the event of, any of the following corporate actions:

(a) unless otherwise provided in the articles, an amendment of the articles that materially and adversely affects the rights or preferences of the shares of the dissenting shareholder in that it:

(1) alters or abolishes a preferential right of the shares;

(2) creates, alters, or abolishes a right in respect of the redemption of the shares, including a provision respecting a sinking fund for the redemption or repurchase of the shares;

(3) alters or abolishes a preemptive right of the holder of the shares to acquire shares, securities other than shares, or rights to purchase shares or securities other than shares;

(4) excludes or limits the right of a shareholder to vote on a matter, or to cumulate votes, except as the right may be excluded or limited through the authorization or issuance of securities of an existing or new class or series with similar or different voting rights; except that an amendment to the articles of an issuing public corporation that provides that section 302A.671 does not apply to a control share acquisition does not give rise to the right to obtain payment under this section; ~~or~~

(5) eliminates the right to obtain payment under this subdivision<u>; or</u>

<u>(6) pursuant to section 302A.201, subdivision 1, diminishes or abolishes the board's right to manage, or to direct the management of, the corporation's business and affairs;</u>

(b) a sale, lease, transfer, or other disposition of property and assets of the corporation that requires shareholder approval under section 302A.661, subdivision 2, but not including a disposition in dissolution described in section 302A.725, subdivision 2, or a disposition pursuant to an order of a court, or a disposition for cash on terms requiring that all or substantially all of the net proceeds of disposition be distributed to the shareholders in accordance with their respective interests within one year after the date of disposition;

(c) a plan of merger, whether under this chapter or under chapter 322C, to which the corporation is a constituent organization, except as provided in subdivision 3, and except for a plan of merger adopted under section 302A.626;

(d) a plan of exchange, whether under this chapter or under chapter 322C, to which the corporation is a party as the corporation whose shares will be acquired by the acquiring organization, except as provided in subdivision 3;

(e) a plan of conversion is adopted by the corporation and becomes effective;

(f) an amendment of the articles in connection with a combination of a class or series under section 302A.402 that reduces the number of shares of the class or series owned by the shareholder to a fraction of a share if the corporation exercises its right to repurchase the fractional share so created under section 302A.423; or

(g) any other corporate action taken pursuant to a shareholder vote with respect to which the articles, the bylaws, or a resolution approved by the board directs that dissenting shareholders may obtain payment for their shares.

Sec. 20. Minnesota Statutes 2024, section 302A.471, subdivision 3, is amended to read:

Subd. 3. **Rights not to apply.** (a) Unless the articles, the bylaws, or a resolution approved by the board otherwise provide, the right to obtain payment under this section does not apply to a shareholder of (1) the surviving corporation in a merger with respect to shares of the shareholder that are not entitled to be voted on the merger and are not canceled or exchanged in the merger or (2) the corporation whose shares will be acquired by the acquiring organization in a plan of exchange with respect to shares of the shareholder that are not entitled to be voted on the plan of exchange and are not exchanged in the plan of exchange.

(b) If a date is fixed according to section 302A.445, subdivision 1, for the determination of shareholders entitled to receive notice of and to vote on an action described in subdivision 1, only shareholders as of the date fixed, and beneficial owners as of the date fixed who hold through shareholders, as provided in subdivision 2, may exercise dissenters' rights.

(c) Notwithstanding subdivision 1, the right to obtain payment under this section, other than in connection with a plan of merger adopted under section 302A.613, subdivision 4, or 302A.621, is limited in accordance with the following provisions:

(1) The right to obtain payment under this section is not available for the holders of shares of any class or series of shares that is listed on ~~the New York Stock Exchange, NYSE MKT LLC, the Nasdaq Global Market, the NASDAQ Global Select Market, the Nasdaq Capital Market, or any successor to any such market~~ any national securities exchange registered with the United States Securities and Exchange Commission under Section 6 of the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(2) The applicability of clause (1) is determined as of:

(i) the record date fixed to determine the shareholders entitled to receive notice of, and to vote at, the meeting of shareholders to act upon the corporate action described in subdivision 1; or

(ii) the day before the effective date of corporate action described in subdivision 1 if there is no meeting of shareholders.

(3) Clause (1) is not applicable, and the right to obtain payment under this section is available pursuant to subdivision 1, for the holders of any class or series of shares who are required by the terms of the corporate action described in subdivision 1 to accept for such

shares anything other than shares, or cash in lieu of fractional shares, of any class or any series of shares of a domestic or foreign corporation, or any other ownership interest of any other organization, that satisfies the standards set forth in clause (1) at the time the corporate action becomes effective.

Sec. 21. Minnesota Statutes 2024, section 302A.611, is amended by adding a subdivision to read:

Subd. 1a. **Additional remedies; shareholder representatives.** A plan of merger or exchange may provide:

(1) that: (i) a party to the plan that fails to perform the party's obligations under the plan in accordance with the terms and conditions of the plan, or that otherwise fails to comply with the terms and conditions of the plan, in each case required to be performed or complied with prior to the time the merger or exchange becomes effective, or that otherwise fails to consummate, or fails to cause the consummation of, the merger or exchange, whether prior to a specified date, upon satisfaction or, to the extent permitted by law, waiver of all conditions to consummation set forth in the plan or otherwise, is subject, in addition to any other remedies available at law or in equity, to penalties or consequences set forth in the plan of merger or exchange, which may include an obligation to pay to the other party or parties to the plan an amount representing or based on the loss of any premium or other economic entitlement the shareholders or holders of rights to purchase of the other party would be entitled to receive pursuant to the terms of the plan if the merger or exchange were consummated in accordance with the terms of the plan; and (ii) if, pursuant to the terms of the plan of merger or exchange, the corporation is entitled to receive payment from another party to the plan of any amount representing a penalty or consequence, the corporation is entitled to enforce the other party's payment obligation and upon receipt of a payment is entitled to retain the amount of the payment received; or

(2)(i) for the appointment, at or after the time at which the plan of merger or exchange is approved by the shareholders of the corporation in accordance with the requirements of this chapter, of one or more persons, which may include the surviving or resulting organization or any officer, representative, or agent of the surviving or resulting organization, as representative of the shareholders or the holders of rights to purchase of the corporation, including the shareholders and holders whose shares or rights to purchase must be canceled, converted, or exchanged in the merger or exchange and for the delegation to the person or persons of the sole and exclusive authority to take action and bring claims on behalf of the shareholders and the holders pursuant to the plan, including taking actions and bringing claims, including by entering into settlements, as the representative determines to enforce the rights of the shareholders and holders under the plan of merger or exchange, on the terms and subject to the conditions set forth in the plan; (ii) that an appointment is irrevocable and binding on all shareholders and holders from and after the approval of the plan of merger or exchange by the requisite vote of shareholders pursuant to this chapter; and (iii) that a provision adopted pursuant to this clause may not be amended after the merger or exchange has become effective or may be amended only with the consent or approval of persons specified in the plan of merger or exchange.

ARTICLE 7
GARNISHMENT FORMS

Section 1. Minnesota Statutes 2024, section 550.136, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings under this chapter, the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being retained by an employer pursuant to a garnishment previously served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~............................... JUDICIAL DISTRICT~~

~~.............................. (Judgment Creditor)~~

~~against~~ ~~EXECUTION EXEMPTION~~

~~................................ (Judgment Debtor)~~ ~~NOTICE AND NOTICE OF INTENT TO LEVY ON EARNINGS~~

~~and~~

~~.. (Third Party)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

.... **Execution Exemption Notice and Notice of Intent to Levy on Earnings**

against

Debtor's full name

....

and

Third Party (bank, employer, or other)

....

~~PLEASE TAKE NOTICE that a levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

Notice: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP -** Minnesota Family Investment Program

(ii) **DWP -** MFIP Diversionary Work Program

(iii) **SNAP -** Supplemental Nutrition Assistance Program

(iv) **GA -** General Assistance

(v) **EGA -** Emergency General Assistance

(vi) **MSA -** Minnesota Supplemental Aid

(vii) **MSA-EA -** MSA Emergency Assistance

(viii) **EA -** Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA -** Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B -** Premium Payments help

(xiv) **Medicare Part D -** Extra

(xv) **SSI -** Supplemental Security Income

(xvi) **Tax Credits -** federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~PENALTIES~~

Warnings and Fines

(1) ~~Be advised that~~ Even if you claim an exemption, ~~an execution~~ a levy may still be served on your employer. If ~~your earnings are levied on~~ they take money from you after you claim an exemption, you may ~~petition~~ ask the court ~~for a determination of~~ to review your exemption. If the court finds that the ~~judgment~~ creditor ~~disregarded~~ ignored your claim of exemption in bad faith, you ~~will be~~ are entitled to costs, reasonable ~~attorney~~ lawyer fees, actual damages, and ~~an amount not~~ a fine up to ~~exceed~~ $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED~~ BUT if you claim an exemption, the ~~judgment~~ creditor can also ~~petition~~ ask the court ~~for a determination of~~ to review your exemption~~, and~~. If the court finds that you claimed an exemption in bad faith, you ~~will be assessed~~ are charged costs and reasonable ~~attorney's~~ lawyer fees ~~plus an amount not~~ and a fine up to ~~exceed~~ $100.

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer fees, and a fine up to $100.

~~DATED: ....~~ ~~...~~

~~(Attorney for Judgment Creditor)~~

~~...~~

~~Address~~

~~...~~

~~Telephone~~

Date: ....

Creditor's Signature: ....

(or creditor's lawyer's signature)

Creditor's Name: ....

(or creditor's lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

~~JUDGMENT~~ Debtor's Exemption Claim Notice

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ... I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

....

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: .... Case #: .... County: ....
Program: .... Case #: .... County: ....
Program: .... Case #: .... County: ....

~~(2)~~ ... I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county you got it from ~~which relief has been received~~.)

....

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: .... Case #: .... County: ....
Program: .... Case #: .... County: ....
Program: .... Case #: .... County: ....

~~(3)~~ ... I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months. (~~Specify~~ State the correctional institution and location.)

~~...~~ ~~...~~

Correctional Institution .... Location ....

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the judgment creditor or judgment creditor's attorney.~~

....

~~Debtor~~

....

~~Address~~

~~...~~

~~Debtor Telephone Number~~

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date: ....

Debtor's Signature: ....

Debtor's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: ....

Email: ....

Sec. 2. Minnesota Statutes 2024, section 550.136, subdivision 9, is amended to read:

Subd. 9. **Execution earnings disclosure form and worksheet.** The judgment creditor shall provide to the sheriff for service upon the judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

~~STATE OF MINNESOTA~~	~~DISTRICT COURT~~
~~COUNTY OF ....~~	~~.................... JUDICIAL DISTRICT~~
	~~FILE NO. ....~~
~~.. (Judgment Creditor)~~	
~~against~~	~~EARNINGS~~
~~.. (Judgment Debtor)~~	~~EXECUTION~~
~~and~~	~~DISCLOSURE~~
~~.. (Third Party)~~	

State of Minnesota	**District Court**
County of:	Judicial District: ....
	Court File Number: ....
	Case Type: ....
Creditor's full name	
....	**Earnings Execution Disclosure**
and	**For Non-Child Support Judgments**

Debtor's full name

....

Third Party (bank, employer, or other)

....

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is also called the "third party garnishee" or "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

DEFINITIONS

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

"Earnings": what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

"Disposable Earnings": the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

"Payday": ~~For the purpose of execution, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the ~~judgment~~ debtor has no regular payday, ~~payday(s)~~ then "payday" means the 15th and the last day of each month.

The Third Party/Employer Must Answer The Following Questions:

(1) Right now, do you ~~now~~ owe~~, or within 90 days from the date the execution levy was served on you, will you or may you owe~~ money to the ~~judgment~~ debtor for earnings?

Yes ..... No .....

~~(2) Does the judgment debtor earn more than $... per week? (this amount is the greater of $9.50 per hour or the federal minimum wage per week)~~

(2) Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

(3) Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: ....

Third Party's Name: ....

Third Party's Signature: ....

Phone: .... Fax: ....

Email: ....

Instructions for Completing the Earnings Disclosure Worksheet

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

For each payday that falls within 90 days from the date the ~~execution~~ levy was served on you, you **must** calculate the amount of earnings to be ~~retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must**:

(1) Withhold the amount of earnings listed in Column I on the Earnings Disclosure Worksheet each payday.

(2) After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

(3) Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 90-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.~~

~~For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~(3)~~	~~COLUMN A.~~	~~Enter the date of judgment debtor's payday.~~
~~(4)~~	~~COLUMN B.~~	~~Enter judgment debtor's gross earnings for each payday.~~
~~(5)~~	~~COLUMN C.~~	~~Enter judgment debtor's disposable earnings for each payday.~~
~~(6)~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply column C by .25.)~~
~~(7)~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($..........) times the number of work weeks included in each payday. (Note: If a payday includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~(8)~~	~~COLUMN F.~~	~~Subtract the amount in column E from the amount in column C, and enter here.~~
~~(9)~~	~~COLUMN G.~~	~~Enter here the lesser of the amount in column D and the amount in column F.~~
~~(10)~~	~~COLUMN H.~~	~~Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)~~
		~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~
		~~Enter zero in column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.~~
~~(11)~~	~~COLUMN I.~~	~~Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.~~

~~AFFIRMATION~~

~~I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.~~

~~DATED: ....~~ ....

~~Signature~~

....

~~Title~~

....

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~ ....

~~Debtor's Name~~

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 x MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

....

Debtor's name

A - Payday Date	B - Gross Earnings	C - Disposable Earnings
1.	$	$ ....
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
~~8. ....~~	~~........................~~	~~........................~~
~~9. ....~~	~~........................~~	~~........................~~
~~10. ....~~	~~........................~~	~~........................~~

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

D ~~25~~ - % of withholding of Column C (Use the creditor's calculation)	E - Greater of ~~40 X $9.50 or~~ 40 X MN or Fed. Min. Wage	F - Column C minus Column E
1.	....	....
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
~~8. ....~~	~~.........................~~	~~.........................~~
~~9. ....~~	~~.........................~~	~~.........................~~
~~10. ....~~	~~.........................~~	~~.........................~~

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current MN minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in Column E from the amount in Column C and enter here.

G - Lesser of Column D and Column F	H - Setoff, Lien, Adverse Interest, or Other Claims	I - Column G minus Column H
1.	....	....
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....

7.	....	....	....
~~8.~~	~~........................~~	~~........................~~	~~........................~~
~~9.~~	~~........................~~	~~........................~~	~~........................~~
~~10.~~	~~........................~~	~~........................~~	~~........................~~

TOTAL OF COLUMN I $ ....

Column G. Look at Column D and Column F. Enter the smaller amount of the two here in Column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in Column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that go to the creditor.

***If you entered any amount in Column H** for any ~~payday(s)~~ payday, ~~you must~~ describe those claims below ~~either your claims, or the claims of others~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others, ~~you must both state~~ list the names and addresses of ~~such persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

....

....

....

....

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~..~~

~~Signature~~

~~Dated: .... (...) ....~~

~~Title~~ ~~Phone Number~~

Date: ....

Third Party's Name: ....

Third Party's Signature: ....

Phone: .... Fax: ....

Email: ....

Sec. 3. Minnesota Statutes 2024, section 550.143, subdivision 2, is amended to read:

Subd. 2. **Disclosure form.** Along with the writ of execution, the notice, instructions, and the exemption notice described in subdivision 3, the sheriff shall serve upon the financial institution an execution disclosure form which must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~.................................JUDICIAL DISTRICT~~

~~...............................(Judgment Creditor)~~

~~against~~ ~~FINANCIAL INSTITUTIONS~~

~~.................................(Judgment Debtor)~~ ~~EXECUTION~~

~~and~~ ~~DISCLOSURE~~

~~...(Third Party)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

.... **Execution Disclosure**

against

Debtor's full name

....

and

Third Party (bank, employer, or other)

....

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee." The "debtor" is the person who owes money. The debtor is also called the "judgment debtor." The creditor is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $...................... to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

~~On the ..... day of ...., ..., the time of service of execution herein, there was due and owing the judgment debtor from the third party the following:~~

Fill in the date you got this disclosure:

.... (month) .... (day), ... (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.~~ Write down the amount of money you owe the debtor (except earnings).

....

(2) Property. Write a short description of any personal property, instruments, or papers belonging to the debtor that you have in your possession. List the monetary value of each thing.

....

~~(2)~~ (3) Setoff. ~~Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which such setoff, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a~~

~~debt is void as to the judgment creditor.)~~ If you claim a setoff, defense, lien, or claim against the amount on lines (1) and (2) above, enter that amount on the line below. State the facts about your claim. **Note:** Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

....

~~(3)~~ (4) Exemption. Enter any amounts or property that the debtor claims is exempt on the line below ~~any amounts or property claimed by the judgment debtor to be exempt from execution~~.

....

~~(4)~~ (5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the judgment~~ of the debtor's property that other people claim they own or have interest in.

....

~~(5)~~ (6) Enter ~~on the line below~~ the total of lines ~~(2), (3), and (4)~~ (3), (4), and (5) on the line below.

....

~~(6)~~ (7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line ~~(5)~~ (6) is subtracted from the ~~amount on line~~ sum of lines (1) and (2) on the line below.

....

~~(7) Enter on the line below~~ (8) Figure out 110 percent of the amount of the ~~judgment~~ creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

....

~~(8) Enter on the line below the lesser of line (6) and line (7). You are hereby instructed to remit this amount only if it is $10 or more.~~

(9) Look at (7) and (8). Put the smaller number on the line below. Hold this amount only if it is $10 or more.

....

AFFIRMATION

I, ... (person signing Affirmation), am the ~~third party~~ garnishee or I am authorized by the ~~third party~~ garnishee to complete this ~~nonearnings~~ non-earnings garnishment disclosure, and have done so truthfully and to the best of my knowledge.

~~Dated: ....~~ ~~...~~

~~Signature~~

~~...~~

~~Title~~

~~...~~

~~Telephone Number~~

Date: ....

Name: ....

Signature: ....

Title: ....

Phone: .... Email: ....

Sec. 4. Minnesota Statutes 2024, section 550.143, subdivision 3a, is amended to read:

Subd. 3a. **Form of notice.** The notice required by subdivision 3 must be provided as a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~............................JUDICIAL DISTRICT~~

~~.....................................(Creditor)~~

~~.......................................(Debtor)~~

~~..(Financial institution)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

.... **Notice of Levied Funds**

Debtor's full name

....

Third Party (bank, employer, or other)

....

IMPORTANT NOTICE

~~YOUR FUNDS HAVE BEEN LEVIED~~

Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.......

The amount being held is $.......

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources~~ a benefit on this list, ~~place~~ put a check ~~on the line on the form next to the sources of your money~~ in the box next to it. ~~If it is from one of these sources,~~ The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the Sheriff~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

See the attached *Exemption Form Instructions* and *Exemption Form* for your next steps.

Sec. 5. Minnesota Statutes 2024, section 550.143, subdivision 3b, is amended to read:

Subd. 3b. **Form of instructions.** The instructions required by this section must be in a separate form and must be substantially in the following form:

Exemption Form Instructions

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources.

This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the ~~levy~~ garnishment. Send them to the creditor's lawyer (or to the creditor, if there isn't a lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the creditor's ~~attorney~~ lawyer (or to the creditor~~, if no attorney~~) ~~bank statements~~ along with your exemption claim, the financial institution may ~~release~~ give your money to the ~~Sheriff~~ creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

~~...~~

~~(Insert name of creditor or creditor's attorney)~~

~~...~~

~~(Insert address of creditor or creditor's attorney)~~

~~One copy goes to:~~

~~...~~

~~(Insert name of bank)~~

~~...~~

~~(Insert address of bank)~~

Creditor's Name: ....

(or creditor's lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....
Email: ....

One copy goes to:

Bank's Name: ....

Street Address: ....
City/State/Zip: ....
Phone: .... Fax: ....
Email: ....

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~or to the sheriff~~. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the ~~sheriff~~ creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

Warnings and Fines

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that~~ and you ~~do not receive~~ don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 6. Minnesota Statutes 2024, section 550.143, subdivision 3c, is amended to read:

Subd. 3c. **Form of exemption form.** The exemption form required by this subdivision must be sent as a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF~~ .... ~~............................JUDICIAL DISTRICT~~

~~.....................................(Creditor)~~

~~.......................................(Debtor)~~

~~..(Financial institution)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

.... **Exemption Form**

against

Debtor's full name

....

Bank's name

....

~~**EXEMPTION FORM**~~

A. How Much Money is Protected (Exempt)

.... I claim ALL of the money being frozen by the bank is protected.

.... I claim SOME of the money is protected. The amount I claim is protected is $.......

B. Why The Money is Protected

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

Earnings (Wages)

ALL or SOME of my wages may be protected.

.... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% or more of your wages (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

.... I get government benefits (a list of government benefits is on the next page)

.... I am getting other assistance based on need

.... I have gotten government benefits in the last 6 months

.... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money**.

~~.........~~ **Government benefits**

Government benefits ~~include, but are not limited to, the following~~ can include many things. For example:

~~**MFIP** - Minnesota Family Investment Program,~~

~~MFIP Diversionary Work Program,~~

~~**Work participation cash benefit,**~~

~~**GA** - General Assistance,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

~~**EGA** - emergency general assistance,~~

~~**MSA** - Minnesota Supplemental Aid,~~

~~**MSA-EA** - MSA Emergency Assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

~~**MinnesotaCare,**~~

~~**Medicare Part B premium payments,**~~

~~**Medicare Part D extra help,**~~

~~**Energy or fuel assistance.**~~

(i) **MFIP -** Minnesota Family Investment Program

(ii) **DWP -** MFIP Diversionary Work Program

(iii) **SNAP -** Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~..~~

List the case number and county for every box you checked:

Case Number: .... County: ....

Case Number: .... County: ....

Case Number: .... County: ....

~~County: ....~~

Government benefits also include:

.... Social Security benefits

.... Unemployment benefits

.... Workers' compensation

.... ~~**Veterans**~~ Veterans' benefits

If you ~~receive~~ get any of these government benefits, include copies of any documents ~~you have~~ that show you ~~receive Social Security, unemployment, workers' compensation, or veterans benefits~~ get them.

~~.........~~ ~~**Other assistance based on need**~~

.... I get other assistance based on need that is not on the list. It comes from: ....

....

Make sure you include copies of any documents that show this.

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:...~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~......... **All of your earnings (wages) are protected if:**~~

~~......... You get government benefits (see list of government benefits)~~

~~......... You currently receive other assistance based on need~~

~~......... You have received government benefits in the last six months~~

~~......... You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money.**~~

~~......... **Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

C. Other ~~Exempt~~ Protected Funds

The money from ~~the following~~ these things are also completely protected after they are deposited in ~~your~~ my account.

.... Child support

.... ~~**An accident, disability, or retirement**~~ A retirement, disability, or accident pension or annuity

.... Earnings of my child who is under 18 years of age

.... Payments to ~~**you**~~ me from a life insurance policy

~~......... **Earnings of your child who is under 18 years of age**~~

~~......... **Child support**~~

.... Money paid to ~~you~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~your~~ my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

.... Death benefits paid to ~~**you**~~ me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named~~ creditor~~, or its attorney~~ named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not~~ assistance, or ~~whether~~ if I have gotten ~~them~~ assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

You must sign ~~and send~~ this form and send it back to the creditor's ~~Attorney~~ lawyer (or to the creditor, if there is no ~~attorney~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor's lawyer (or to the creditor, if there is no lawyer) at the address listed below.

....

~~(Insert name of creditor or creditor's attorney)~~

....

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature: ....
(or creditor's lawyer's signature)

Creditor's Name: ....
(or creditor's lawyer's name)

Street Address: ....
City/State/Zip: ....
Phone: .... Fax: ....
Email: ....

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED:~~ ....

~~DEBTOR~~

....

~~DEBTOR ADDRESS~~

....

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: ....

Street Address: ....
City/State/Zip: ....
Phone: .... Fax: ....
Email: ....

Date: ....
Debtor's Signature: ....

Debtor's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: ....

Email: ....

Sec. 7. Minnesota Statutes 2024, section 551.05, subdivision 1b, is amended to read:

Subd. 1b. **Form of notice.** The notice must be a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF~~ ....~~JUDICIAL DISTRICT~~

.... ~~(Creditor)~~

.... ~~(Debtor)~~

.... ~~(Financial institution)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name:

....

Debtor's full name:

....

Third Party (bank, employer, or other):

....

IMPORTANT NOTICE

~~**YOUR FUNDS HAVE BEEN LEVIED**~~

Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.......

The amount being held is $.......

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is from one or more of these sources, place a check on the line on the form next to the sources of your money. If it is from one of these sources, the Creditor cannot take it~~ comes from a benefit on this list, put a check on the line next to it. The creditor can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days ~~to have the bank unfreeze your money~~.** Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

Sec. 8. Minnesota Statutes 2024, section 551.05, subdivision 1c, is amended to read:

Subd. 1c. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

INSTRUCTIONS

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

~~**If you check one of the lines, you should also give proof that shows that some or all of the money in your account is from one or more of the protected sources. Creditors may ask for a hearing if they question your exemptions. To avoid a hearing:**~~

~~**Case numbers should be added to the form. Copies of documents should be sent with the form.**~~

If you check one of the lines, you should also give proof. Use proof that shows that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

~~**Notice: YOU MUST SEND TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) COPIES OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS BEFORE THE LEVY. Keep a copy of your bank statements in case there are questions about your claim. If you do not send to the creditor's attorney (or to the creditor, if no attorney) bank statements with your exemption claim, the financial institution may release your money to the creditor.**~~

Notice: You must send copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you don't send bank statements to the creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may give your money to the creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make one copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

Creditor's Name: ....
~~(Insert name of creditor or creditor's attorney)~~ (or creditor's lawyer's name)
Street Address: ....
~~(Insert address of creditor or creditor's attorney)~~ City/State/Zip: ....
Phone: .... Fax: ....
Email: ....

One copy goes to:

Bank's Name: ....
~~(Insert name of bank)~~ Street Address: ....
City/State/Zip: ....
~~(Insert address of bank)~~ Phone: .... Fax: ....
Email: ....

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~pursuant to Minnesota statute~~. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

~~The financial institution will unfreeze your money six business days after the institution gets your completed form.~~ The bank should unfreeze your money 6 business days after they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~PENALTIES~~ Warnings and Fines:

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 9. Minnesota Statutes 2024, section 551.05, subdivision 1d, is amended to read:

Subd. 1d. **Form of exemption form.** The exemption form required by this subdivision must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF~~ ....~~JUDICIAL DISTRICT~~

.... ~~(Creditor)~~

.... ~~(Debtor)~~

.... ~~(Financial institution)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name:

.... **Exemption Form**

against

Debtor's full name:

....

Bank's name:

....

~~**EXEMPTION FORM**~~

A. **How Much Money Is Protected (exempt)**

~~.......~~ ... I claim ALL of the money being frozen by the bank is protected.

~~.......~~ ... I claim SOME of the money is protected. The amount I claim is protected is $........

B. **Why The Money Is Protected**

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements that show what was in your account for the 60 days right before the bank froze your money.**

~~.......~~ **Government benefits**

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

~~**MFIP** - Minnesota family investment program,~~

~~**MFIP Diversionary Work Program,**~~

~~**Work participation cash benefit,**~~

~~**GA** - general assistance,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

~~**EGA** - emergency general assistance,~~

~~**MSA** - Minnesota supplemental aid,~~

~~**MSA-EA** - MSA emergency assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

~~**MinnesotaCare,**~~

~~**Medicare Part B premium payments,**~~

~~**Medicare Part D extra help,**~~

~~**Energy or fuel assistance.**~~

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~..~~

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number:~~ ....

~~County:~~ ....

~~**Government benefits also include:**~~

.... ~~**Social Security benefits**~~

.... ~~**Unemployment benefits**~~

.... ~~**Workers' compensation**~~

.... ~~**Veterans benefits**~~

~~**If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.**~~

.... ~~**Other assistance based on need**~~

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:..~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~....... **All of your earnings (wages) are protected if:**~~

~~....... You get government benefits (see list of government benefits)~~

~~....... You currently receive other assistance based on need~~

~~....... You have received government benefits in the last six months~~

~~....... You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money**.~~

~~....... **Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

~~**OTHER EXEMPT FUNDS**~~

~~The money from the following are also completely protected after they are deposited in your account.~~

~~....... **An accident, disability, or retirement pension or annuity**~~

~~....... **Payments to you from a life insurance policy**~~

~~....... **Earnings of your child who is under 18 years of age**~~

~~....... **Child support**~~

~~....... **Money paid to you from a claim for damage or destruction of property** Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.~~

~~....... **Death benefits paid to you**~~

(i) **MFIP -** Minnesota Family Investment Program

(ii) **DWP -** MFIP Diversionary Work Program

(iii) **SNAP -** Supplemental Nutrition Assistance Program

(iv) **GA -** General Assistance

(v) **EGA -** Emergency General Assistance

(vi) **MSA -** Minnesota Supplemental Aid

(vii) **MSA-EA -** MSA Emergency Assistance

(viii) **EA -** Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA -** Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B -** Premium Payments help

(xiv) **Medicare Part D -** Extra

(xv) **SSI -** Supplemental Security Income

(xvi) **Tax Credits -** federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number: .... County: ....

Case Number: .... County: ....

Case Number: .... County: ....

Government benefits also include:

... Social Security benefits

... Unemployment benefits

... Workers' compensation

... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from:

....

Make sure you include copies of any documents that show this.

C. **Other Protected Funds**

The money from these things are also completely protected after they are deposited in my account.

... Child Support

... A retirement, disability, or accident pension or annuity

... Earnings of my child who is under 18 years of age

... Payments to me from a life insurance policy

... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

... Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named creditor, or its attorney~~ creditor named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether I get benefits or not, or whether I have gotten them in the past six months~~ be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last ~~six~~ 6 months, I give my permission to the correctional institution to tell the ~~above-named~~ creditor named above or the creditor's lawyer that I was an inmate there.

~~**YOU MUST SIGN AND SEND THIS FORM BACK TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) AND THE BANK. REMEMBER TO INCLUDE A COPY OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS. FILL IN THE BLANKS BELOW AND GO BACK TO THE INSTRUCTIONS TO MAKE SURE YOU DO IT CORRECTLY.**~~

You must sign this form and send it back to the creditor's lawyer (or to the creditor, if there is no lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you did it correctly.

I have mailed or delivered a copy of this form to~~:~~ the creditor (or creditor's lawyer) at the address listed below.

Creditor's Signature: ....

(~~Insert name of creditor~~ or creditor's ~~attorney~~ lawyer's signature)

Creditor's Name: ....

(~~Insert address of creditor~~ or creditor's ~~attorney~~ lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: ....~~ ~~..~~

~~DEBTOR~~

~~..~~

~~DEBTOR ADDRESS~~

~~...~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

Date: ....

Debtor's Signature: ....

Debtor's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: ....

Email: ....

Sec. 10. Minnesota Statutes 2024, section 551.06, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings, the attorney for the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor's attorney a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the judgment debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being held by an employer pursuant to a garnishment summons served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~......................JUDICIAL DISTRICT~~

~~... (Judgment Creditor)~~

~~against~~

~~EXECUTION EXEMPTION NOTICE AND NOTICE OF INTENT TO LEVY ON EARNINGS WITHIN TEN DAYS~~

~~... (Judgment Debtor)~~

~~and~~

~~... (Third Party)~~

~~PLEASE TAKE NOTICE that A levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes the Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

State of Minnesota	**District Court**
County of:	Judicial District: ....
	Court File Number: ....
	Case Type: ....
Creditor's full name:	
....	**Execution Exemption Notice and Notice of Intent to Levy on Earnings**
against	
Debtor's full name:	
....	
and	

Third Party (bank, employer, or other):

....

Notice: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:
(i) **MFIP** - Minnesota Family Investment Program
(ii) **DWP** - MFIP Diversionary Work Program
(iii) **SNAP** - Supplemental Nutrition Assistance Program
(iv) **GA** - General Assistance
(v) **EGA** - Emergency General Assistance
(vi) **MSA** - Minnesota Supplemental Aid
(vii) **MSA-EA** - MSA Emergency Assistance
(viii) **EA** - Emergency Assistance
(ix) **Energy or Fuel Assistance**
(x) **Work Participation Cash Benefit**
(xi) **MA** - Medical Assistance
(xii) **MinnesotaCare**
(xiii) **Medicare Part B** - Premium Payments help
(xiv) **Medicare Part D** - Extra
(xv) **SSI** - Supplemental Security Income
(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit
(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~PENALTIES~~ **Warnings and Fines**

(1) ~~Be advised that even if you claim an exemption, an execution levy may still be served on your employer. If your earnings are levied on after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the judgment creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~ Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED if you claim an exemption, the judgment creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~ BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) ~~If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~ If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

~~DATED: ....~~ ~~..~~

~~(Attorney for Judgment Creditor)~~

~~..~~

~~Address~~

~~..~~

~~Telephone~~

Date: ....

Creditor's Signature: ....

(or creditor's lawyer's signature)

Creditor's Name: ....

(or creditor's lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

~~JUDGMENT DEBTOR'S EXEMPTION CLAIM NOTICE~~

Debtor's Exemption Claim Notice

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ... I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

~~.. ....~~

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: .... Case #: .... County: ....

Program: .... Case #: .... County: ....

Program: .... Case #: .... County: ....

~~(2)~~ ... I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief has been received~~ you got it from.)

~~.. ....~~

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: .... Case #: .... County: ....

Program: .... Case #: .... County: ....

Program: .... Case #: .... County: ....

~~(3)~~ ... I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months. (~~Specify~~ State the correctional institution and location.)

~~.. ....~~

Correctional Institution................................ Location..

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.~~

~~DATE: ....~~ ~~...~~

~~Judgment Debtor~~

~~...~~

~~Address~~

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date: ....

Debtor's Signature: ....

Debtor's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: ....

Email: ....

Sec. 11. Minnesota Statutes 2024, section 551.06, subdivision 9, is amended to read:

Subd. 9. **Notice of levy on earnings, disclosure, and worksheet.** The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~......................JUDICIAL DISTRICT~~

~~FILE NO. ....~~

~~.. (Judgment Creditor)~~

~~against~~ ~~NOTICE OF LEVY ON EARNINGS AND DISCLOSURE~~

~~.. (Judgment Debtor)~~

~~and~~

~~.. (Third Party)~~

~~PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to $10,000) to the judgment~~

~~debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is $.....~~

~~This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 90 days after the service of this levy.~~

~~In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.~~

~~...~~

~~Attorney for the Judgment Creditor~~

~~...~~

~~...~~

~~...~~

~~Address~~

~~(...) ....~~

~~Phone Number~~

~~DISCLOSURE~~

~~DEFINITIONS~~

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

~~"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the judgment debtor in the ordinary course of business. If~~

~~the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.~~

State of Minnesota	**District Court**
County of:	Judicial District: ....
	Court File Number: ....
	Case Type: ....
Creditor's full name:	
	Notice of Levy on Earnings for Non-Child Support Judgments
....	
against	
Debtor's full name:	
....	
and	
Third Party (Debtor's Employer):	
....	

To the employer:

An employee of yours owes a judgment (money) to a creditor. The creditor's lawyer is starting a levy on the earnings you owe the employee. A levy means that you might have to hold part of the employee's earnings and send it to the creditor. By law, you have to do this. The limit on the levy is $10,000. A copy of the writ of execution from the court is enclosed. The amount of the judgment is $........

The levy applies to "nonexempt disposable earnings" that you owe the employee. There are definitions and instructions below on how to calculate the amount, if any, you have to hold. The levy starts with the pay period when you got this levy. It continues for all pay periods in the 90 days after you got this levy.

You must complete the attached disclosure form and worksheet. Then mail it to the lawyer listed below. If any money is owed under the levy, you must also send a check payable to the creditor listed above. Follow the steps and the deadlines explained below.

Creditor's Name: ....
Creditor's Lawyer's Name: ....
Street Address: ....
City/State/Zip: ....
Phone: .... Fax: ....
Email: ....

State of Minnesota | **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name:

....

Earnings Disclosure and Worksheet For Non-Child Support Judgments

against

Debtor's full name:

....

and

Third Party (Debtor's Employer):

....

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is the "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

Definitions

"Earnings": what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

"Disposable Earnings": the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

"Payday": the date when the employer pays earnings to the debtor for doing their job. If the debtor has no regular payday, then "payday" means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTIONS:

1. ~~Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?~~ Right now, do you owe money to the debtor for earnings?

Yes ..... No .....

2. ~~Does the judgment debtor earn more than $... per week? (This amount is the greater of $9.50 per hour of the federal minimum wage per week.)~~ Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

3. Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE~~

~~EARNINGS DISCLOSURE~~

A. ~~If your answer to either question 1 or 2 is "No," then you must sign the affirmation on page 2 and return this disclosure to the judgment creditor's attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.~~ If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

B. ~~If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~ If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

~~For each payday that falls within 90 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.~~

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the judgment creditor's attorney and deliver a copy to the judgment debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.~~

~~For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~3.~~	~~COLUMN A.~~	~~Enter the date of judgment debtor's payday.~~
~~4.~~	~~COLUMN B.~~	~~Enter judgment debtor's gross earnings for each payday.~~
~~5.~~	~~COLUMN C.~~	~~Enter judgment debtor's disposable earnings for each payday.~~
~~6.~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~
~~7.~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.......) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~8.~~	~~COLUMN F.~~	~~Subtract the amount in Column E from the amount in Column C, and enter here.~~
~~9.~~	~~COLUMN G.~~	~~Enter here the lesser of the amount in Column D and the amount in Column F.~~
~~10.~~	~~COLUMN H.~~	~~Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)~~
		~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~

~~Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.~~

~~11.~~ ~~COLUMN I.~~ ~~Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made. The total of all amounts entered in Column I is the amount to be remitted to the attorney for the judgment creditor.~~

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure~~,~~ and have done so truthfully and to the best of my knowledge.

~~Dated: ....~~ ....

~~Signature~~

....

~~Title~~

....

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

....

~~Judgment Debtor's Name~~

Date: ....

Third Party's Name: ....

Third Party's Signature: ....

Phone: .... Fax: ....

Email: ....

Instructions for Completing the Earnings Disclosure Worksheet

For each payday that falls within 90 days from the date the levy was served on you, you **must** calculate the amount of earnings to be withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must:**

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 X MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

....
Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1.	~~$~~........................	~~$~~........................
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
~~8. ....~~	~~..........................~~	~~..........................~~

~~9.~~	~~........................~~	~~........................~~	~~........................~~
~~10.~~	~~........................~~	~~........................~~	~~........................~~

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

	D	E	F
	~~25~~% of withholding of Column C (Use the creditor's calculation chart)	Greater of 40 X ~~$9.50 or 40 X~~ MN or Fed. Min. Wage	Column C minus Column E
1.	....	....	....
2.	....	....	....
3.	....	....	....
4.	....	....	....
5.	....	....	....
6.	....	....	....
7.	....	....	....
~~8.~~	~~........................~~	~~........................~~	~~........................~~
~~9.~~	~~........................~~	~~........................~~	~~........................~~
~~10.~~	~~........................~~	~~........................~~	~~........................~~

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in Column E from the amount in Column C and enter here.

	G	H	I
	Lesser of Column D and Column F	Setoff, Lien, Adverse Interest, or Other Claims	Column G minus Column H
1.	....	....	....
2.	....	....	....

3.	....	....	....
4.	....	....	....
5.	....	....	....
6.	....	....	....
7.	....	....	....
~~8.~~	~~........................~~	~~........................~~	~~........................~~
~~9.~~	....	~~........................~~	~~........................~~
~~10.~~	~~........................~~	~~........................~~	....

TOTAL OF COLUMN I ~~$~~ ....

Column G. Look at column D and column F. Enter the smaller amount of the two here in column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

***If you entered any amount in Column H** for any ~~payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of these persons, and the nature of their claim, if known.~~ payday, describe those claims below. It doesn't matter if they are your claims, or the claims of others. For claims by others, list the names and addresses of each, and describe their claims, if you know.

....

....

....

....

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

		~~..~~
		~~Title~~
~~Dated: ....~~	~~..~~	~~(...) ....~~
	~~Signature~~	~~Phone Number~~

Date: ....

Third Party's Name: ....

Third Party's Signature: ....

Phone: .... Fax: ....

Email: ....

Sec. 12. Minnesota Statutes 2024, section 571.72, subdivision 8, is amended to read:

Subd. 8. **Exemption notice.** In every garnishment where the debtor is a natural person, the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing earnings, the earnings exemption notice provided in section 571.924 must be served ten or more days before the service of the first garnishment summons. If the creditor is garnishing funds in a financial institution, the exemption notice provided in section 571.912 must be served with the garnishment summons. In all other cases, the exemption notice must be in the following form and served on the debtor with a copy of the garnishment summons.

~~STATE OF MINNESOTA~~	~~DISTRICT COURT~~
~~COUNTY OF ....~~	~~.............................JUDICIAL DISTRICT~~
~~..(Creditor)~~	
~~against~~	
~~..(Debtor)~~	~~EXEMPTION NOTICE~~

~~and~~

~~..(Garnishee)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

.... **Exemption Notice**

against

Debtor's full name

....

and

Third Party (bank, employer, or other)

....

A Garnishment Summons is being served ~~upon~~ on you. This means a creditor with a court judgment against you wants to take some of your money or property to pay the judgment. Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37 of the Minnesota Statutes ~~and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of garnishment~~. If you have questions about an exemption, ~~you should obtain~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850;~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interest;~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP) and Work First Program~~;

(ii) **DWP** - MFIP Diversionary Work Program;

~~(ii) Medical Assistance (MA);~~

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

~~(iii)~~ (iv) **GA** - General Assistance ~~(GA)~~;

~~(iv)~~ (v) **EGA** - Emergency General Assistance ~~(EGA)~~;

~~(v)~~ (vi) **MSA** - Minnesota Supplemental Aid ~~(MSA)~~;

~~(vi) MSA-Emergency~~ (vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA)~~;

~~(vii) Supplemental Security Income (SSI);~~

~~(viii) Energy Assistance; and~~

~~(ix)~~ (viii) **EA** - Emergency Assistance ~~(EA)~~;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits;

~~(8)~~ (10) unemployment benefits, workers' compensation, or ~~veteran's~~ veterans' benefits;

~~(9) an accident, disability, or retirement~~ (11) a retirement, disability, or accident pension or annuity;

~~(10)~~ (12) life insurance proceeds that are not more than $54,000;

~~(11)~~ (13) earnings of your minor child; ~~and~~

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 13. Minnesota Statutes 2024, section 571.72, subdivision 10, is amended to read:

Subd. 10. **Exemption notice for prejudgment garnishment.**

Exemption Notice

Important Notice: A garnishment summons may be served on your employer, bank, or other third parties. This can happen without any further court proceeding or notice to you. See the attached Notice of Intent to Garnish for more information.

~~**The following money and wages**~~ **Some of your money in your account may be protected (the legal word is exempt) from garnishment~~:~~.**

~~**1. Financial institutions/bank**~~

~~Some of the money in your account may be protected because you receive government benefits from one or more of the following places:~~

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75 percent of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these four boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money.**

Government Benefits

Government benefits can include many things. For example:

... **MFIP** - Minnesota Family Investment Program~~,~~

... **DWP -** MFIP Diversionary Work Program~~,~~

~~**Work participation cash benefit,**~~

... **SNAP** - Supplemental Nutrition Assistance Program

... **GA** - General Assistance~~,~~

... **EGA** - Emergency General Assistance

... **MSA** - Minnesota Supplemental Aid

... **MSA-EA** - MSA Emergency Assistance

... **EA** - Emergency Assistance~~,~~

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

... **MA** - Medical Assistance~~,~~

~~**EGA** - emergency general assistance or county crisis funds,~~

~~**MSA** - Minnesota supplemental aid,~~

~~**MSA-EA** - MSA emergency assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

... **MinnesotaCare**~~,~~

... **Medicare Part B** - Premium Payments~~,~~ help

... **Medicare Part D** - Extra ~~help,~~

... **SSI** - Supplemental Security Income

~~**Energy or fuel assistance,**~~

... **Tax Credits -** federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

... **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number: .... County: ....

Case Number: .... County: ....

Case Number: .... County: ....

Government benefits also include:

... **Social Security benefits~~,~~**

... **Unemployment benefits~~,~~**

... **Workers' compensation~~,~~**

~~Veterans~~ ... Veterans' benefits~~.~~

~~Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK STATEMENTS that show what was in your account for the past 60 days may give the creditor enough information about your exemption claim to avoid a garnishment.~~

~~2. Earnings~~

~~All or some of your earnings may be completely protected from garnishment if:~~

~~All of your earnings (wages) may be protected if:~~

~~You get government benefits (see list of government benefits)~~

~~You currently receive other assistance based on need~~

~~You have received government benefits in the last six months~~

~~You were in jail or prison in the last six months~~

~~Your wages are only protected for 60 days after they are deposited in your account so~~ **~~it would be helpful if you immediately send the undersigned creditor a copy of BANK STATEMENTS~~** ~~that show what was in your account~~ **~~for the past 60 days~~**~~.~~

~~Some of your earnings (wages) may be protected if:~~

~~If all of your earnings are not exempt, some of your earnings may still be protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from:..................

....

Make sure you include copies of any documents that show this.

Other Protected Funds

The money from ~~the following~~ these things are also ~~exempt for 20 days~~ completely protected after they are deposited in ~~your~~ my account.

... Child Support

~~**An accident, disability, or retirement**~~ ... A retirement, disability, or accident pension or annuity

~~Payments to **you** from a life insurance policy~~

... Earnings of ~~**your**~~ my child who is under 18 years of age

... Payments to me from a life insurance policy

~~**Child support**~~

... Money paid to ~~**you**~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~**your**~~ my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances~~.~~

... Death benefits paid to ~~**you**.~~ me

You ~~WILL BE ABLE TO~~ can claim these exemptions when you ~~RECEIVE~~ get a notice. You will get the notice at least ~~ten~~ 10 days BEFORE a wage garnishment. BUT if the creditor garnishes your bank account, you ~~will not~~ won't get the notice until AFTER the account has been frozen. If you believe the money in your bank account or your wages are exempt, ~~YOU SHOULD IMMEDIATELY~~ contact the person below right away. ~~YOU SHOULD~~ Tell them why you think your account or wages are exempt to see if you can avoid garnishment.

~~Creditor ....~~
~~Creditor Address ....~~
~~Creditor telephone number ....~~

Creditor's Name: ....
(or creditor's lawyer's name)
Street Address: ....
City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

Sec. 14. Minnesota Statutes 2024, section 571.74, is amended to read:

571.74 GARNISHMENT SUMMONS AND NOTICE TO DEBTOR.

The garnishment summons and notice to debtor must be substantially in the following form. The notice to debtor must be in no smaller than 14-point type.

~~GARNISHMENT SUMMONS~~

~~STATE OF MINNESOTA~~	~~DISTRICT COURT~~
~~COUNTY OF ....~~	~~........................... JUDICIAL DISTRICT~~
~~.. (Creditor)~~	
~~... (Debtor)~~	~~UNPAID BALANCE ....~~
~~.................................. (Debtor's Address)~~	~~Date of Entry~~
~~... (Garnishee)~~	~~of Judgment (or) Subject to Minnesota Statutes, section 571.71, clause (2)~~

State of Minnesota	**District Court**
County of:	Judicial District: ....
	Court File Number: ....
	Case Type: ....
Creditor's full name	
....	**Garnishment Summons**
and	
Debtor's full name	
....	
Third Party (bank, employer, or other)	
....	
Unpaid Balance:	

~~GARNISHMENT SUMMONS~~

~~The State of Minnesota~~

To the ~~Garnishee~~ Third Party (garnishee) named above:

~~You are hereby summoned and required to serve upon the creditor's attorney (or the creditor if not represented by an attorney) and on the debtor within 20 days after service of this garnishment summons upon you, a written disclosure, of the nonexempt indebtedness, money, or other property due or belonging to the debtor and owing by you or in your possession or under your control and answers to all written interrogatories that are served~~

~~with the garnishment summons. However, if the garnishment is on earnings and the debtor has garnishable earnings, you shall serve the completed disclosure form on the creditor's attorney, or the creditor if not represented by an attorney, within ten days of the last payday to occur within the 90 days after the date of the service of this garnishment summons. "Payday" means the day which you pay earnings in the ordinary course of business. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.~~

~~Your disclosure need not exceed 110 percent of the amount of the creditor's claim that remains unpaid.~~

~~You shall retain garnishable earnings, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim until such time as the creditor causes a writ of execution to be served upon you, until the debtor authorizes you in writing to release the property to the creditor, or until the expiration of ...... days from the date of service of this garnishment summons upon you, at which time you shall return the disposable earnings, other indebtedness, money, or other property to the debtor.~~

A court has ordered that you must serve a written statement to the creditor (or to the creditor's lawyer). You must do this within 20 days after you get this notice. Your written statement should include any money, or other property of the debtor that you have or owe to them. It should also include answers to any questions that are in this summons.

But, if the garnishment is on earnings and the debtor has earnings that can be garnished, fill out the completed disclosure form. Then serve it on the creditor (or the creditor's lawyer). It must be served within 10 days of the last payday within the 90 days after the date you got this summons. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.

You don't have to disclose more than 110% of the unpaid amount that is owed to the creditor. Keep earnings that can be garnished, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim. Keep this until:

(i) the creditor has a writ of execution served on you;

(ii) the debtor gives you permission in writing to release the property to the creditor; or

(iii) it's been ... days from the day you got this garnishment summons.

Then you give the debtor back the disposable earnings, other indebtedness, money, or other property.

Earnings

~~In the event~~ If you are summoned as a garnishee because you owe "earnings" ~~(as defined on the Earnings Garnishment Disclosure form attached to this Garnishment Summons, if applicable)~~ to the debtor, then you ~~are required to~~ must serve ~~upon the creditor's attorney, or the creditor if not represented by an attorney, a written~~ an Earnings Disclosure Form ~~within~~ on the creditor (or the creditor's lawyer). The Earnings Disclosure Form must be in writing and must be served in the time limit set ~~forth~~ above. "Earnings" are defined on the Earnings Garnishment Disclosure Form attached to this Garnishment Summons.

In the case of earnings, you ~~are further required to retain in your possession~~ must keep all unpaid, nonexempt disposable earnings ~~owed or to be owed by you and earned or to be earned~~ that you owe or will owe to the debtor ~~within~~ during the pay period ~~in which~~ when this garnishment ~~summons~~ notice is ~~served and within all subsequent pay periods whose paydays (defined above) occur within the 90 days after the date of service of this garnishment summons~~ delivered and for all pay periods within 90 days after this notice is served.

~~Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.~~

Any transfer of earnings made by the debtor to someone else within 10 days before the first garnishment notice is invalid. Any debt the debtor owes you from within those 10 days can't be used to lower the amount that can be garnished.

~~You are prohibited~~ By law ~~from discharging or disciplining~~ you can't fire or discipline the debtor because ~~the debtor's~~ their earnings have been subject to garnishment.

This Garnishment Summons includes:

(check ~~applicable box~~ the boxes that apply)

... Earnings garnishment (see attached Earnings Disclosure Form)

... Nonearnings garnishment (see attached Nonearnings Disclosure Form)

... Both Earnings and Nonearnings garnishment (see both attached Earnings and Nonearnings Disclosure Form)

Notice to Debtor

You are being served copies of a Garnishment Summons, Earnings Garnishment Disclosure Form, Nonwage Garnishment Disclosure Form, Garnishment Exemption Notices and/or written Interrogatories (strike out if not applicable)~~,~~. Copies of ~~which are hereby~~

~~served on you, were served upon the Garnishee by delivering copies~~ these same documents were also delivered to the Garnishee. The Garnishee was paid $15.

~~Dated: ....~~ ~~..~~

~~Attorney for Creditor (or creditor)~~

~~..~~

~~..~~

~~..~~

~~Address~~

~~..~~

~~Telephone~~

~~..~~

~~Attorney I.D. No~~

Date: ....

Creditor's Signature: ....

(or creditor's lawyer's signature)

Creditor's Name: ....

(or creditor's lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

Sec. 15. Minnesota Statutes 2024, section 571.75, subdivision 2, is amended to read:

Subd. 2. **Contents of disclosure.** The disclosure must state:

(a) If an earnings garnishment disclosure, the amount of disposable earnings earned by the debtor within the debtor's pay periods as specified in section 571.921.

(b) If a nonearnings garnishment disclosure, a description of any personal property or any instrument or papers relating to this property belonging to the judgment debtor or in which the debtor is interested or other indebtedness of the garnishee to the debtor.

(c) If the garnishee asserts any setoff, defense, claim, or lien on disposable earnings, other indebtedness, money, or property, the garnishee shall disclose the amount and the facts concerning the same.

(d) Whether the debtor asserts any exemption, or any other objection, known to the garnishee against the right of the creditor to garnish the disposable earnings, other indebtedness, money, or property disclosed.

(e) If other persons assert claims to any disposable earnings, other indebtedness, money, or property disclosed, the garnishee shall disclose the names and addresses of these claimants and, so far as known by the garnishee, the nature of their claims.

(f) The garnishment disclosure forms and earnings disclosure worksheet must be the same or substantially similar to the following forms. If the garnishment affects earnings of the debtor, the creditor shall use the earnings garnishment disclosure form. If the garnishment affects any indebtedness, money, or property of the debtor, other than earnings, the creditor shall use the nonearnings garnishment disclosure form. Nothing contained in this paragraph limits the simultaneous use of the earnings and nonearnings garnishment disclosure forms.

EARNINGS DISCLOSURE FORM AND WORKSHEET

~~STATE OF MINNESOTA~~	~~DISTRICT COURT~~
~~COUNTY OF ....~~	~~.......................... JUDICIAL DISTRICT~~
~~... (Creditor)~~	
~~... (Debtor)~~	~~GARNISHMENT~~
~~... (Garnishee)~~	~~EARNINGS DISCLOSURE~~

State of Minnesota	**District Court**
County of:	Judicial District: ....
	Court File Number: ....
	Case Type: ....
Creditor's full name	
....	**Garnishment Earnings Disclosure**
and	**For Non-Child Support Judgments**
Debtor's full name	
....	
Third Party (bank, employer, or other)	
....	

This form is called a "Garnishment Earnings Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information. The debtor is also called a "judgment debtor."

The "creditor" is the party owed the money. The creditor is also called a "judgment creditor."

The "employer" is the "third party" or "garnishee." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

Definitions

"**Earnings**": ~~For the purpose of garnishment, "earnings" means compensation~~ what is paid or payable to an employee, independent contractor or self-employed person for personal services ~~or~~ (a job). Also called compensation. Compensation can be wages, salary, commission, bonus, payments, profit-sharing distributions, severance payment, fees or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to ~~the~~ a producer for the sale of agricultural products~~;~~. This can be things like milk or milk products~~;~~, or fruit or other horticultural products. Or things produced ~~when the producer is operating~~ in the operation of a family farm, a family farm corporation, or an authorized farm corporation~~, as~~. This is defined in section 500.24, subdivision 2~~, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement~~.

"**Disposable Earnings**": ~~Means that~~ the part of ~~the~~ a person's earnings ~~of an individual remaining after the deduction from those earnings of~~ that are left after subtracting the amounts required by law to be withheld. ~~(Amounts~~ **Note:** Amounts required by law to be withheld do not include ~~items such as~~ things like health insurance, charitable contributions, or other voluntary wage deductions.~~)~~

"**Payday**": ~~For the purpose of garnishment, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the debtor has no regular payday, ~~payday(s)~~ then "payday" means the ~~fifteenth~~ 15th and the last day of each month.

The Employer/Garnishee Must Answer The Following Questions:

1. ~~Do you~~ Right now ~~owe, or within 90 days from the date the garnishment summons was served on you, will you or~~, do you ~~expect to~~ owe money to the debtor for earnings?

~~Yes .....~~ ~~No .....~~

Yes ..... No .....

2. Within 90 days from the date you were served with the garnishment, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

~~2~~ 3. Does the debtor earn more than ~~$........ per week? (This amount is the greater of $9.50 per hour or~~ the current Minnesota or federal minimum wage per week~~.)~~? (use the number that is more)

~~Yes .....~~ ~~No .....~~

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE~~

~~EARNINGS DISCLOSURE~~

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation on Page 2 and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the creditor's attorney (or the creditor if not represented by an attorney). You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: ....

Signature of Third Party/Employer:

....

Title: ....

Phone: ....

Instructions for Completing the Earnings Disclosure Worksheet

For each payday that falls within 90 days from the date the garnishment ~~summons~~ was served on you, you **must** calculate the amount of earnings to be ~~retained by completing Steps 3 through 11, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS~~

~~DISCLOSURE WERE MADE.~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

~~Each payday, you must retain the amount of earnings listed in Column I on the Earnings Disclosure Worksheet.~~

~~You must return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.~~

~~For Steps 3 through 11, "Columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~3.~~	~~COLUMN A.~~	~~Enter the date of debtor's payday.~~
~~4.~~	~~COLUMN B.~~	~~Enter debtor's gross earnings for each payday.~~
~~5.~~	~~COLUMN C.~~	~~Enter debtor's disposable earnings for each payday.~~
~~6.~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~
~~7.~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($..........) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~8.~~	~~COLUMN F.~~	~~Subtract the amount in Column E from the amount in Column C, and enter here.~~
~~9.~~	~~COLUMN G.~~	~~Enter here the lesser of the amount in Column D and the amount in Column F.~~
~~10.~~	~~COLUMN H.~~	~~Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment. Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void.)~~
		~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the~~

~~worksheet and state the name(s) and address(es) of these persons.~~

~~Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the debtor.~~

~~11.~~	~~COLUMN I.~~	~~Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made.~~

~~AFFIRMATION~~

~~I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.~~

~~Dated: ....~~ ~~...~~

~~Signature~~

~~...~~

~~Title~~

~~...~~

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

~~............................~~

~~Debtor's Name~~

You **must**:

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney). Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 X MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

....

Debtor's Name

A	B	C
Payday Date	Gross Earnings	Disposable Earnings
1.	$........................	$........................
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
~~8.~~ ~~..........................~~	~~..........................~~	~~..........................~~
~~9.~~ ~~..........................~~	~~..........................~~	~~..........................~~
~~10.~~ ~~..........................~~	~~..........................~~	~~..........................~~

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

D	E	F
~~25~~% of withholding of Column C (Use the creditor's calculation chart)	Greater of 40 X ~~$9.50 or 40 X~~ MN or Fed. Min. Wage	Column C minus Column E

1.	....	....
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
~~8. ....~~	~~.........................~~	~~.........................~~
~~9. ....~~	~~.........................~~	~~.........................~~
~~10. ....~~	~~.........................~~	~~.........................~~

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in column E from the amount in column C and enter here.

G Lesser of Column D and Column F	H Setoff, Lien, Adverse Interest, or Other Claims	I Column G minus Column H
1.	....	....
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
~~8. ....~~	~~.........................~~	~~.........................~~
~~9. ....~~	~~.........................~~	~~.........................~~
~~10. ....~~	~~.........................~~	~~.........................~~
		Total of Column I= $ ....

Column G. Look at column D and column F. Enter the smaller amount of the two here in column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first garnishment on a debt may not be set off against the earnings that are affected by this garnishment. Any wage assignment made by the debtor within 10 days before you got the first garnishment on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

~~*~~If you entered any amount in Column H for any ~~payday(s), you must~~ payday, describe those claims below ~~either~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others ~~you must both state~~, list the names and addresses of ~~these persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

....

....

....

~~AFFIRMATION~~

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~Dated: ....~~

~~Signature ....~~

~~Title ....~~

~~Telephone Number (....) ....~~

Date: ....

Third Party's Name: ....

Third Party's Signature: ....

Phone: .... Fax: ....

Email: ....

EARNINGS DISCLOSURE FORM AND WORKSHEET

FOR CHILD SUPPORT DEBTOR

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF	.... JUDICIAL DISTRICT
.... (Creditor)	
.... (Debtor)	GARNISHMENT
.... (Garnishee)	EARNINGS DISCLOSURE

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment benefits.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the debtor for earnings?

Yes .... No ....

INSTRUCTIONS FOR COMPLETING THE

EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 90 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period. If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of debtor's payday.

(3) COLUMN B. Enter debtor's gross earnings for each payday.

(4) COLUMN C. Enter debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(7) COLUMN F. Subtract the amount in column E from the amount in column D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: ....
Signature

....
Title

....
Telephone Number

EARNINGS DISCLOSURE WORKSHEET

....
Debtor's Name

A	B	C
Payday Date	Gross Earnings	Disposable Earnings
1.	$	$ ....
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
8.	....	....
9.	....	....
10.	....	....

D	E	F
Either 50, 55, 60, or 65% of Column C	Setoff, Lien, Adverse Interest, or Other Claims	Column D minus Column E
1.	....	....
2.	....	....
3.	....	....
4.	....	....
5.	....	....
6.	....	....
7.	....	....
8.	....	....
9.	....	....
10.	....	....

TOTAL OF COLUMN F $....................................

*If you entered any amount in column E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

....

....

....

AFFIRMATION

I, ... (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

....
Signature

Dated: .... (....) ....
Title Phone Number

NONEARNINGS DISCLOSURE FORM

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~.......................... JUDICIAL DISTRICT~~

~~... (Creditor)~~

~~against~~

~~.. (Debtor)~~ ~~NONEARNINGS DISCLOSURE~~

~~and~~

~~... (Garnishee)~~

~~On the .... day of ...., ..., the time of service of garnishment summons herein, there was due and owing the debtor from the garnishee the following:~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

....

Non-Earnings Disclosure

against

For Non-Child Support Judgments

Debtor's full name

....

and

Third Party (bank, employer, or other)

....

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee." The "debtor" is the person who owes money. The debtor is also called the "judgment debtor." The "creditor" is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $.................. to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

Fill in the date you got this disclosure:

.... (month) .... (day), ... (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the debtor, except earnings, from the garnishee~~ Write down the amount of money you owe the debtor (except earnings).

....

(2) Property. ~~Describe on the line below~~ Write a short description of any personal property, instruments, or papers belonging to the debtor ~~and in the possession of the garnishee~~ that you have in your possession. List the monetary value of each thing.

....

(3) Setoff. ~~Enter on the line below the amount of any~~ If you claim a setoff, defense, lien, or claim ~~which the garnishee claims~~ against the amount ~~set forth~~ on lines (1) and (2) above enter that amount on the line below. State the facts ~~by which the setoff, defense, lien, or~~ about your claim ~~is claimed~~. ~~(Any indebtedness to a garnishee incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)~~ **Note**: Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

....

(4) Exemption. Enter ~~on the line below~~ any amounts or property ~~claimed by the debtor to be exempt from execution~~ that the debtor claims is exempt on the line below.

....

(5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the debtor's property~~ of the debtor's property that other people claim they own or have interest in.

....

(6) Enter ~~on~~ the ~~line below the~~ total of lines (3), (4), and (5) on the line below.

....

(7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2) on the line below.

....

(8) ~~Enter on the line below~~ Figure out 110 percent of the amount of the creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

....

(9) ~~Enter on the line below the lesser of line~~ Look at (7) and ~~line~~ (8). ~~Retain~~ Put the smaller number on the line below. Hold this amount only if it is $10 or more.

....

AFFIRMATION

I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this nonearnings garnishment disclosure~~, and~~. I have done so truthfully and to the best of my knowledge.

~~Dated: ....~~ ~~..~~

~~Signature~~

~~..~~

~~Title~~

~~..~~

~~Telephone Number~~

Date: ....

Name: ....

Signature: ....

Title: ....

Phone: .... Email: ....

Sec. 16. Minnesota Statutes 2024, section 571.912, is amended to read:

571.912 FORM OF NOTICE, INSTRUCTIONS, AND EXEMPTION NOTICE.

Subdivision 1. **Form of notice.** The notice, instructions, and exemption notice informing a debtor that a garnishment summons has been used to attach funds of the debtor to satisfy a claim must be a separate notice and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~.....................JUDICIAL DISTRICT~~

~~...(Creditor)~~

~~...(Debtor)~~

~~.......................(Financial institution)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

....

Debtor's full name

....

Third Party (bank, employer, or other)

....

Important Notice

~~**YOUR FUNDS HAVE BEEN GARNISHED**~~

Money in Your Account Has Been Frozen

The Creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.......

The amount being held is $.......

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources, place~~ a benefit on the list, put a check on the line ~~on the form next to the sources of your money. If it is from one of these sources,~~ next to it. The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions ~~or your Creditor gets an order from the court or writ of execution,~~ your ~~financial institution will give~~ bank gives the money to your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~,~~. But ~~that is not as easy to do as~~ filling ~~in~~ out the form now is easiest.

See next pages for instructions and the exemption form.

Subd. 2. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

Instructions

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the ~~creditor's attorney~~

~~(or to the creditor, if no attorney) bank statements~~ creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may ~~release~~ give your money to the creditor. They would do this once the creditor gives ~~the financial institution~~ them a court order ~~directing it~~ saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

~~...~~

~~(Insert name of creditor or creditor's attorney)~~

~~...~~

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Name: ....

(or creditor's lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

One copy goes to:

~~...~~

~~(Insert name of bank)~~

~~...~~

~~(Insert address of bank)~~

Bank's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor. This happens once they get an order from the court telling the ~~financial institution~~ bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

Warnings and Fines

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Subd. 3. **Exemption notice.** The exemption notice must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~.....................JUDICIAL DISTRICT~~

~~..(Creditor)~~

~~..(Debtor)~~

~~.......................(Financial institution)~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

.... **Exemption Form**

vs.

Debtor's full name

....

Bank's name

....

~~**EXEMPTION FORM**~~

A. **How Much Money is Protected (exempt)**

~~......~~ ... I claim ALL of the money being frozen by the bank is protected.

~~......~~ ... I claim SOME of the money is protected. The amount I claim is protected is $.......

B. **Why The Money is Protected**

My money is protected because I get it from one or more of the following places: **(Check all that apply)**

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money.**

~~......~~ **Government Benefits**

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

... **MFIP** - Minnesota Family Investment Program~~,~~

... **DWP** - MFIP Diversionary Work Program~~,~~

... **SNAP** - Supplemental Nutrition Assistance Program

~~**Work participation cash benefit,**~~

... **GA** - General Assistance~~,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

... **EGA** - Emergency General Assistance~~,~~

... **MSA** - Minnesota Supplemental Aid~~,~~

... **MSA-EA** - MSA Emergency Assistance~~,~~

... **EA** - Emergency Assistance

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

... **MA** - Medical Assistance

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

... **MinnesotaCare**~~,~~

... **Medicare Part B** - Premium Payments~~,~~ help

... **Medicare Part D** - Extra ~~help,~~

~~**Energy or fuel assistance.**~~

... **SSI** - Supplemental Security Income

... **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

... **Renter's Refund** (also called Renter's Property Tax Credit)

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~...~~

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number: ....~~

~~County: ....~~

~~**Government benefits also include:**~~

~~......~~ ~~**Social Security benefits**~~

~~......~~ ~~**Unemployment benefits**~~

~~......~~ ~~**Workers' compensation**~~

~~......~~ ~~**Veterans benefits**~~

~~**If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.**~~

~~......~~ ~~**Other assistance based on need**~~

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:..~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~......~~ ~~**All of your earnings (wages) are protected if:**~~

~~......~~ ~~You get government benefits (see list of government benefits)~~

~~......~~ ~~You currently receive other assistance based on need~~

~~......~~ ~~You have received government benefits in the last six months~~

~~......~~ ~~You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money**.~~

~~......~~ ~~**Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

~~**OTHER EXEMPT FUNDS**~~

~~The money from the following are also completely protected after they are deposited in your account.~~

~~......~~ ~~**An accident, disability, or retirement pension or annuity**~~

~~......~~ ~~**Payments to you from a life insurance policy**~~

~~......~~ ~~**Earnings of your child who is under 18 years of age**~~

~~......~~ ~~**Child support**~~

~~......~~ ~~**Money paid to you from a claim for damage or destruction of property** Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.~~

~~......~~ ~~**Death benefits paid to you**~~

<u>List the case number and county for every box you checked:</u>

<u>Case Number: .... County: ....</u>

Case Number: .... County: ....

Case Number: .... County: ....

Government benefits also include:

... Social Security benefits

... Unemployment benefits

... Workers' compensation

... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from: ....

....

Make sure you include copies of any documents that show this.

C. Other Protected Funds

The money from these things are also completely protected after they are deposited in my account.

... Child Support

... A retirement, disability, or accident pension or annuity

... Earnings of my child who is under 18 years of age

... Payments to me from a life insurance policy

... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances

... Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named~~ creditor~~,~~ named above or ~~its attorney~~ to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not, or whether I have gotten them~~ assistance, or if I have gotten assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

You must sign this form and send ~~THIS FORM~~ it back to the creditor's ~~ATTORNEY~~ lawyer (or to the creditor, if there is no ~~ATTORNEY~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor (or to the creditor's lawyer) at the address listed below.

~~..~~

~~(Insert name of creditor or creditor's attorney)~~

~~..~~

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature: ....

(or creditor's lawyer's signature)

Creditor's Name: ....

(or creditor's lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: ....~~

~~DEBTOR~~

~~..~~

~~DEBTOR ADDRESS~~

~~..~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

Date: ....

Debtor's Signature: ....

Debtor's Name: ....

Street Address: ....

City/State/Zip: ....

Phone: ....

Email: ....

Sec. 17. Minnesota Statutes 2024, section 571.914, subdivision 2, is amended to read:

Subd. 2. **Form of Notice of Objection and Notice of Hearing.** The Written Objection and Notice of Hearing must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~...........................JUDICIAL DISTRICT~~

~~..(Creditor)~~

~~..(Debtor)~~ ~~CREDITOR'S NOTICE OF OBJECTION AND NOTICE OF HEARING ON EXEMPTION CLAIM~~

~~..(Garnishee)~~

~~...~~

~~...~~

~~...~~

~~(CREDITOR OR CREDITOR'S ATTORNEY)~~

~~**NOTICE OF HEARING**~~

~~The creditor objects to your exemption claim. This hearing is to resolve your exemption claim.~~

~~Hearing Date:~~ ~~...~~

~~Time:~~ ~~...~~

~~Hearing Place:~~ ~~...~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

....

and

Debtor's full name

....

Third Party (bank, employer, or other)

....

Creditor's Notice of Objection and Notice of Hearing on Exemption Claim

Hearing Notice

The creditor objects to your exemption claim. This hearing is to decide if your exemption claim is valid.

The hearing will be at:

Place: .... Date: .... Time: ....

The creditor objects to your claim of exemption from garnishment for the following reason(s):

....

....

....

~~**(Note: Bring with you to the hearing all documents and materials supporting your exemption claim.** Failure to do so could delay the court's decision.**)**~~

~~If the creditor receives all documents and materials supporting your exemption claim before the hearing date, the creditor may agree with your claim and you can avoid a hearing.~~

~~Because a court hearing will be held on your claim that your funds are protected, your financial institution will retain the funds until it receives an order from the court.~~

Note: Bring all your documents and materials that support your exemption claim to the hearing. If you don't, the court's decision could be held up.

You can send your documents and materials to the creditor before the hearing. If they review them and agree with your claim, you can avoid a hearing.

Because there is a court hearing scheduled about your exemption claim, your bank will keep your funds until it gets an order from the court.

Date: ....

Creditor's Signature: ....

(or creditor's lawyer's signature)

Creditor's Name: ....

(or creditor's lawyer's name)

Street Address: ....

City/State/Zip: ....

Phone: .... Fax: ....

Email: ....

Sec. 18. Minnesota Statutes 2024, section 571.925, is amended to read:

571.925 FORM OF NOTICE.

The ten-day notice informing a debtor that a garnishment summons may be used to garnish the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF ....~~ ~~............................JUDICIAL DISTRICT~~

~~..(Creditor)~~

~~against~~

~~GARNISHMENT EXEMPTION~~

~~...(Debtor)~~ ~~NOTICE AND NOTICE OF~~

~~and~~ ~~INTENT TO GARNISH EARNINGS~~

~~...(Garnishee)~~

~~PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Some or all of your earnings are exempt from garnishment. If your earnings are garnished, your employer must show you how the amount that is garnished from your earnings was calculated. You have the right to request a hearing if you claim the garnishment is incorrect.~~

~~Your earnings are completely exempt from garnishment if you are now a recipient of assistance based on need, if you have been a recipient of assistance based on need within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Assistance based on need includes, but is not limited to:~~

State of Minnesota **District Court**

County of: .... Judicial District: ....

Court File Number: ....

Case Type: ....

Creditor's full name

.... **Garnishment Exemption Notice and**

and **Notice of Intent to Garnish Earnings**

Debtor's full name

....

Third Party (bank, employer, or other)

....

Notice: A garnishment may be served on your employer or other third parties. **Garnishment means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program~~,~~

(ii) **DWP** - MFIP Diversionary Work Program~~,~~

(iii) **SNAP** - Supplemental Nutrition Assistance Program

~~**Work participation cash benefit,**~~

(iv) **GA** - General Assistance~~,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

(v) **EGA** - Emergency General Assistance~~,~~

(vi) **MSA** - Minnesota Supplemental Aid~~,~~

(vii) **MSA-EA** - MSA Emergency Assistance~~,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**~~,~~

(xiii) **Medicare Part B** - Premium Payments~~,~~ help

(xiv) **Medicare Part D** - Extra ~~help,~~

~~**Energy or fuel assistance.**~~

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the creditor's attorney and the garnishee.~~

~~You may wish to contact the attorney for the creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

~~PENALTIES~~

~~(1) Be advised that even if you claim an exemption, a garnishment summons may still be served on your employer. If your earnings are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~

~~(2) HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~Dated: ....~~ ~~..~~

~~(Attorney for) Creditor~~

~~..~~

~~Address~~

~~..~~

~~Telephone~~

Warnings and Fines

(1) Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

Date: ....
Creditor's Signature: ....
(or creditor's lawyer's signature)
Creditor's Name: ....
(or creditor's lawyer's name)
Street Address: ....
City/State/Zip: ....
Phone: .... Fax: ....
Email: ....

DEBTOR'S EXEMPTION CLAIM NOTICE

State of Minnesota **District Court**
County of: .... Judicial District: ....
Court File Number: ....
Case Type: ....
Creditor's full name
....
and
Debtor's full name
....
and
Third Party (bank, employer, or other)
....

Debtor's Exemption Claim Notice

I ~~hereby~~ claim that my earnings are exempt from this garnishment because: (check all that apply)

~~(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)~~

~~..~~ ~~...~~ ~~...~~
~~Program~~ ~~Case Number (if known)~~ ~~County~~

~~(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)~~

~~.....................................~~	~~.....................................~~	~~.....................................~~
~~Program~~	~~Case Number (if known)~~	~~County~~

~~(3) I have been an inmate of a correctional institution within the last six months. (Specify the correctional institution and location.)~~

~~.....................................~~	~~.....................................~~
~~Correctional Institution~~	~~Location~~

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named creditor or the creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.~~

~~.....................................~~	~~.....................................~~
~~Date~~	~~Debtor~~
	~~.....................................~~
	~~Address~~
	~~.....................................~~
	~~Debtor Telephone Number~~

~~STATE OF MINNESOTA~~	~~DISTRICT COURT~~
~~COUNTY OF ....~~	~~..........................JUDICIAL DISTRICT~~

~~..(Creditor)~~

~~..(Debtor)~~

~~..........................(Financial institution)~~

... I am getting government assistance based on need. (State the program, case number if you know it, and the county you got it from.)

Program: .... Case #: .... County: ....

Program: .... Case #: .... County: ....

Program: .... Case #: .... County: ....

... I am not getting assistance based on need right now, but I did get government assistance based on need within the last 6 months. (State the program, case number if you know it, and the county you got it from.)

Program: .... Case #: .... County: ....
Program: .... Case #: .... County: ....
Program: .... Case #: .... County: ....

... I was an inmate of a correctional institution within the last 6 months. (State the correctional institution and location.)

Correctional Institution .... Location ....

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Sign and send this form back to the creditor or the creditor's lawyer.

Fill in the blanks below.

I mailed or delivered a copy of this form to the creditor or to the creditor's lawyer if they have one, at the address listed below.

Date: ....
Creditor's Signature: ....
(or creditor's lawyer's signature)
Creditor's Name: ....
(or creditor's lawyer's name)
Street Address: ....
City/State/Zip: ....
Phone: .... Fax: ....
Email: ....

Date: ....
Debtor's Signature: ....
Debtor's Name: ....
Street Address: ....
City/State/Zip: ....
Phone: ....
Email: ....

Sec. 19. Minnesota Statutes 2024, section 571.931, subdivision 6, is amended to read:

Subd. 6. **Notice.** The debtor shall be served with a copy of the prejudgment garnishment order issued pursuant to this section together with a copy of all pleadings and other documents not previously served, including any affidavits upon which the claimant intends to rely at the subsequent hearing and a transcript of any oral testimony given at the prejudgment garnishment hearing upon which the creditor intends to rely and a notice of hearing. Service must be in the manner prescribed for personal service of a summons unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor.

The notice of hearing served upon the debtor must be signed by the creditor or the attorney for the creditor and must be accompanied by an exemption notice. The notice of hearing must be accompanied by an exemption notice, and both notices must provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~

Hearing Notice

TO: ....

~~(the debtor)~~ (debtor's full name)

The (insert the name of court) Court has ordered the prejudgment garnishment of some of your property ~~in the possession or control of a third party~~. This is about property that a third party has or controls. Some of your property may be exempt ~~from seizure~~ and can't be taken. See the exemption notice below.

The Court issued this Order ~~based upon the claim of~~ because (insert name of creditor) ~~that (insert name of creditor) is~~ claims they are entitled to ~~a court order for garnishment~~ take some of your property ~~to secure your payment of any money judgment that (insert name of creditor) may later be obtained against you and that immediate action was necessary~~. They do this to make sure you pay any money they might win in a future case against you. They felt immediate action was needed.

You have the legal right to challenge (insert name of creditor) claims at a court hearing before a judge.

The hearing will be at:

Place: .... Date: .... Time: ....

~~The hearing will be held at the (insert place) on (insert date) at (insert time).~~ You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide~~ You get to tell the court your side of the issue. Then the court decides what should be done with your property until the lawsuit against you is finally decided.

If you ~~do not attend~~ don't go to this hearing, the court may order garnishment of your property.

Exemption Notice

Some of your property may be exempt and ~~cannot be garnished~~ can't be taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $4,500 at the time of attachment.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,000 after deducting any security interest.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by someone principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to $10,000.~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 20. Minnesota Statutes 2024, section 571.932, subdivision 2, is amended to read:

Subd. 2. **Service.** The creditor's motion to obtain an order of garnishment together with the creditor's affidavit and notice of hearing must be served in the manner prescribed for service of a summons in a civil action in district court unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor. If the debtor has already appeared in the action, the motion must be served in the manner prescribed for service of pleadings subsequent to the summons. The date of the hearing must be fixed in accordance with rule 6 of the Minnesota Rules of Civil Procedure for the District Courts, unless a different date is fixed by order of the court.

The notice of hearing served upon the debtor shall be signed by the creditor or the attorney for the creditor and shall provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~

Hearing Notice

TO: ....

~~(the debtor)~~ (debtor's full name)

~~A hearing will be held (insert place) on (insert date) at (insert time) to determine whether nonexempt property belonging to you will be garnished to secure a judgment that may be entered against you.~~

There will be a hearing to decide if your nonexempt property will be garnished to help pay a judgment that may be entered against you.

The hearing will be at:

Place: .... Date: .... Time: ....

You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide whether~~ You get to tell the court your side of the issue. Then the court decides if your property should be garnished until the lawsuit ~~which has been commenced~~ against you is finally decided.

If the court ~~directs the issuance of~~ issues a garnishment summons ~~while~~ during the lawsuit ~~is pending~~, you ~~may still~~ can keep the property until the lawsuit is decided if you file a bond ~~in an amount~~. The amount of the bond is set by the court.

If you ~~DO NOT ATTEND THIS~~ don't go to this hearing, the court may order garnishment of your nonexempt property ~~TO BE GARNISHED~~.

Exemption Notice

Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. ~~The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of the garnishment.~~ If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~A homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interests.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000~~.~~;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 21. Laws 2024, chapter 114, article 3, section 101, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~April~~ June 1, 2025, and applies to causes of action commenced on or after that date.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2025.

Sec. 22. **CONSTRUCTION AND APPLICATION.**

The forms in sections 1 to 20 must be made available on the state court website on or before June 1, 2025. The failure to use the forms as amended by sections 1 to 20 before June 1, 2025, is not a basis for a complaint or violation of a federal statute, Minnesota Statutes, or the Minnesota Rules of Professional Conduct.

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

Sec. 23. **EFFECTIVE DATE.**

Sections 1 to 20 are effective June 1, 2025.

ARTICLE 8
MISCELLANEOUS COMMERCE PROVISIONS

Section 1. Minnesota Statutes 2024, section 41A.09, subdivision 2a, is amended to read:

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

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

(1) meets all of the specifications in ASTM specification ~~D4806-04a~~ D4806-21a; and

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

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

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

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 2. Minnesota Statutes 2024, section 45.027, subdivision 1, is amended to read:

Subdivision 1. **General powers.** (a) In connection with the duties and responsibilities entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate any law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the duties and responsibilities entrusted to the commissioner;

(4) conduct investigations and hold hearings for the purpose of compiling information related to the duties and responsibilities entrusted to the commissioner;

(5) examine the books, accounts, records, and files of every licensee, and of every person who is engaged in any activity regulated; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner;

(7) require any person subject to duties and responsibilities entrusted to the commissioner, to report all sales or transactions that are regulated. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction; ~~and~~

(8) assess a natural person or entity subject to the jurisdiction of the commissioner the necessary expenses of the investigation performed by the department when an investigation is made by order of the commissioner. The cost of the investigation shall be determined by the commissioner and is based on the salary cost of investigators or assistants and at an average rate per day or fraction thereof so as to provide for the total cost of the investigation. All money collected must be deposited into the general fund. A natural person or entity licensed under chapter 60K, 82, or 82B shall not be charged costs of an investigation if the investigation results in no finding of a violation. This clause does not apply to a natural person or entity already subject to the assessment provisions of sections 60A.03 and 60A.031~~.~~; and

(9) issue data calls.

(b) For purposes of this section, "data call" means a written request from the commissioner to two or more natural persons or entities subject to the commissioner's jurisdiction to provide data or other information within a reasonable time period commensurate with the volume and nature of the data required to be collected in the data call for a specific, targeted regulatory oversight purpose. A data call is not market analysis, as defined under section 60A.031, subdivision 4, paragraph (f), and is not subject to section 60A.033.

Sec. 3. Minnesota Statutes 2024, section 45.027, is amended by adding a subdivision to read:

Subd. 1b. **Data calls.** (a) Information provided in response to a data call issued by the commissioner: (1) must be treated as nonpublic data, as defined under section 13.02, subdivision 9; and (2) is not subject to subpoena. If the commissioner performs a data call, the commissioner may make the results available for public inspection in an aggregated format and in such a manner as to not disclose the identity of a specific natural person or entity, including the name of any natural person or entity who responded to the data call. Prior to making the aggregated results of a data call available for public inspection, the commissioner must provide all natural persons and entities that responded to the data call 15 days' notice of the information to be publicly released. Nothing in this subdivision requires the commissioner to publicly release aggregated results from a data call. The results of a data call that requests data for the National Association of Insurance Commissioners' Market Conduct Annual Statement is subject to confidential treatment as provided under section 60A.031, subdivision 4, paragraph (f).

(b) The commissioner may grant access to data submitted by insurers in response to a data call issued by the commissioner with other state, federal, and international regulatory agencies; with the National Association of Insurance Commissioners and its affiliates and subsidiaries; and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the data as nonpublic data and has the legal authority to maintain the data as nonpublic data.

Sec. 4. Minnesota Statutes 2024, section 45.027, subdivision 2, is amended to read:

Subd. 2. **Power to compel production of evidence.** For the purpose of any investigation, hearing, proceeding, or inquiry related to the duties and responsibilities entrusted to the commissioner, the commissioner or a designated representative may issue data calls, administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

A subpoena issued pursuant to this subdivision must state that the person to whom the subpoena is directed may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to law enforcement personnel except:

(1) insofar as the disclosure is necessary to find and disclose the records; or

(2) pursuant to court order.

Sec. 5. Minnesota Statutes 2024, section 45.24, is amended to read:

45.24 LICENSE TECHNOLOGY FEES.

(a) The commissioner may establish and maintain an electronic licensing database system for license origination, renewal, and tracking the completion of continuing education requirements by individual licensees who have continuing education requirements, and other related purposes.

(b) The commissioner shall pay for the cost of operating and maintaining the electronic database system described in paragraph (a) through a technology surcharge imposed upon the fee for license origination and renewal, for individual licenses that require continuing education.

(c) The surcharge permitted under paragraph (b) shall be up to $40 for each two-year licensing period, except as otherwise provided in paragraph (f), and shall be payable at the time of license origination and renewal.

(d) The Commerce Department technology account is hereby created as an account in the special revenue fund.

(e) The commissioner shall deposit the surcharge permitted under this section in the account created in paragraph (d), and funds in the account are appropriated to the commissioner in the amounts needed for purposes of this section. The commissioner of management and budget shall transfer an amount determined by the commissioner of commerce from the account to the statewide electronic licensing system account under section 16E.22 for the costs of the statewide licensing system attributable to the inclusion of licenses subject to this section.

(f) The commissioner ~~shall~~ may temporarily reduce or suspend the surcharge as necessary if the balance in the account created in paragraph (d) exceeds $2,000,000 as of the end of June in any calendar year and ~~shall~~ must annually review the anticipated costs under paragraph (b) to determine the amount to increase or decrease the surcharge ~~as necessary~~ to keep the fund balance at an adequate level but not in excess of $2,000,000.

Sec. 6. Minnesota Statutes 2024, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

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

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

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

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

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

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

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

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

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

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

(A) the amount of assets under management;

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

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

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

(H) trading practices; and

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

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

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

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least $25,000, but not to exceed $100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

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

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

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

Sec. 7. Minnesota Statutes 2024, section 80E.12, is amended to read:

80E.12 UNLAWFUL ACTS BY MANUFACTURERS, DISTRIBUTORS, OR FACTORY BRANCHES.

It shall be unlawful for any manufacturer, distributor, or factory branch to require a new motor vehicle dealer to do any of the following:

(a) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law which has not been voluntarily ordered by the new motor vehicle dealer, provided that this paragraph does not modify or supersede reasonable provisions of the franchise requiring the dealer to market a representative line of the new motor vehicles the manufacturer or distributor is publicly advertising;

(b) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law in order for the dealer to obtain delivery of any other motor vehicle ordered by the dealer;

(c) order or accept delivery of any new motor vehicle with special features, accessories, or equipment not included in the list price of the motor vehicles as publicly advertised by the manufacturer or distributor;

(d) participate monetarily in an advertising campaign or contest, or to purchase any promotional materials, showroom, or other display decorations or materials at the expense of the new motor vehicle dealer;

(e) enter into any agreement with the manufacturer or to do any other act prejudicial to the new motor vehicle dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and the manufacturer. Notice in good faith to any dealer of the dealer's violation of any terms of the franchise agreement shall not constitute a violation of sections 80E.01 to 80E.17;

(f) change the capital structure of the new motor vehicle dealer or the means by or through which the dealer finances the operation of the dealership; provided, that the new motor vehicle dealer at all times meets any reasonable capital standards agreed to by the dealer; and also provided, that no change in the capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor as provided in section 80E.13, paragraph (j);

(g) prevent or attempt to prevent, by contract or otherwise, any motor vehicle dealer from changing the executive management control of the new motor vehicle dealer unless the franchisor proves that the change of executive management will result in executive management control by a person who is not of good moral character or who does not meet the franchisor's existing reasonable capital standards and, with consideration given to the volume of sales and services of the new motor vehicle dealer, uniformly applied minimum business experience standards in the market area; provided, that where the manufacturer, distributor, or factory branch rejects a proposed change in executive management control, the manufacturer, distributor, or factory branch shall give written notice of its reasons to the dealer;

(h) refrain from participation in the management of, investment in, or the acquisition of, any other line of new motor vehicle or related products or establishment of another make or line of new motor vehicles in the same dealership facilities as those of the manufacturer; provided, however, that this clause does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicle, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable facilities requirements of the manufacturer and that the acquisition or addition is not unreasonable in light of all existing circumstances; provided further that if a manufacturer determines to deny a dealer's request for a change described in this paragraph, such denial must be in writing, must offer an analysis of the grounds for the denial addressing the criteria contained in this paragraph, and must be delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the completed application or documents customarily used by the manufacturer for dealer actions described in this paragraph. If a denial that meets the requirements of this paragraph is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed change.

For purposes of this section and sections 80E.07, subdivision 1, paragraph (c), and 80E.14, subdivision 4, reasonable facilities requirements shall not include a requirement that a dealer establish or maintain exclusive facilities for the manufacturer of a line make unless determined to be reasonable in light of all existing circumstances or the dealer and the manufacturer voluntarily agree to such a requirement and separate and adequate consideration was offered and accepted;

(i) during the course of the agreement, change the location of the new motor vehicle dealership or make any substantial alterations to the dealership premises during the course of the agreement, when to do so would be unreasonable or if the manufacturer fails to provide the dealer 180 days' prior written notice of a required change in location or substantial premises alteration; ~~or~~

(j) prospectively assent to a release, assignment, novation, waiver, or estoppel whereby a dealer relinquishes any rights under sections 80E.01 to 80E.17, or which would relieve any person from liability imposed by sections 80E.01 to 80E.17 or to require any controversy between a new motor vehicle dealer and a manufacturer, distributor, or factory branch to be referred to any person or tribunal other than the duly constituted courts of this state or the United States, if the referral would be binding upon the new motor vehicle dealer~~.~~; or

(k) refrain from participation in an auto show described in section 168.27, subdivision 10a.

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

Sec. 8. Minnesota Statutes 2024, section 82B.19, subdivision 5, is amended to read:

Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "asynchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board; and

(2) "synchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board, and includes an educational process based on live or real-time instruction where there is no geographic separation of instructor and student.

(b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser <u>or course provider</u> may submit, in a form prescribed by the commissioner, an application for continuing education credit for a synchronous educational offering that has not been submitted for prior approval in Minnesota. The commissioner must grant a real estate appraiser continuing education credit if:

(1) the application is submitted on or before August 1 of the year in which the real estate appraiser license is due for renewal;

(2) the synchronous educational offering has been approved for continuing education credit by the regulator of real estate appraisers in at least one other state or United States territory; and

(3) an application is submitted by the real estate appraiser <u>or course provider</u> to the commissioner within ~~30~~ <u>60</u> days of successful completion of the synchronous educational offering.

(c) The application must include a certificate of successful completion from the synchronous educational offering provider. The commissioner must grant a real estate appraiser the same number of continuing education credits for the successful completion of the synchronous educational offering as was approved for the offering by the out-of-state real estate appraiser regulatory authority. The commissioner must grant a real estate appraiser continuing education credit within 60 days of the submission of the completed application for out-of-state continuing education credit.

(d) The commissioner may charge a fee to a real estate appraiser, in an amount to be determined by the commissioner, to submit an application under this subdivision.

(e) This subdivision does not apply to asynchronous educational offerings.

Sec. 9. Minnesota Statutes 2024, section 168.27, is amended by adding a subdivision to read:

Subd. 10a. **Participation in auto shows.** (a) A new motor vehicle dealer may participate in an auto show outside the county where the dealer maintains the dealer's licensed location to sell new vehicles without obtaining an additional license if:

(1) the dealer participates in an auto show that takes place in a county other than the county where the dealer maintains a licensed location not more than four times during any calendar year;

(2) the auto show is held at a location in a city of the first class or a city immediately adjacent to a city of the first class;

(3) the auto show is not held at a licensed location of any participating dealer;

(4) there are ten or more dealers participating in the auto show;

(5) the auto show is of a duration of no more than 12 consecutive days;

(6) the auto show is conducted by a trade association exempt from federal taxes under United States Code, title 26, section 501(c)(6); and

(7) the auto show expressly prohibits:

(i) the sale or lease of vehicles at the show;

(ii) labeling or marking vehicles as "For Sale" or "Sold";

(iii) labeling or marking a vehicle with a price other than the manufacturer's retail price label;

(iv) using printed posters, cards, and other printed materials that contain special dealership pricing; and

(v) appraisal of trade-in vehicles and quoting a trade-in price for a particular vehicle.

(b) The auto show may permit:

(1) exhibitor staff to distribute business cards, coupons, vehicle promotional materials, and factory-approved rebates;

(2) exhibitor staff to make appointments for potential customers to visit the dealership, collect names of customer leads for later contact, and discuss the suggested retail price of a vehicle and the availability of particular lines of vehicles; and

(3) test rides or test drives of new vehicles but only under a program conducted by the auto show.

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

Sec. 10. Minnesota Statutes 2024, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090.

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 2024, section 239.761, subdivision 4, is amended to read:

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

(b) A gasoline-ethanol blend must:

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

(2) comply with ASTM specification ~~D4814-11b~~ D4814-24a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-11b~~ D4814-24a; and

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

Sec. 12. Minnesota Statutes 2024, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 6, is amended to read:

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

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

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

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

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

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

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 14. Minnesota Statutes 2024, section 239.791, subdivision 11, is amended to read:

Subd. 11. **Exemption for motor sports racing.** (a) A person responsible for the product may offer for sale, sell, or dispense at a public or private racecourse or a retail gasoline station, gasoline that is not oxygenated in accordance with subdivision 1 if the gasoline is intended to be used exclusively as a fuel for off-highway motor sports racing events.

(b) No more than one storage tank on the premises of a retail gasoline station may be used for the storage of nonoxygenated motor sports racing gasoline that is offered for sale, sold, or dispensed at the station. The pump stand at the station must be posted with a permanent, conspicuously placed notice in full view of consumers stating: "FOR USE IN OFF-HIGHWAY MOTOR SPORTS ENGINES ONLY."

Sec. 15. Minnesota Statutes 2024, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 16. Minnesota Statutes 2024, section 296A.01, subdivision 23, is amended to read:

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

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

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-11b~~ D4814-24a.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-11b~~ D4814-24a and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 2024, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-11b~~ D4814-24a. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 18. **[325F.677] AVAILABILITY OF WATER AT PLACES OF ENTERTAINMENT.**

Subdivision 1. **Definition.** For purposes of this section, "place of entertainment" has the meaning given in section 325F.676, subdivision 1, paragraph (h).

Subd. 2. **Available water requirement.** When occupancy exceeds 100 attendees and when an attendee must have a ticket in order to access the place of entertainment, a place of entertainment must provide attendees with access to potable water by:

(1) providing water at no cost to the attendees;

(2) allowing attendees to bring factory-sealed bottled water into the place of entertainment; or

(3) allowing attendees to bring an empty water bottle to the place of entertainment and providing attendees with access to potable water to fill the bottle. A place of entertainment may prohibit certain types and sizes of water bottles in order to protect the safety of others.

Subd. 3. **Exceptions.** A museum exhibit gallery or presentation space where beverages are prohibited is not required to allow water into the museum exhibit gallery or presentation space if water is available at no cost in an accessible location outside of the museum exhibit gallery or presentation space.

Sec. 19. **SECURITIES BROKER-DEALER CONDUCT; EXPEDITED RULEMAKING.**

The commissioner of commerce must adopt rules amending Minnesota Rules, part 2876.5021, to reflect that NASD is now referred to as FINRA and to comply with FINRA's new securities broker-dealer conduct rules. The commissioner of commerce may use the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend Minnesota Rules, part 2876.5021, under this section.

Sec. 20. **REPEALER.**

Minnesota Statutes 2024, sections 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; and 325F.07, are repealed."

Delete the title and insert:

"A bill for an act

relating to commerce; modifying and adding various provisions governing financial institutions, insurance, limited long-term care insurance; Medicare supplement insurance, and insurance holding company systems; adopting the Uniform Special Deposits Act; modifying the Minnesota Business Corporations Act; modifying various garnishment forms; modifying various provisions implemented or enforced by the Department of Commerce; authorizing administrative rulemaking; making technical and conforming changes; amending Minnesota Statutes 2024, sections 41A.09, subdivision 2a; 45.027, subdivisions 1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77; 53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 60C.09, subdivision 2; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62A.31, subdivisions 1, 1f, 1h, 1p, 1u, 4; 62A.44, subdivision 2; 62A.65, subdivision 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1; 62Q.73, subdivision 4; 65B.02, subdivision 7; 65B.05; 65B.06, subdivisions 1, 2, 3; 65B.10, subdivision 2; 72A.20, by adding a subdivision; 80A.66; 80E.12; 82B.19, subdivision 5; 168.27, by adding a subdivision; 239.761, subdivisions 3, 4, 5, 6; 239.791, subdivision 11; 296A.01, subdivisions 20, 23, 24; 302A.011, subdivision 41, by adding subdivisions; 302A.111, subdivision 2; 302A.161, by adding a subdivision; 302A.181, by adding a subdivision; 302A.201, subdivision 1; 302A.237, by adding a subdivision; 302A.361; 302A.461, subdivision 4; 302A.471, subdivisions 1, 3; 302A.611, by adding a subdivision; 334.01, subdivision 2; 550.136, subdivisions 6, 9; 550.143, subdivisions 2, 3a, 3b, 3c; 551.05, subdivisions 1b, 1c, 1d; 551.06, subdivisions 6, 9; 571.72, subdivisions 8, 10; 571.74; 571.75, subdivision 2; 571.912; 571.914, subdivision 2; 571.925; 571.931, subdivision 6; 571.932, subdivision 2; 580.07, subdivisions 1, 2; 581.02; Laws 2024, chapter 114, article 3, section 101; proposing coding for new law in Minnesota Statutes, chapters 47; 60D; 62A; 302A; 325F; repealing Minnesota Statutes 2024, sections 62A.3099, subdivision 18b; 62A.31, subdivision 1w; 65B.10, subdivision 3; 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; 325F.07; Laws 2023, chapter 57, article 2, section 66."

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

This Committee action taken April 3, 2025

...., Co-Chair

...., Co-Chair