

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

1.3 H. F. No. 4118, A bill for an act relating to financial institutions; authorizing credit
1.4 unions to obtain insurance from a credit union share insurance provider; regulating credit
1.5 union share guaranty corporations; amending Minnesota Statutes 2024, sections 52.063,
1.6 subdivision 3; 52.24, subdivisions 1, 2, by adding a subdivision.

1.7 Reported the same back with the following amendments:

1.8 Page 1, after line 6, insert:

1.9 "Section 1. Minnesota Statutes 2024, section 11A.24, subdivision 4, is amended to read:

1.10 Subd. 4. **Other obligations.** (a) The state board is authorized to invest funds in:

1.11 (1) bankers acceptances and deposit notes if issued by a United States bank that is rated
1.12 in the highest four quality categories by a nationally recognized rating agency;

1.13 (2) certificates of deposit if issued by a United States bank or savings institution that is
1.14 rated in the top four quality categories by a nationally recognized rating agency or whose
1.15 certificates of deposit are fully insured by federal agencies, or certificates of deposits issued
1.16 by a credit union in an amount within the limit of the insurance coverage provided by the
1.17 National Credit Union Administration or an approved credit union share guaranty corporation;

1.18 (3) commercial paper if issued by a United States corporation or its Canadian subsidiary
1.19 and if rated in the highest two quality categories by a nationally recognized rating agency;

1.20 (4) mortgage securities and asset-backed securities if rated in the top four quality
1.21 categories by a nationally recognized rating agency;

1.22 (5) repurchase agreements and reverse repurchase agreements if collateralized with
1.23 letters of credit or securities authorized in this section;

1.24 (6) guaranteed investment contracts if issued by an insurance company or a bank that
1.25 is rated in the top four quality categories by a nationally recognized rating agency or

2.1 alternative guaranteed investment contracts if the underlying assets comply with the
2.2 requirements of this section;

2.3 (7) savings accounts if fully insured by a federal agency; and

2.4 (8) guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual
2.5 insurance company.

2.6 (b) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of
2.7 deposit and collateralization agreements executed by the state board under paragraph (a),
2.8 clause (2).

2.9 (c) In addition to investments authorized by paragraph (a), clause (4), the state board is
2.10 authorized to purchase from the Minnesota Housing Finance Agency all or any part of a
2.11 pool of residential mortgages, not in default, that has previously been financed by the
2.12 issuance of bonds or notes of the agency. The state board may also enter into a commitment
2.13 with the agency, at the time of any issue of bonds or notes, to purchase at a specified future
2.14 date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then
2.15 outstanding and not in default that have been made or purchased from the proceeds of the
2.16 bonds or notes. The state board may charge reasonable fees for any such commitment and
2.17 may agree to purchase the mortgage loans at a price sufficient to produce a yield to the state
2.18 board comparable, in its judgment, to the yield available on similar mortgage loans at the
2.19 date of the bonds or notes. The state board may also enter into agreements with the agency
2.20 for the investment of any portion of the funds of the agency. The agreement must cover the
2.21 period of the investment, withdrawal privileges, and any guaranteed rate of return.

2.22 Sec. 2. Minnesota Statutes 2024, section 17.59, subdivision 4, is amended to read:

2.23 Subd. 4. **Deposit and use of checkoff fees.** Checkoff fees collected pursuant to sections
2.24 17.51 to 17.69 shall be deposited in a federally insured depository institution or an institution
2.25 insured by an approved credit union share guaranty corporation and shall be disbursed by
2.26 the officers and employees approved by the council for the necessary expenses incurred in
2.27 the administration of sections 17.51 to 17.69. Checkoff fees collected shall be used
2.28 exclusively for the purpose collected and not to support or oppose a political party or a
2.29 candidate for nomination or election to a public office.

2.30 Sec. 3. Minnesota Statutes 2024, section 46A.01, subdivision 10, is amended to read:

2.31 Subd. 10. **Federally Insured depository financial institution.** "~~Federally~~ Insured
2.32 depository financial institution" means a bank, credit union, savings and loan association,

trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits or deposits insured by an approved credit union share guaranty corporation.

Sec. 4. Minnesota Statutes 2024, section 52.001, is amended by adding a subdivision to read:

Subd. 1a. **Approved credit union share guaranty corporation.** "Approved credit union share guaranty corporation" means a corporation that insures share accounts in compliance with section 52.24, subdivision 1a, and has been approved by the commissioner.

Sec. 5. Minnesota Statutes 2024, section 52.04, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

4.1 (9) to make payments on shares of and deposit with any other credit union chartered by
4.2 this or any other state or operating under the provisions of the Federal Credit Union Act, in
4.3 amounts not exceeding in the aggregate 25 percent of its unimpaired assets. ~~However,~~
4.4 ~~payments on shares of and deposit with credit unions chartered by other states are restricted~~
4.5 ~~to credit unions insured by the National Credit Union Administration.~~ The restrictions
4.6 imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota
4.7 corporate credit union in United States central credit union or to share accounts and deposit
4.8 accounts of credit unions in the Minnesota corporate credit union;

4.9 (10) to contract with any licensed insurance company or society to insure the lives of
4.10 members to the extent of their share accounts, in whole or in part, and to pay all or a portion
4.11 of the premium therefor;

4.12 (11) to indemnify each director, officer, or committee member, or former director, officer,
4.13 or committee member against all expenses, including attorney's fees but excluding amounts
4.14 paid pursuant to a judgment or settlement agreement, reasonably incurred in connection
4.15 with or arising out of any action, suit, or proceeding to which that person is a party by reason
4.16 of being or having been a director, officer, or committee member of the credit union, except
4.17 with respect to matters as to which that person is finally adjudged in the action, suit, or
4.18 proceeding to be liable for negligence or misconduct in the performance of duties. The
4.19 indemnification is not exclusive of any other rights to which that person may be entitled
4.20 under any bylaw, agreement, vote of members, or otherwise;

4.21 (12) upon written authorization from a member, retained at the credit union, to make
4.22 payments to third parties by withdrawals from the member's share or deposit accounts or
4.23 through proceeds of loans made to such member, or by permitting the credit union to make
4.24 those payments from the member's funds prior to deposit; to permit draft withdrawals from
4.25 member accounts, but a credit union proposing to permit draft withdrawals shall notify the
4.26 commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior
4.27 to authorizing draft withdrawals. The board of directors of a credit union may restrict one
4.28 class of shares to the extent that it may not be redeemed, withdrawn, or transferred except
4.29 upon termination of membership in the credit union;

4.30 (13) to inform its members as to the availability of various group purchasing plans which
4.31 are related to the promotion of thrift or the borrowing of money for provident and productive
4.32 purposes by means of informational materials placed in the credit union's office, through
4.33 its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policyholder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life, accident and health, and involuntary unemployment insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118A or section 9.031 or other applicable law and to receive deposits of trust funds provided that either the provider or the beneficial owner of the funds is a member of the credit union accepting the deposit;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149A.97, subdivision 5, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(i) the loan is secured by a first lien;

(ii) the board of directors approves the sale;

(iii) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(A) identify the loan or loans covered by the agreement;

(B) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(C) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(D) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(E) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(F) provide for loan status reports;

(G) state the terms and conditions under which the agreement may be terminated or modified; and

(iv) the sale is without recourse or repurchase unless the agreement:

(A) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(B) allows the seller to repurchase at its discretion; or

(C) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or

insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(i) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(ii) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; ~~and~~

(iii) the member is clearly notified, as applicable, of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions; and

(iv) the member is clearly notified, as applicable, of the fact that approved credit union share guaranty corporation coverage is limited to funds held in deposit, share or share certificate accounts of the approved credit union share guaranty corporation-insured credit unions;

(26) to impose reasonable charges for the services it provides to its members;

(27) to impose financing charges and reasonable late charges in the event of default on loans, and recover reasonable costs and expenses, including, but not limited to, actual collection costs and attorneys' fees incurred both before and after judgment, incurred in the collection of sums due, if provided for in the note or agreement signed by the borrower;

(28) to acquire, lease, hold, assign, pledge, sell, or otherwise dispose of interests in a loan or groups of loans other than a self-replenishing line of credit; and

(29) to conduct savings promotion raffles in the manner and subject to the requirements set forth in section 609.761, subdivision 6."

Page 2, after line 2, insert:

8.1 "Sec. 7. Minnesota Statutes 2024, section 52.09, subdivision 2, is amended to read:

8.2 Subd. 2. **Particular duties.** The directors shall manage the affairs of the credit union
8.3 and shall:

8.4 (1) act on applications for membership. This power may be delegated to a membership
8.5 chair who serves at the pleasure of the board of directors and is subject to its rules. An
8.6 application must contain a certification signed by the membership chair or a member of the
8.7 board showing the basis of membership;

8.8 (2) determine interest rates on loans and on deposits. The interest period on deposits
8.9 may be on a daily, monthly, quarterly, semiannual, or annual basis, and may be paid on all
8.10 deposits whether or not the deposits have been withdrawn during the interest period. Interest
8.11 may be computed on a daily basis;

8.12 (3) fix the amount of the surety bond required of all officers and employees handling
8.13 money;

8.14 (4) declare dividends and transmit to the members recommended amendments to the
8.15 bylaws;

8.16 (5) fill vacancies in the board and in the credit committee until successors are chosen
8.17 and qualify at the next annual meeting;

8.18 (6) limit the number of shares and deposits which may be owned by a member, not to
8.19 exceed ten percent of the outstanding shares and deposits, or \$2,000, whichever is larger,
8.20 and the maximum individual loan which can be made with and without security, including
8.21 liability indirectly as a comaker, guarantor, or endorser to ten percent of outstanding shares
8.22 and deposits. The ten percent share and deposit limitation is not applicable to the Minnesota
8.23 corporate credit union, or to credit unions insured by the National Credit Union
8.24 Administration or an approved credit union share guaranty corporation;

8.25 (7) have charge of investments including loans to members. If a credit committee is
8.26 established pursuant to section 52.08 or clause (13), then the credit committee shall have
8.27 charge of loans to members;

8.28 (8) fix the salaries of the treasurer and other employees, which must be on a fixed monthly
8.29 or annual basis, in dollars (not percentage);

8.30 (9) designate the depository institution in which the funds of the credit union will be
8.31 deposited;

9.1 (10) authorize the officers of the credit union to borrow money from any source, as
9.2 provided in section 52.15;

9.3 (11) with the permission of the commissioner of commerce, suspend any member of the
9.4 credit committee or supervisory committee if it deems this action necessary to the proper
9.5 conduct of the credit union, and call the members together to act on the suspension within
9.6 a reasonable time after the suspension. The members at the meeting may, by majority vote
9.7 of those present, sustain the suspension and remove the committee members permanently
9.8 or may reinstate the committee members;

9.9 (12) provide financial assistance to the supervisory committee in carrying out its audit
9.10 responsibilities;

9.11 (13) if the bylaws so provide and no credit committee has been elected pursuant to
9.12 section 52.08, appoint a credit manager or a credit committee of not less than three members;
9.13 and

9.14 (14) to establish different classes of shares."

9.15 Page 3, after line 2, insert:

9.16 "Sec. 11. Minnesota Statutes 2024, section 53B.28, subdivision 10, is amended to read:

9.17 Subd. 10. ~~Federally Insured depository financial institution.~~ "Federally Insured
9.18 depository financial institution" means a bank, credit union, savings and loan association,
9.19 trust company, savings association, savings bank, industrial bank, or industrial loan company
9.20 organized under the laws of the United States or any state of the United States, when the
9.21 bank, credit union, savings and loan association, trust company, savings association, savings
9.22 bank, industrial bank, or industrial loan company has federally insured deposits or deposits
9.23 insured by an approved credit union share guaranty corporation.

9.24 Sec. 12. Minnesota Statutes 2024, section 53B.29, is amended to read:

9.25 **53B.29 EXEMPTIONS.**

9.26 This chapter does not apply to:

9.27 (1) an operator of a payment system, to the extent the operator of a payment system
9.28 provides processing, clearing, or settlement services between or among persons exempted
9.29 by this section or licensees in connection with wire transfers, credit card transactions, debit
9.30 card transactions, stored-value transactions, automated clearing house transfers, or similar
9.31 funds transfers;

10.1 (2) a person appointed as an agent of a payee to collect and process a payment from a
10.2 payor to the payee for goods or services, other than money transmission itself, provided to
10.3 the payor by the payee, provided that:

10.4 (i) there exists a written agreement between the payee and the agent directing the agent
10.5 to collect and process payments from payors on the payee's behalf;

10.6 (ii) the payee holds the agent out to the public as accepting payments for goods or services
10.7 on the payee's behalf; and

10.8 (iii) payment for the goods and services is treated as received by the payee upon receipt
10.9 by the agent so that the payor's obligation is extinguished and there is no risk of loss to the
10.10 payor if the agent fails to remit the funds to the payee;

10.11 (3) a person that acts as an intermediary by processing payments between an entity that
10.12 has directly incurred an outstanding money transmission obligation to a sender, and the
10.13 sender's designated recipient, provided that the entity:

10.14 (i) is properly licensed or exempt from licensing requirements under this chapter;

10.15 (ii) provides a receipt, electronic record, or other written confirmation to the sender
10.16 identifying the entity as the provider of money transmission in the transaction; and

10.17 (iii) bears sole responsibility to satisfy the outstanding money transmission obligation
10.18 to the sender, including the obligation to make the sender whole in connection with any
10.19 failure to transmit the funds to the sender's designated recipient;

10.20 (4) the United States; a department, agency, or instrumentality of the United States; or
10.21 an agent of the United States;

10.22 (5) money transmission by the United States Postal Service or by an agent of the United
10.23 States Postal Service;

10.24 (6) a state; county; city; any other governmental agency, governmental subdivision, or
10.25 instrumentality of a state; or the state's agent;

10.26 (7) ~~a federally~~ an insured depository financial institution; bank holding company; office
10.27 of an international banking corporation; foreign bank that establishes a federal branch
10.28 pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended
10.29 or recodified from time to time; corporation organized pursuant to the Bank Service
10.30 Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or
10.31 recodified from time to time; or corporation organized under the Edge Act, United States
10.32 Code, title 12, sections 611 to 633, as amended or recodified from time to time;

11.1 (8) electronic funds transfer of governmental benefits for a federal, state, county, or
11.2 governmental agency by a contractor on behalf of the United States or a department, agency,
11.3 or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or
11.4 instrumentality thereof;

11.5 (9) a board of trade designated as a contract market under the federal Commodity
11.6 Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from
11.7 time to time; or a person that in the ordinary course of business provides clearance and
11.8 settlement services for a board of trade to the extent of its operation as or for a board;

11.9 (10) a registered futures commission merchant under the federal commodities laws, to
11.10 the extent of the registered futures commission merchant's operation as a merchant;

11.11 (11) a person registered as a securities broker-dealer under federal or state securities
11.12 laws, to the extent of the person's operation as a securities broker-dealer;

11.13 (12) an individual employed by a licensee, authorized delegate, or any person exempted
11.14 from the licensing requirements under this chapter when acting within the scope of
11.15 employment and under the supervision of the licensee, authorized delegate, or exempted
11.16 person as an employee and not as an independent contractor;

11.17 (13) a person expressly appointed as a third-party service provider to or agent of an
11.18 entity exempt under clause (7), solely to the extent that:

11.19 (i) the service provider or agent is engaging in money transmission on behalf of and
11.20 pursuant to a written agreement with the exempt entity that sets forth the specific functions
11.21 that the service provider or agent is to perform; and

11.22 (ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying
11.23 the outstanding money transmission obligations owed to purchasers and holders of the
11.24 outstanding money transmission obligations upon receipt of the purchaser's or holder's
11.25 money or monetary value by the service provider or agent;

11.26 (14) a payroll processing services provider; or

11.27 (15) a person exempt by regulation or order if the commissioner finds that (i) the
11.28 exemption is in the public interest, and (ii) the regulation of the person is not necessary for
11.29 the purposes of this chapter.

12.1 Sec. 13. Minnesota Statutes 2024, section 53B.38, is amended to read:

12.2 **53B.38 APPLICATION FOR LICENSE.**

12.3 (a) An applicant for a license must apply in a form and in a medium as prescribed by
12.4 the commissioner. The application must state or contain, as applicable:

12.5 (1) the legal name and residential and business addresses of the applicant and any
12.6 fictitious or trade name used by the applicant in conducting business;

12.7 (2) a list of any criminal convictions of the applicant and any material litigation in which
12.8 the applicant has been involved in the ten-year period next preceding the submission of the
12.9 application;

12.10 (3) a description of any money transmission previously provided by the applicant and
12.11 the money transmission that the applicant seeks to provide in this state;

12.12 (4) a list of the applicant's proposed authorized delegates and the locations in this state
12.13 where the applicant and the applicant's authorized delegates propose to engage in money
12.14 transmission;

12.15 (5) a list of other states in which the applicant is licensed to engage in money transmission
12.16 and any license revocations, suspensions, or other disciplinary action taken against the
12.17 applicant in another state;

12.18 (6) information concerning any bankruptcy or receivership proceedings affecting the
12.19 licensee or a person in control of a licensee;

12.20 (7) a sample form of contract for authorized delegates, if applicable;

12.21 (8) a sample form of payment instrument or stored value, as applicable;

12.22 (9) the name and address of any ~~federally~~ insured depository financial institution through
12.23 which the applicant plans to conduct money transmission; and

12.24 (10) any other information the commissioner or NMLS reasonably requires with respect
12.25 to the applicant.

12.26 (b) If an applicant is a corporation, limited liability company, partnership, or other legal
12.27 entity, the applicant must also provide:

12.28 (1) the date of the applicant's incorporation or formation and state or country of
12.29 incorporation or formation;

12.30 (2) if applicable, a certificate of good standing from the state or country in which the
12.31 applicant is incorporated or formed;

13.1 (3) a brief description of the structure or organization of the applicant, including any
13.2 parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly
13.3 traded;

13.4 (4) the legal name, any fictitious or trade name, all business and residential addresses,
13.5 and the employment, as applicable, in the ten-year period next preceding the submission of
13.6 the application of each key individual and person in control of the applicant;

13.7 (5) a list of any criminal convictions and material litigation in which a person in control
13.8 of the applicant that is not an individual has been involved in the ten-year period preceding
13.9 the submission of the application;

13.10 (6) a copy of audited financial statements of the applicant for the most recent fiscal year
13.11 and for the two-year period next preceding the submission of the application or, if the
13.12 commissioner deems acceptable, certified unaudited financial statements for the most recent
13.13 fiscal year or other period acceptable to the commissioner;

13.14 (7) a certified copy of unaudited financial statements of the applicant for the most recent
13.15 fiscal quarter;

13.16 (8) if the applicant is a publicly traded corporation, a copy of the most recent report filed
13.17 with the United States Securities and Exchange Commission under section 13 of the federal
13.18 Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or
13.19 recodified from time to time;

13.20 (9) if the applicant is a wholly owned subsidiary of:

13.21 (i) a corporation publicly traded in the United States, a copy of audited financial
13.22 statements for the parent corporation for the most recent fiscal year or a copy of the parent
13.23 corporation's most recent report filed under section 13 of the Securities Exchange Act of
13.24 1934, United States Code, title 15, section 78m, as amended or recodified from time to time;
13.25 or

13.26 (ii) a corporation publicly traded outside the United States, a copy of similar
13.27 documentation filed with the regulator of the parent corporation's domicile outside the
13.28 United States;

13.29 (10) the name and address of the applicant's registered agent in this state; and

13.30 (11) any other information the commissioner reasonably requires with respect to the
13.31 applicant.

14.1 (c) A nonrefundable application fee of \$4,000 must accompany an application for a
14.2 license under this section.

14.3 (d) The commissioner may: (1) waive one or more requirements of paragraphs (a) and
14.4 (b); or (2) permit an applicant to submit other information in lieu of the required information.

14.5 Sec. 14. Minnesota Statutes 2024, section 53B.62, subdivision 1, is amended to read:

14.6 Subdivision 1. **Certain investments permissible.** The following investments are
14.7 permissible under section 53B.61:

14.8 (1) cash, including demand deposits, savings deposits, and funds in accounts held for
14.9 the benefit of the licensee's customers in a federally insured depository financial institution;
14.10 and cash equivalents, including ACH items in transit to the licensee and ACH items or
14.11 international wires in transit to a payee, cash in transit via armored car, cash in smart safes,
14.12 cash in licensee-owned locations, debit card or credit card funded transmission receivables
14.13 owed by any bank, or money market mutual funds rated AAA or the equivalent from any
14.14 eligible rating service;

14.15 (2) certificates of deposit or senior debt obligations of: (i) an insured depository
14.16 institution, as defined in section 3 of the Federal Deposit Insurance Act, United States Code,
14.17 title 12, section 1813, as amended or recodified from time to time, or as defined under the
14.18 federal Credit Union Act, United States Code, title 12, section 1781, as amended or recodified
14.19 from time to time; or (ii) a credit union insured through an approved credit union share
14.20 guaranty corporation;

14.21 (3) an obligation of the United States or a commission, agency, or instrumentality thereof;
14.22 an obligation that is guaranteed fully as to principal and interest by the United States; or an
14.23 obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

14.24 (4) the full drawable amount of an irrevocable standby letter of credit, for which the
14.25 stated beneficiary is the commissioner, that stipulates that the beneficiary need only draw
14.26 a sight draft under the letter of credit and present the sight draft to obtain funds up to the
14.27 letter of credit amount within seven days of presentation of the items required by subdivision
14.28 2, paragraph (c); and

14.29 (5) one hundred percent of the surety bond or deposit provided for under section 53B.60
14.30 that exceeds the average daily money transmission liability in Minnesota.

15.1 Sec. 15. Minnesota Statutes 2024, section 53B.62, subdivision 2, is amended to read:

15.2 Subd. 2. **Letter of credit; requirements.** (a) A letter of credit under subdivision 1,
15.3 clause (4), must:

15.4 (1) be issued by ~~a federally~~ an insured depository financial institution, a foreign bank
15.5 that is authorized under federal law to maintain a federal agency or federal branch office in
15.6 a state or states, or a foreign bank that is authorized under state law to maintain a branch in
15.7 a state that: (i) bears an eligible rating or whose parent company bears an eligible rating;
15.8 and (ii) is regulated, supervised, and examined by United States federal or state authorities
15.9 having regulatory authority over banks, credit unions, and trust companies;

15.10 (2) be irrevocable, unconditional, and indicate that it is not subject to any condition or
15.11 qualifications outside of the letter of credit;

15.12 (3) not contain reference to any other agreements, documents, or entities, or otherwise
15.13 provide for any security interest in the licensee; and

15.14 (4) contain an issue date and expiration date, and expressly provide for automatic
15.15 extension without a written amendment, for an additional period of one year from the present
15.16 or each future expiration date, unless the issuer of the letter of credit notifies the
15.17 commissioner in writing by certified or registered mail or courier mail or other receipted
15.18 means, at least 60 days before any expiration date, that the irrevocable letter of credit will
15.19 not be extended.

15.20 (b) In the event of any notice of expiration or nonextension of a letter of credit issued
15.21 under paragraph (a), clause (4), the licensee must demonstrate to the satisfaction of the
15.22 commissioner, 15 days before the letter or credit's expiration, that the licensee maintains
15.23 and will maintain permissible investments in accordance with section 53B.61, paragraph
15.24 (a), upon the expiration of the letter of credit. If the licensee is not able to do so, the
15.25 commissioner may draw on the letter of credit in an amount up to the amount necessary to
15.26 meet the licensee's requirements to maintain permissible investments in accordance with
15.27 section 53B.61, paragraph (a). Any draw under this paragraph must be offset against the
15.28 licensee's outstanding money transmission obligations. The drawn funds must be held in
15.29 trust by the commissioner or the commissioner's designated agent, to the extent authorized
15.30 by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding
15.31 money transmission obligations.

15.32 (c) The letter of credit must provide that the issuer of the letter of credit must honor, at
15.33 sight, a presentation made by the beneficiary to the issuer of the following documents on
15.34 or before the expiration date of the letter of credit:

- 16.1 (1) the original letter of credit, including any amendments; and
- 16.2 (2) a written statement from the beneficiary stating that any of the following events have
- 16.3 occurred:
- 16.4 (i) the filing of a petition by or against the licensee under the United States Bankruptcy
- 16.5 Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time
- 16.6 to time, for bankruptcy or reorganization;
- 16.7 (ii) the filing of a petition by or against the licensee for receivership, or the
- 16.8 commencement of any other judicial or administrative proceeding for the licensee's
- 16.9 dissolution or reorganization;
- 16.10 (iii) the seizure of assets of a licensee by a commissioner of any other state pursuant to
- 16.11 an emergency order issued in accordance with applicable law, on the basis of an action,
- 16.12 violation, or condition that has caused or is likely to cause the insolvency of the licensee;
- 16.13 or
- 16.14 (iv) the beneficiary has received notice of expiration or nonextension of a letter of credit
- 16.15 and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee
- 16.16 will maintain permissible investments in accordance with section 53B.61, paragraph (a),
- 16.17 upon the expiration or nonextension of the letter of credit.
- 16.18 (d) The commissioner may designate an agent to serve on the commissioner's behalf as
- 16.19 beneficiary to a letter of credit, provided the agent and letter of credit meet requirements
- 16.20 the commissioner establishes. The commissioner's agent may serve as agent for multiple
- 16.21 licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable
- 16.22 amount for the purposes of subdivision 1, clause (4), and this subdivision are assigned to
- 16.23 the commissioner.
- 16.24 (e) The commissioner is authorized to participate in multistate processes designed to
- 16.25 facilitate the issuance and administration of letters of credit, including but not limited to
- 16.26 services provided by the NMLS and State Regulatory Registry, LLC.
- 16.27 Sec. 16. Minnesota Statutes 2024, section 60A.091, is amended to read:
- 16.28 **60A.091 DEFINITION; QUALIFIED UNITED STATES FINANCIAL**
- 16.29 **INSTITUTION.**
- 16.30 For purposes of sections 60A.092 and 60A.093, "qualified United States financial
- 16.31 institution" means an institution that:

17.1 (1) is organized or, in the case of a United States office of a foreign banking organization,
17.2 licensed, under the laws of the United States or any state;

17.3 (2) is regulated, supervised, and examined by federal or state authorities having regulatory
17.4 authority over banks and trust companies; and

17.5 (3) is a member of the Federal Deposit Insurance Corporation; or the National Credit
17.6 Union Administration, or is insured by an approved credit union share guaranty corporation.

17.7 Sec. 17. Minnesota Statutes 2024, section 67A.231, is amended to read:

17.8 **67A.231 DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.**

17.9 The directors of any township mutual insurance company may authorize the treasurer
17.10 to invest any of its funds and accumulations in:

17.11 (a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit
17.12 of the United States of America and those for which the credit of the United States is pledged
17.13 to pay principal, interest or dividends, including United States agency and instrumentality
17.14 bonds, debentures, or obligations;

17.15 (b) Bonds, notes, evidence of indebtedness, or other public authority obligations
17.16 guaranteed by this state;

17.17 (c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the
17.18 full faith and credit of any county, municipality, school district, or other duly authorized
17.19 political subdivision of this state;

17.20 (d) Bonds or other interest bearing obligations, payable from revenues, provided that
17.21 the bonds or other interest bearing obligations are at the time of purchase rated among the
17.22 highest four quality categories used by a nationally recognized rating agency for rating the
17.23 quality of similar bonds or other interest bearing obligations, and are not rated lower by any
17.24 other such agency; or obligations of a United States agency or instrumentality that have
17.25 been rated in one of the two highest categories established by the Securities Valuation Office
17.26 of the National Association of Insurance Commissioners. A company may not invest more
17.27 than 20 percent of its admitted assets in the obligations of any one corporation. This is not
17.28 applicable to bonds or other interest bearing obligations in default as to principal;

17.29 (e) Investments in the obligations stated in paragraphs (a), (b), (c), and (d), may be made
17.30 either directly or in the form of securities of, or other interests in, an investment company
17.31 registered under the federal Investment Company Act of 1940. Investment company shares
17.32 authorized pursuant to this subdivision shall not exceed 20 percent of the company's surplus.

18.1 These obligations must be carried at the lower of cost or market on the annual statement
18.2 filed with the commissioner and adjusted to market on an annual basis;

18.3 (f) Loans upon improved and unencumbered real property in this state worth at least
18.4 twice the amount loaned thereon, not including buildings, unless insured by property
18.5 insurance policies payable to and held by the security holder;

18.6 (g) Real estate, including land, buildings and fixtures, located in this state and used
18.7 primarily as home office space for the insurance company;

18.8 (h) Demand or time deposits or savings accounts in ~~federally~~ insured depositories located
18.9 in any state to the extent that the deposit or investment is insured by the Federal Deposit
18.10 Insurance Corporation ~~or~~ the National Credit Union Administration, or an approved credit
18.11 union share guaranty corporation. An additional deposit not to exceed 50 percent of the
18.12 township mutual insurance company's policyholder surplus may be located in these
18.13 depositories if covered by private deposit insurance written by an insurer licensed by the
18.14 Department of Commerce;

18.15 (i) Guarantee fund certificates of a mutual insurer which reinsures the business of the
18.16 township mutual insurance company. The commissioner may by rule limit the amount of
18.17 guarantee fund certificates which the township mutual insurance company may purchase
18.18 and this limit may be a function of the size of the township mutual insurance company;

18.19 (j) Up to \$1,500 in stock of an insurer which issues directors and officers liability
18.20 insurance to township mutual insurance company directors and officers;

18.21 (k) Up to \$10,000 in shares of stock of the National Association of Mutual Insurance
18.22 Companies bank, subject to the commissioner's approval; and

18.23 (l) Overnight repurchase agreements with the depository that handles the company's
18.24 primary accounts under paragraph (h). The repurchase agreements must be collateralized
18.25 by securities that the company is otherwise authorized to invest in under this section. The
18.26 securities must have an aggregate market value of at least 105 percent of the total amount
18.27 invested under the repurchase agreement.

18.28 Sec. 18. Minnesota Statutes 2024, section 79A.22, subdivision 7, is amended to read:

18.29 Subd. 7. **Investments.** (a) Any securities purchased by the common claims fund shall
18.30 be in such denominations and with dates of maturity to ensure securities may be redeemable
18.31 at sufficient time and in sufficient amounts to meet the fund's current and long-term liabilities.

19.1 (b) Cash assets of the self-insurers' fund may be invested as provided in section 60A.11
19.2 for a casualty insurance company, provided that investment in real estate of or indebtedness
19.3 from a member company or affiliates is prohibited. In addition, investment in the following
19.4 is allowed:

19.5 (1) savings accounts or certificates of deposit in a duly chartered commercial bank
19.6 located within the state of Minnesota and insured through the Federal Deposit Insurance
19.7 Corporation;

19.8 (2) share accounts or savings certificates in a duly chartered savings association or
19.9 savings bank located within the state of Minnesota and insured through the Federal Deposit
19.10 Insurance Corporation;

19.11 (3) direct obligations of the United States Treasury, such as notes, bonds, or bills;

19.12 (4) a bond or security issued by the state of Minnesota and backed by the full faith and
19.13 credit of the state;

19.14 (5) a credit union where the employees of the self-insurer are members, if the credit
19.15 union is located in Minnesota and insured through the National Credit Union Administration
19.16 or an approved credit union share guaranty corporation; or

19.17 (6) real estate, common stock, preferred stock, or corporate bonds listed on the New
19.18 York, American Stock Exchange or NASDAQ Stock Market, so long as these investments
19.19 are not issued by any member company or affiliate and the total in all other allowable
19.20 categories make up at least 75 percent of the total required in the common claims fund.

19.21 Sec. 19. Minnesota Statutes 2024, section 80A.41, is amended to read:

19.22 **80A.41 SECTION 102; DEFINITIONS.**

19.23 In this chapter, unless the context otherwise requires:

19.24 (1) "Accredited investor" means an accredited investor as the term is defined in Rule
19.25 501(a) of Regulation D adopted pursuant to the Securities Act of 1933.

19.26 (2) "Administrator" means the commissioner of commerce.

19.27 (3) "Agent" means an individual, other than a broker-dealer, who represents a
19.28 broker-dealer in effecting or attempting to effect purchases or sales of securities or represents
19.29 an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But
19.30 a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar
19.31 status or performing similar functions is an agent only if the individual otherwise comes

20.1 within the term. The term does not include an individual excluded by rule adopted or order
20.2 issued under this chapter.

20.3 (4) "Bank" means:

20.4 (A) a banking institution organized under the laws of the United States;

20.5 (B) a member bank of the Federal Reserve System;

20.6 (C) any other banking institution, whether incorporated or not, doing business under the
20.7 laws of a state or of the United States, a substantial portion of the business of which consists
20.8 of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised
20.9 by national banks under the authority of the Comptroller of the Currency pursuant to Section
20.10 1 of Public Law 87-722 (12 U.S.C. Section 92a), and which is supervised and examined by
20.11 a state or federal agency having supervision over banks, and which is not operated for the
20.12 purpose of evading this chapter; and

20.13 (D) a receiver, conservator, or other liquidating agent of any institution or firm included
20.14 in subparagraph (A), (B), or (C).

20.15 (5) "Broker-dealer" means a person engaged in the business of effecting transactions in
20.16 securities for the account of others or for the person's own account. The term does not
20.17 include:

20.18 (A) an agent;

20.19 (B) an issuer;

20.20 (C) a depository institution; provided such activities are conducted in accordance with
20.21 such rules as may be adopted by the administrator;

20.22 (D) an international banking institution; or

20.23 (E) a person excluded by rule adopted or order issued under this chapter.

20.24 (6) "Depository institution" means:

20.25 (A) a bank; or

20.26 (B) a savings institution, trust company, credit union, or similar institution that is
20.27 organized or chartered under the laws of a state or of the United States, authorized to receive
20.28 deposits, and supervised and examined by an official or agency of a state or the United
20.29 States if its deposits or share accounts are insured to the maximum amount authorized by
20.30 statute by the Federal Deposit Insurance Corporation, the National Credit Union Share

21.1 Insurance Fund, an approved credit union share guaranty corporation, or a successor
21.2 authorized by federal law. The term does not include:

21.3 (i) an insurance company or other organization primarily engaged in the business of
21.4 insurance;

21.5 (ii) a Morris Plan bank; or

21.6 (iii) an industrial loan company that is not an "insured depository institution" as defined
21.7 in section 3(c)(2) of the Federal Deposit Insurance Act, United States Code, title 12, section
21.8 1813(c)(2), or any successor federal statute.

21.9 (7) "Federal covered investment adviser" means a person registered under the Investment
21.10 Advisers Act of 1940.

21.11 (8) "Federal covered security" means a security that is, or upon completion of a
21.12 transaction will be, a covered security under Section 18(b) of the Securities Act of 1933
21.13 (15 U.S.C. Section 77r(b)) or rules or regulations adopted pursuant to that provision.

21.14 (9) "Filing" means the receipt under this chapter of a record by the administrator or a
21.15 designee of the administrator.

21.16 (10) "Fraud," "deceit," and "defraud" are not limited to common law deceit.

21.17 (11) "Guaranteed" means guaranteed as to payment of all principal and all interest.

21.18 (12) "Institutional investor" means any of the following, whether acting for itself or for
21.19 others in a fiduciary capacity:

21.20 (A) a depository institution or international banking institution;

21.21 (B) an insurance company;

21.22 (C) a separate account of an insurance company;

21.23 (D) an investment company as defined in the Investment Company Act of 1940;

21.24 (E) a broker-dealer registered under the Securities Exchange Act of 1934;

21.25 (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in
21.26 excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined
21.27 in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered
21.28 under the Securities Exchange Act of 1934, an investment adviser registered or exempt
21.29 from registration under the Investment Advisers Act of 1940, an investment adviser registered
21.30 under this chapter, a depository institution, or an insurance company;

22.1 (G) a plan established and maintained by a state, a political subdivision of a state, or an
22.2 agency or instrumentality of a state or a political subdivision of a state for the benefit of its
22.3 employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions
22.4 are made by a duly designated public official or by a named fiduciary, as defined in the
22.5 Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under
22.6 the Securities Exchange Act of 1934, an investment adviser registered or exempt from
22.7 registration under the Investment Advisers Act of 1940, an investment adviser registered
22.8 under this chapter, a depository institution, or an insurance company;

22.9 (H) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository
22.10 institution, and its participants are exclusively plans of the types identified in subparagraph
22.11 (F) or (G), regardless of the size of their assets, except a trust that includes as participants
22.12 self-directed individual retirement accounts or similar self-directed plans;

22.13 (I) an organization described in Section 501(c)(3) of the Internal Revenue Code (26
22.14 U.S.C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited
22.15 liability company, or partnership, not formed for the specific purpose of acquiring the
22.16 securities offered, with total assets in excess of \$10,000,000;

22.17 (J) a small business investment company licensed by the Small Business Administration
22.18 under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section
22.19 681(c)) with total assets in excess of \$10,000,000;

22.20 (K) a private business development company as defined in Section 202(a)(22) of the
22.21 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess
22.22 of \$10,000,000;

22.23 (L) a federal covered investment adviser acting for its own account;

22.24 (M) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule
22.25 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A);

22.26 (N) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under
22.27 the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6);

22.28 (O) any other person, other than an individual or a private fund, of institutional character
22.29 with total assets in excess of \$10,000,000 not organized for the specific purpose of evading
22.30 this chapter; or

22.31 (P) any other person specified by rule adopted or order issued under this chapter.

22.32 (13) "Insurance company" means a company organized as an insurance company whose
22.33 primary business is writing insurance or reinsuring risks underwritten by insurance companies

23.1 and which is subject to supervision by the insurance commissioner or a similar official or
23.2 agency of a state.

23.3 (14) "Insured" means insured as to payment of all principal and all interest.

23.4 (15) "International banking institution" means an international financial institution of
23.5 which the United States is a member and whose securities are exempt from registration
23.6 under the Securities Act of 1933.

23.7 (16) "Investment adviser" means a person that, for compensation, engages in the business
23.8 of advising others, either directly or through publications or writings, as to the value of
23.9 securities or the advisability of investing in, purchasing, or selling securities or that, for
23.10 compensation and as a part of a regular business, issues or promulgates analyses or reports
23.11 concerning securities. The term includes a financial planner or other person that, as an
23.12 integral component of other financially related services, provides investment advice to
23.13 others for compensation as part of a business or that holds itself out as providing investment
23.14 advice to others for compensation. The term does not include:

23.15 (A) an investment adviser representative;

23.16 (B) a lawyer, accountant, engineer, or teacher whose performance of investment advice
23.17 is solely incidental to the practice of the person's profession;

23.18 (C) a broker-dealer or its agents whose performance of investment advice is solely
23.19 incidental to the conduct of business as a broker-dealer and that does not receive special
23.20 compensation for the investment advice;

23.21 (D) a publisher of a bona fide newspaper, news magazine, or business or financial
23.22 publication of general and regular circulation;

23.23 (E) a federal covered investment adviser;

23.24 (F) a bank or savings institution;

23.25 (G) any other person that is excluded by the Investment Advisers Act of 1940 from the
23.26 definition of investment adviser; or

23.27 (H) any other person excluded by rule adopted or order issued under this chapter.

23.28 (17) "Investment adviser representative" means an individual employed by or associated
23.29 with an investment adviser or federal covered investment adviser and who makes any
23.30 recommendations or otherwise gives investment advice regarding securities, manages
23.31 accounts or portfolios of clients, determines which recommendation or advice regarding
23.32 securities should be given, provides investment advice or holds herself or himself out as

24.1 providing investment advice, receives compensation to solicit, offer, or negotiate for the
24.2 sale of or for selling investment advice, or supervises employees who perform any of the
24.3 foregoing. The term does not include an individual who:

24.4 (A) performs only clerical or ministerial acts;

24.5 (B) is an agent whose performance of investment advice is solely incidental to the
24.6 individual acting as an agent and who does not receive special compensation for investment
24.7 advisory services;

24.8 (C) is employed by or associated with a federal covered investment adviser, unless the
24.9 individual has a "place of business" in this state as that term is defined by rule adopted under
24.10 Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-3a) and is

24.11 (i) an "investment adviser representative" as that term is defined by rule adopted under
24.12 Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-3a); or

24.13 (ii) not a "supervised person" as that term is defined in Section 202(a)(25) of the
24.14 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(25)); or

24.15 (D) is excluded by rule adopted or order issued under this chapter.

24.16 (18) "Issuer" means a person that issues or proposes to issue a security, subject to the
24.17 following:

24.18 (A) The issuer of a voting trust certificate, collateral trust certificate, certificate of deposit
24.19 for a security, or share in an investment company without a board of directors or individuals
24.20 performing similar functions is the person performing the acts and assuming the duties of
24.21 depositor or manager pursuant to the trust or other agreement or instrument under which
24.22 the security is issued.

24.23 (B) The issuer of an equipment trust certificate or similar security serving the same
24.24 purpose is the person by which the property is or will be used or to which the property or
24.25 equipment is or will be leased or conditionally sold or that is otherwise contractually
24.26 responsible for assuring payment of the certificate.

24.27 (C) The issuer of a fractional undivided interest in an oil, gas, or other mineral lease or
24.28 in payments out of production under a lease, right, or royalty is the owner of an interest in
24.29 the lease or in payments out of production under a lease, right, or royalty, whether whole
24.30 or fractional, that creates fractional interests for the purpose of sale.

24.31 (19) "Nonissuer transaction" or "nonissuer distribution" means a transaction or distribution
24.32 not directly or indirectly for the benefit of the issuer.

25.1 (20) "Offer to purchase" includes an attempt or offer to obtain, or solicitation of an offer
25.2 to sell, a security or interest in a security for value. The term does not include a tender offer
25.3 that is subject to Section 14(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section
25.4 78n(d)).

25.5 (21) "Person" means an individual; corporation; business trust; estate; trust; partnership;
25.6 limited liability company; association; joint venture; government; governmental subdivision,
25.7 agency, or instrumentality; public corporation; or any other legal or commercial entity.

25.8 (22) "Place of business" of a broker-dealer, an investment adviser, or a federal covered
25.9 investment adviser means:

25.10 (A) an office at which the broker-dealer, investment adviser, or federal covered investment
25.11 adviser regularly provides brokerage or investment advice or solicits, meets with, or otherwise
25.12 communicates with customers or clients; or

25.13 (B) any other location that is held out to the general public as a location at which the
25.14 broker-dealer, investment adviser, or federal covered investment adviser provides brokerage
25.15 or investment advice or solicits, meets with, or otherwise communicates with customers or
25.16 clients.

25.17 (23) "Predecessor Act" means Minnesota Statutes 2002, sections 80A.01 to 80A.31.

25.18 (24) "Price amendment" means the amendment to a registration statement filed under
25.19 the Securities Act of 1933 or, if an amendment is not filed, the prospectus or prospectus
25.20 supplement filed under the Securities Act of 1933 that includes a statement of the offering
25.21 price, underwriting and selling discounts or commissions, amount of proceeds, conversion
25.22 rates, call prices, and other matters dependent upon the offering price.

25.23 (25) "Principal place of business" of a broker-dealer or an investment adviser means the
25.24 executive office of the broker-dealer or investment adviser from which the officers, partners,
25.25 or managers of the broker-dealer or investment adviser direct, control, and coordinate the
25.26 activities of the broker-dealer or investment adviser.

25.27 (26) Only for purposes of calculating the number of purchasers under section 80A.46,
25.28 clauses (1) and (14), "purchaser" does not include:

25.29 (A) any relative, spouse, or relative of the spouse of a purchaser who has the same
25.30 principal residence as the purchaser;

25.31 (B) any trust or estate in which a purchaser and any of the persons related to him as
25.32 specified in Regulation D, Rule 501(e)(1)(i) or (e)(1)(ii) collectively have more than 50
25.33 percent of the beneficial interest (excluding contingent interests);

26.1 (C) any corporation or other organization of which a purchaser and any of the persons
26.2 related to the purchaser as specified in Regulation D, Rule 501(e)(1)(i) or (e)(1)(ii)
26.3 collectively are beneficial owners of more than 50 percent of the equity securities (excluding
26.4 directors' qualifying shares) or equity interests; and

26.5 (D) any accredited investor.

26.6 A corporation, partnership, or other entity must be counted as one purchaser. If, however,
26.7 that entity is organized for the specific purpose of acquiring the securities offered and is
26.8 not an accredited investor, then each beneficial owner of equity securities or equity interests
26.9 in the entity shall count as a separate purchaser for all provisions of Regulation D, except
26.10 to the extent provided in Regulation D, Rule 501(e)(1).

26.11 A noncontributory employee benefit plan within the meaning of Title I of the Employee
26.12 Retirement Income Security Act of 1974 shall be counted as one purchaser where the trustee
26.13 makes all investment decisions for the plan.

26.14 (27) "Record," except in the phrases "of record," "official record," and "public record,"
26.15 means information that is inscribed on a tangible medium or that is stored in an electronic
26.16 or other medium and is retrievable in perceivable form.

26.17 (28) "Sale" includes every contract of sale, contract to sell, or disposition of, a security
26.18 or interest in a security for value, and "offer to sell" includes every attempt or offer to dispose
26.19 of, or solicitation of an offer to purchase, a security or interest in a security for value.

26.20 (A) A security given or delivered with, or as a bonus on account of, any purchase of
26.21 securities or any other thing is considered to constitute part of the subject of the purchase
26.22 and to have been offered and sold for value.

26.23 (B) A gift of assessable stock is considered to involve an offer and sale.

26.24 (C) A sale or offer of a warrant or right to purchase or subscribe to another security of
26.25 the same or another issuer and a sale or offer of a security that gives the holder a present or
26.26 future right or privilege to convert the security into another security of the same or another
26.27 issuer, are each considered to include an offer of the other security.

26.28 (29) "Securities and Exchange Commission" means the United States Securities and
26.29 Exchange Commission.

26.30 (30) "Security" means a note; stock; treasury stock; security future; bond; debenture;
26.31 evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement;
26.32 collateral trust certificate; preorganization certificate or subscription; transferable share;
26.33 investment contract; voting trust certificate; certificate of deposit for a security; fractional

27.1 undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege
27.2 on a security, certificate of deposit, or group or index of securities, including an interest
27.3 therein or based on the value thereof; put, call, straddle, option, or privilege entered into on
27.4 a national securities exchange relating to foreign currency; or, in general, an interest or
27.5 instrument commonly known as a "security"; or a certificate of interest or participation in,
27.6 temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe
27.7 to or purchase, any of the foregoing. The term:

27.8 (A) includes both a certificated and an uncertificated security;

27.9 (B) does not include an insurance or endowment policy or annuity contract under which
27.10 an insurance company promises to pay a fixed or variable sum of money either in a lump
27.11 sum or periodically for life or other specified period;

27.12 (C) does not include an interest in a contributory or noncontributory pension or welfare
27.13 plan subject to the Employee Retirement Income Security Act of 1974;

27.14 (D) includes as an "investment contract," among other contracts, an interest in a limited
27.15 partnership and a limited liability company and an investment in a viatical settlement or
27.16 similar agreement; and

27.17 (E) does not include any equity interest of a closely held corporation or other entity with
27.18 not more than 35 holders of the equity interest of such entity offered or sold pursuant to a
27.19 transaction in which 100 percent of the equity interest of such entity is sold as a means to
27.20 effect the sale of the business of the entity if the transaction has been negotiated on behalf
27.21 of all purchasers and if all purchasers have access to inside information regarding the entity
27.22 before consummating the transaction.

27.23 (31) "Self-regulatory organization" means a national securities exchange registered under
27.24 the Securities Exchange Act of 1934, a national securities association of broker-dealers
27.25 registered under the Securities Exchange Act of 1934, a clearing agency registered under
27.26 the Securities Exchange Act of 1934, or the Municipal Securities Rulemaking Board
27.27 established under the Securities Exchange Act of 1934.

27.28 (32) "Sign" means, with present intent to authenticate or adopt a record:

27.29 (A) to execute or adopt a tangible symbol; or

27.30 (B) to attach or logically associate with the record an electronic symbol, sound, or
27.31 process.

28.1 (33) "State" means a state of the United States, the District of Columbia, Puerto Rico,
28.2 the United States Virgin Islands, or any territory or insular possession subject to the
28.3 jurisdiction of the United States.

28.4 (34) "Associated with" with respect to a person means any partner, officer, director,
28.5 manager, or employee of such person or any person occupying a similar status or performing
28.6 similar functions or any person directly or indirectly controlling, controlled by, or in common
28.7 control with, such person, but does not include a person whose primary duties are ministerial
28.8 or clerical. "Employee" includes an independent contractor who performs advisory functions
28.9 on behalf of an investment adviser.

28.10 (35) "Private fund" means an issuer that would be an investment company as defined in
28.11 Section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that
28.12 act.

28.13 (36) "Private fund adviser" means an investment adviser whose only advisory clients
28.14 are one or more qualifying private funds.

28.15 (37) "Qualifying private fund" means a private fund that meets the definition of a
28.16 qualifying private fund in SEC Rule 203(m)-1, Code of Federal Regulations, title 17, section
28.17 275.203(m)-1.

28.18 (38) "3(c)(1) fund" means a qualifying private fund that is eligible for the exclusion
28.19 from the definition of an investment company under section 3(c)(1) of the Investment
28.20 Company Act of 1940, United States Code, title 15, section 80a-3(c)(1).

28.21 (39) "Venture capital fund" means a private fund that meets the definition of a venture
28.22 capital fund in SEC Rule 203(1)-1, Code of Federal Regulations, title 17, section
28.23 275.203(1)-1.

28.24 (40) "Funding portal" means any person acting as a funding portal as defined in section
28.25 3(a)(80) of the Securities Exchange Act of 1934, United States Code, title 15, section
28.26 78c(a)(80), and any rule adopted or order issued thereunder.

28.27 Sec. 20. Minnesota Statutes 2024, section 80A.45, is amended to read:

28.28 **80A.45 SECTION 201; EXEMPT SECURITIES.**

28.29 The following securities are exempt from the requirements of sections 80A.49 through
28.30 80A.54 and 80A.71:

28.31 (1) a security, including a revenue obligation or a separate security as defined in Rule
28.32 131 (17 C.F.R. 230.131) adopted under the Securities Act of 1933, issued, insured, or

29.1 guaranteed by the United States; by a state; by a political subdivision of a state; by a public
29.2 authority, agency, or instrumentality of one or more states; by a political subdivision of one
29.3 or more states or by a person controlled or supervised by and acting as an instrumentality
29.4 of the United States under authority granted by Congress; or a certificate of deposit for any
29.5 of the foregoing;

29.6 (2) a security issued, insured, or guaranteed by a foreign government with which the
29.7 United States maintains diplomatic relations, or any of its political subdivisions, if the
29.8 security is recognized as a valid obligation by the issuer, insurer, or guarantor;

29.9 (3) a security issued by and representing or that will represent an interest in or a direct
29.10 obligation of, or be guaranteed by:

29.11 (A) an international banking institution;

29.12 (B) a banking institution organized under the laws of the United States; a member bank
29.13 of the Federal Reserve System; or a depository institution a substantial portion of the business
29.14 of which consists or will consist of receiving deposits or share accounts that are insured to
29.15 the maximum amount authorized by statute by the Federal Deposit Insurance Corporation,
29.16 the National Credit Union Share Insurance Fund, an approved credit union share guaranty
29.17 corporation, or a successor authorized by federal law or exercising fiduciary powers that
29.18 are similar to those permitted for national banks under the authority of the Comptroller of
29.19 Currency pursuant to Section 1 of Public Law 87-722 (12 U.S.C. Section 92a); or

29.20 (C) any other depository institution, unless by rule or order the administrator proceeds
29.21 under section 80A.48;

29.22 (4) a security issued by and representing an interest in, or a debt of, or insured or
29.23 guaranteed by, an insurance company authorized to do business in this state;

29.24 (5) a security issued or guaranteed by a railroad, other common carrier, public utility,
29.25 or public utility holding company that is:

29.26 (A) regulated in respect to its rates and charges by the United States or a state;

29.27 (B) regulated in respect to the issuance or guarantee of the security by the United States,
29.28 a state, Canada, or a Canadian province or territory; or

29.29 (C) a public utility holding company registered under the Public Utility Holding Company
29.30 Act of 1935 or a subsidiary of such a registered holding company within the meaning of
29.31 that act;

(6) a federal covered security specified in Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)) or by rule adopted under that provision or a security listed or approved for listing on another securities market specified by rule under this chapter; a put or a call option contract; a warrant; a subscription right on or with respect to such securities; or an option or similar derivative security on a security or an index of securities or foreign currencies issued by a clearing agency registered under the Securities Exchange Act of 1934 and listed or designated for trading on a national securities exchange, a facility of a national securities exchange, or a facility of a national securities association registered under the Securities Exchange Act of 1934 or an offer or sale, of the underlying security in connection with the offer, sale, or exercise of an option or other security that was exempt when the option or other security was written or issued; or an option or a derivative security designated by the Securities and Exchange Commission under Section 9(b) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78i(b));

(7) a security issued by a person organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, social, athletic, or reformatory purposes, or as a chamber of commerce, and not for pecuniary profit, no part of the net earnings of which inures to the benefit of a private stockholder or other person, or a security of a company that is excluded from the definition of an investment company under Section 3(c)(10)(B) of the Investment Company Act of 1940 (15 U.S.C. Section 80a-3(c)(10)(B)); except that with respect to the offer or sale, an issuer of such a note, bond, debenture, or other evidence of indebtedness is required to file a notice specifying the material terms of the proposed offer or sale and copies of any proposed sales and advertising literature to be used together with the fee required by section 80A.65 and provided that this exemption shall be effective if the administrator does not disallow the exemption in writing within 15 days following the date of the notice filing.

Sec. 21. Minnesota Statutes 2024, section 82.77, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Closing agent" has the meaning given in section 82.55, subdivision 4.

(c) "Collected funds" means funds deposited, finally settled, and credited to the closing agent's escrow account.

(d) "~~Federally~~ Insured financial institution" means an institution in which monetary deposits are insured by the Federal Deposit Insurance Corporation ~~or, the~~ National Credit Union Administration, or an approved credit union share guaranty corporation.

31.1 (e) "Lender" means a person who makes residential mortgage loans including a person
31.2 who engages in table funding. "Lender" does not include any organization described in
31.3 section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, if the
31.4 organization is exempt from tax under section 501(a) of the Internal Revenue Code of 1986,
31.5 as amended. "Lender" does not include a state or any political subdivision of a state.

31.6 (f) "Qualified loan funds" means funds in one of the following forms:

31.7 (1) lawful money of the United States;

31.8 (2) wired funds when unconditionally held by the closing agent;

31.9 (3) cashier's checks, certified checks, bank money orders, or teller's checks issued by a
31.10 federally insured financial institution and unconditionally held by the closing agent; and

31.11 (4) United States treasury checks, Federal Reserve Bank checks, federal home loan bank
31.12 checks, and state of Minnesota warrants.

31.13 (g) "Table funding" means a closing or settlement at which a mortgage loan is funded
31.14 by a lender by a contemporaneous advance of mortgage loan funds and an assignment of
31.15 the mortgage loan to the lender advancing the funds.

31.16 Sec. 22. Minnesota Statutes 2024, section 118A.04, subdivision 5, is amended to read:

31.17 Subd. 5. **Time deposits.** Funds may be invested in time deposits that are fully insured
31.18 by the Federal Deposit Insurance Corporation, the National Credit Union Administration,
31.19 an approved credit union share guaranty corporation, or bankers acceptances of United
31.20 States banks.

31.21 Sec. 23. Minnesota Statutes 2024, section 123B.14, subdivision 3, is amended to read:

31.22 Subd. 3. **Official depository.** (a) The treasurer shall deposit the funds of the district in
31.23 the official depository.

31.24 (b) In addition to the authority for deposit of district money pursuant to paragraph (a)
31.25 or other provisions of this chapter, the treasurer may deposit district money in the official
31.26 depository in accordance with the following conditions:

31.27 (1) The official depository is authorized by the treasurer to (i) arrange for the redeposit
31.28 of the money into deposit accounts in one or more banks, savings and loan associations, or
31.29 credit unions that are located in the United States, and (ii) serve as custodian for the district
31.30 with respect to the money redeposited into such accounts.

32.1 (2) The full amount of the redeposited district funds, plus accrued interest, if any, must
32.2 be insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union
32.3 Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity
32.4 serving as subcustodian for the official depository shall have had at least five years of general
32.5 custodial experience.

32.6 Sec. 24. Minnesota Statutes 2024, section 142F.20, subdivision 2, is amended to read:

32.7 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

32.8 (b) "Eligible educational institution" means the following:

32.9 (1) an institution of higher education described in section 101 or 102 of the Higher
32.10 Education Act of 1965; or

32.11 (2) an area vocational education school, as defined in subparagraph (C) or (D) of United
32.12 States Code, title 20, chapter 44, section 2302(3) (the Carl D. Perkins Vocational and Applied
32.13 Technology Education Act), which is located within any state, as defined in United States
32.14 Code, title 20, chapter 44, section 2302(30). This clause is applicable only to the extent
32.15 section 2302 is in effect on August 1, 2008.

32.16 (c) "Family asset account" means a savings account opened by a household participating
32.17 in the Minnesota family assets for independence initiative.

32.18 (d) "Fiduciary organization" means:

32.19 (1) a community action agency that has obtained recognition under section 142F.301;

32.20 (2) a federal community development credit union;

32.21 (3) a women-oriented economic development agency;

32.22 (4) a federally recognized Tribal Nation; or

32.23 (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue
32.24 Code.

32.25 (e) "Financial coach" means a person who:

32.26 (1) has completed an intensive financial literacy training workshop that includes
32.27 curriculum on budgeting to increase savings, debt reduction and asset building, building a
32.28 good credit rating, and consumer protection;

32.29 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)
32.30 network training meetings under FAIM program supervision; and

33.1 (3) provides financial coaching to program participants under subdivision 5.

33.2 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,
33.3 or credit union, the deposits of which are insured by the Federal Deposit Insurance
33.4 Corporation ~~or~~, the National Credit Union Administration, or an approved credit union share
33.5 guaranty corporation.

33.6 (g) "Household" means all individuals who share finances and use of a dwelling unit as
33.7 primary quarters for living and eating separate from other individuals. Sharing finances
33.8 does not include situations in which a person is living in the same dwelling unit as others
33.9 without sharing any other financial arrangements.

33.10 (h) "Permissible use" means:

33.11 (1) postsecondary educational expenses at an eligible educational institution as defined
33.12 in paragraph (b), including books, supplies, and equipment required for courses of instruction;

33.13 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including
33.14 any usual or reasonable settlement, financing, or other closing costs;

33.15 (3) business capitalization expenses for expenditures on capital, plant, equipment, working
33.16 capital, and inventory expenses of a legitimate business pursuant to a business plan approved
33.17 by the fiduciary organization;

33.18 (4) acquisition costs of a principal residence within the meaning of section 1034 of the
33.19 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase
33.20 price applicable to the residence determined according to section 143(e)(2) and (3) of the
33.21 Internal Revenue Code of 1986;

33.22 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

33.23 (6) contributions to an emergency savings account; and

33.24 (7) contributions to a Minnesota 529 savings plan.

33.25 Sec. 25. Minnesota Statutes 2024, section 149A.97, subdivision 3a, is amended to read:

33.26 Subd. 3a. **Requirements for preneed funeral agreements.** It is unlawful for any person
33.27 residing or doing business in this state to enter a preneed funeral agreement unless the
33.28 agreement:

33.29 (1) is written in clear, understandable language and printed in a type that is easy to read
33.30 in size and style;

34.1 (2) contains a complete, itemized description of the funeral goods, funeral services,
34.2 burial site goods, or burial site services selected or purchased, including, when appropriate,
34.3 manufacturer's name, model numbers, style numbers, and description of the type of material
34.4 used in construction;

34.5 (3) discloses clearly and conspicuously whether the prices of the goods and services
34.6 selected are guaranteed;

34.7 (4) discloses that funding options for a preneed funeral agreement consist of either
34.8 prepayment to the funeral provider or the purchase of an insurance policy;

34.9 (5) discloses whether the funds received from the purchaser are required to be placed
34.10 in a trust and, if the funds are required to be placed in a trust, provides the following
34.11 information:

34.12 (i) lists the location of the trust account, including the name, address, and telephone
34.13 number of the institution where the money will be held and any identifying account numbers,
34.14 the amount of money to be trusted, and the names of the trustees; and

34.15 (ii) advises the purchaser as to the disposition of the interest from the trust and as to
34.16 responsibility for taxes owed on the interest;

34.17 (6) contains the names, addresses, and telephone numbers of the Minnesota Department
34.18 of Health as the regulatory agency for preneed trust accounts and the Minnesota Attorney
34.19 General's Office as the regulatory agency that handles consumer complaints;

34.20 (7) discloses clearly and conspicuously that any person who makes payment under a
34.21 preneed funeral agreement may cancel the agreement subject to the procedures for
34.22 cancellation specified in subdivision 6a;

34.23 (8) contains the following statement, in boldfaced type and a minimum size of ten points:

34.24 "Within 15 calendar days after receipt of any money required to be held in trust, all such
34.25 money must be deposited in a banking institution, savings association, or credit union,
34.26 organized under state or federal laws, the accounts of which are insured by an instrumentality
34.27 of the federal government or an approved credit union share guaranty corporation. The
34.28 person for whose benefit the money was paid according to this agreement shall be known
34.29 as the beneficiary; the person or persons who paid the money shall be known as the purchaser;
34.30 and the funeral provider shall be known as the depositor. The money must be carried in a
34.31 separate account with the names of the depositor and the purchaser as trustees for the
34.32 beneficiary.

The preneed arrangement trust shall be considered an asset of the purchaser until the death of the beneficiary. At the death of the beneficiary, the money in the trust shall be considered an asset of the beneficiary's estate, to the extent that the value of the trust exceeds the actual value for the goods and services provided at-need. This does not alter any asset exclusion requirements that exist under federal law. The depositor as trustee must disclose in writing the location of the trust account, including the name and address of the institution where the money is being held and any identifying account numbers, to the beneficiary when the money is deposited and when there are any subsequent changes to the location of the trust account.";

(9) for agreements with revocable trusts, contains the following statement, in boldfaced type and a minimum size of ten points:

"REVOCABLE TRUST:

The preneed arrangement trust being created by the purchaser is revocable. These trust funds, including all principal and accrued interest, are the purchaser's assets. The purchaser may withdraw the principal and accrued interest at any time prior to the death of the beneficiary. At the death of the beneficiary, the funds shall be distributed in their entirety, principal plus accrued interest, with no fees retained by the trustees as administrative fees. The funds shall be distributed for the payment of the at-need funeral goods, funeral services, burial site goods, or burial site services selected, with any excess funds distributed to the beneficiary's estate. At any time before or at the time of the beneficiary's death, the purchaser may transfer the preneed arrangements and related trust funds for use in the payment of funeral goods, funeral services, burial site goods, or burial site services. The purchaser may not be charged any fee in connection with the transfer of a preneed arrangement and trust funds.";

(10) for agreements with irrevocable trusts, contains the following statement, in boldfaced type and a minimum size of ten points:

"IRREVOCABLE TRUST:

A trust created to hold preneed arrangement funds is revocable in its entirety unless specifically limited by the purchaser. The purchaser has chosen to create an irrevocable trust in the amount of \$ (insert the dollar amount of the purchaser's irrevocable trust). The revocable portion of this trust fund is limited to that amount that exceeds the allowable Supplemental Security Income asset exclusion used for determining eligibility for public assistance at the time the trust is created. The principal and accrued interest may not be withdrawn from the trust prior to the beneficiary's death, except to the extent that the trust

funds exceed the irrevocable trust limitation. At the time of the beneficiary's death, the funds shall be distributed in their entirety, principal plus accrued interest, with no fees retained by the trustees as administrative fees. The funds shall be distributed for the payment of the at-need funeral goods, funeral services, burial site goods, or burial site services selected, with any excess funds distributed to the beneficiary's estate. At any time prior to or at the time of the beneficiary's death, the purchaser may transfer the preneed arrangements and trust funds for use in the payment of funeral goods, funeral services, burial site goods, or burial site services. The purchaser may not be charged any fee in connection with the transfer of a preneed arrangement and trust funds.";

(11) provides that if the particular funeral goods, funeral services, burial site goods, or burial site services specified in the agreement are unavailable at the time of delivery, the funeral provider must furnish goods and services similar in style and at least equal in quality to the material and workmanship of the goods or services specified and that the representative of the beneficiary has the right to choose the goods or services to be substituted; and

(12) contains an itemization of the sale of grave lots, spaces, lawn crypts, niches, or mausoleum crypts separate from all other goods and services selected.

Sec. 26. Minnesota Statutes 2024, section 149A.97, subdivision 5, is amended to read:

Subd. 5. **Deposit of trust funds and disclosures.** Within 15 calendar days after receipt of any money required to be held in trust, all of the money must be deposited in a banking institution, savings or building and loan association, or credit union, organized under state or federal laws, the accounts of which are insured by an instrumentality of the federal government or an approved credit union share guaranty corporation. The money must be carried in a separate account with the name of the depositor and the purchaser as trustees for the beneficiary. The depositor as trustee shall not have power to distribute funds, either principal or interest, from the account until the death of the beneficiary, subject to section 149A.80. For purposes of this section, distribute does not mean transferring the trust funds to different investment accounts within an institution or between institutions provided that the depositor as trustee does not have sole access to the funds in a negotiable form. This section shall be construed to limit the depositor's access to trust funds, in a negotiable form, prior to the death of a beneficiary. The preneed arrangements trust shall be considered an asset of the purchaser until the death of the beneficiary, whereupon the money shall be considered an asset of the estate of the beneficiary, to the extent that the value of the trust exceeds the actual value for the goods and services provided at-need. The location of the trust account, including the name and address of the institution in which the money is being

37.1 held and any identifying account numbers, must be disclosed in writing to the beneficiary
37.2 by the depositor as trustee at the time the money is deposited and when there are any
37.3 subsequent changes to the location of the trust account. The depositor shall annually report
37.4 to the beneficiary the amount of funds in the beneficiary's preneed arrangement trust account,
37.5 including principal and accrued interest. The depositor may arrange for the banking
37.6 institution, savings or building and loan association, or credit union to issue such reports.
37.7 Upon the provision of any funeral or burial site goods or services in connection with a
37.8 preneed arrangement, the depositor shall provide a statement itemizing the goods or services
37.9 provided and cost of such goods or services and describing the disposition of all funds in
37.10 the account.

37.11 Sec. 27. Minnesota Statutes 2024, section 325K.01, subdivision 12, is amended to read:

37.12 Subd. 12. **Financial institution.** "Financial institution" means a national or state-chartered
37.13 commercial bank or trust company, savings bank, savings association, or credit union
37.14 authorized to do business in the state of Minnesota and the deposits of which are federally
37.15 insured or insured by an approved credit union share guaranty corporation.

37.16 Sec. 28. Minnesota Statutes 2024, section 354B.25, subdivision 2, is amended to read:

37.17 Subd. 2. **Investment options.** (a) The plan administrator shall arrange for the purchase
37.18 of investment products.

37.19 (b) The investment products must be purchased with contributions under section 354B.23
37.20 or with money or assets otherwise provided by law by authority of the board.

37.21 (c) Various investment accounts offered through the Minnesota supplemental investment
37.22 fund established under section 11A.17 and administered by the State Board of Investment
37.23 may be included as investment products for the individual retirement account plan. Direct
37.24 access must also be provided to lower expense and no-load mutual funds, as those terms
37.25 are defined by the federal Securities and Exchange Commission, including stock funds,
37.26 bond funds, and balanced funds. Other investment products or combination of investment
37.27 products which may be included are:

37.28 (1) savings accounts at ~~federally insured~~ financial institutions insured federally or through
37.29 an approved credit union share guaranty corporation;

37.30 (2) life insurance contracts, fixed and variable annuity contracts from companies that
37.31 are subject to regulation by the commerce commissioner;

38.1 (3) investment options from open-ended investment companies registered under the
38.2 federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to
38.3 80a-64;

38.4 (4) investment options from a firm that is a registered investment advisor under the
38.5 federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to
38.6 80b-21; and

38.7 (5) investment options of a bank as defined in United States Code, title 15, section 80b-2,
38.8 subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding
38.9 Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph
38.10 (1).

38.11 Sec. 29. Minnesota Statutes 2024, section 356.001, subdivision 3, is amended to read:

38.12 Subd. 3. **Effect of amendments or termination.** (a) If a public plan or fund defined in
38.13 subdivision 4 is terminated or the plan or fund provisions are amended, no part of the moneys
38.14 held in the plan or fund may be used for or diverted to any purpose other than the exclusive
38.15 benefit of the members or their beneficiaries, except as provided in this subdivision.

38.16 (b) If a plan or fund is terminated, all affected members have a nonforfeitable interest
38.17 in their benefits that were accrued and funded to date. The value of the accrued benefits to
38.18 be credited to the account of each affected member must be calculated as of the date of
38.19 termination and the funding ratio of the plan or fund must be applied to the accrued benefit
38.20 of each affected member.

38.21 (c) The board of trustees of the plan or fund shall, as soon as administratively feasible
38.22 following the termination, pay each eligible member or beneficiary on behalf of a member
38.23 the amount in the member's account in a lump sum. In the case of a member whose
38.24 whereabouts is unknown, the board shall notify the member at the last known address by
38.25 certified mail with return receipt requested advising the member of the member's right to a
38.26 pending distribution. If the member cannot be located in this manner, the board shall establish
38.27 a custodial account for the member's benefit in a federally insured bank, savings association,
38.28 or credit union, or a credit union insured by an approved credit union share guaranty
38.29 corporation, in which the member's account balance must be deposited. If the board receives
38.30 proof of death of a member that is satisfactory to the board, the account balance must be
38.31 paid to the beneficiary of the member.

39.1 Sec. 30. Minnesota Statutes 2024, section 356.645, is amended to read:

39.2 **356.645 INVESTMENT OF DEFINED CONTRIBUTION PLANS AND**
39.3 **VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATIONS.**

39.4 The State Board of Investment shall determine the investments to be made available to
39.5 plan participants in plans defined in sections 352.965, 352.98, and 383B.46 and chapters
39.6 352D and 353D and to volunteer firefighters relief associations under chapter 424A.
39.7 Investments made available to plan participants and relief associations must include at least
39.8 one or more of the following:

39.9 (1) shares in the Minnesota supplemental investment fund established in section 11A.17;

39.10 (2) savings accounts in ~~federally insured~~ financial institutions insured federally or by
39.11 an approved credit union share guaranty corporation;

39.12 (3) life insurance contracts, fixed annuity contracts, and variable annuity contracts from
39.13 companies that are subject to regulation by the commissioner of commerce;

39.14 (4) investment options from open-end investment companies registered under the federal
39.15 Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

39.16 (5) investment options from a firm that is a registered investment adviser under the
39.17 Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21;
39.18 and

39.19 (6) investment options of a bank as defined in United States Code, title 15, section 80b-2,
39.20 subsection (a), paragraph (2), or a bank holding company as defined in the Bank Holding
39.21 Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph
39.22 (1).

39.23 Sec. 31. Minnesota Statutes 2024, section 356A.06, subdivision 6, is amended to read:

39.24 Subd. 6. **Limited list of authorized investment securities.** (a) **Authority.** This
39.25 subdivision specifies the investment authority for a limited list plan. A limited list plan is
39.26 a covered pension plan that does not:

39.27 (1) have pension fund assets with a market value in excess of \$1,000,000;

39.28 (2) use the services of an investment advisor registered with the Securities and Exchange
39.29 Commission in accordance with the Investment Advisers Act of 1940, or registered as an
39.30 investment advisor in accordance with sections 80A.58, and 80A.60, for the investment of
39.31 at least 60 percent of its pension fund assets, calculated on market value;

(3) use the services of the State Board of Investment for the investment of at least 60 percent of its pension fund assets, calculated on market value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the State Board of Investment for the investment of at least 75 percent of its pension fund assets, calculated on market value.

(b) Investment agency appointment authority. The governing board of a covered pension plan may select and appoint investment agencies to act for or on its behalf.

(c) Savings accounts; similar vehicles. A limited list plan is authorized to invest in:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation, that is insured by the National Credit Union Administration or an approved credit union share guaranty corporation, or that is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118A.03;

(2) guaranteed investment contracts, limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this paragraph; and

(3) savings accounts, limited to those fully insured by federal agencies.

(d) Government-backed obligations. A limited list plan is authorized to invest in governmental obligations as further specified in this paragraph, including bonds, notes, bills, mortgages, and other evidences of indebtedness, if the issue is backed by the full faith and credit of the issuer or if the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which plans are authorized to invest under this paragraph are guaranteed or insured issues of:

(1) the United States, one of its agencies, one of its instrumentalities, or an organization created and regulated by an act of Congress;

(2) the Dominion of Canada or one of its provinces if the principal and interest are payable in United States dollars;

(3) a state or one of its municipalities, political subdivisions, agencies, or instrumentalities; or

(4) any United States government-sponsored organization of which the United States is a member if the principal and interest are payable in United States dollars.

(e) **Corporate obligations.** A limited list plan is authorized to invest in corporate obligations, including bonds, notes, debentures, transportation equipment obligations, or any other longer-term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any of its states, or the Dominion of Canada or any of its provinces if:

(1) the principal and interest are payable in United States dollars; and

(2) the obligations are rated among the top four quality categories by a nationally recognized rating agency.

(f) **Mutual fund authority, limited list authorized assets.** Securities authorized under paragraphs (c) to (e) may be owned directly or through shares in exchange-traded funds, or through open-end mutual funds, or as units of commingled trusts.

(g) **Extended mutual fund authority.** Notwithstanding restrictions in other paragraphs of this subdivision, a limited list plan is authorized to invest the assets of the special fund in exchange-traded funds and open-end mutual funds, if their portfolio investments comply with the type of securities authorized for investment under section 356A.06, subdivision 7, paragraphs (c) to (g). Investments under this paragraph must not exceed 75 percent of the assets of the special fund, not including any money market investments through mutual or exchange-traded funds.

(h) **Supplemental fund authority.** The governing body of a limited list plan may certify special fund assets to the State Board of Investment for investment under section 11A.17.

(i) **Assets mix restrictions.** A limited list plan must conform to the asset mix limitations specified in section 356A.06, subdivision 7.

Sec. 32. Minnesota Statutes 2024, section 356A.06, subdivision 7, is amended to read:

Subd. 7. **Expanded list of authorized investment securities.** (a) **Authority.** A covered pension plan not described by subdivision 6, paragraph (a), is an expanded list plan and shall invest its assets as specified in this subdivision. The governing board of an expanded list plan may select and appoint investment agencies to act for or on its behalf.

(b) **Securities generally; investment forms.** An expanded list plan is authorized to purchase, sell, lend, and exchange the investment securities authorized under this subdivision, including puts and call options and future contracts traded on a contract market regulated

42.1 by a governmental agency or by a financial institution regulated by a governmental agency.
42.2 These securities may be owned directly or through shares in exchange-traded or mutual
42.3 funds, or as units in commingled trusts, subject to any limitations specified in this subdivision.

42.4 (c) **Government obligations.** An expanded list plan is authorized to invest funds in
42.5 governmental bonds, notes, bills, mortgages, and other evidences of indebtedness if the
42.6 issue is backed by the full faith and credit of the issuer or the issue is rated among the top
42.7 four quality rating categories by a nationally recognized rating agency. The obligations in
42.8 which funds may be invested under this paragraph are guaranteed or insured issues of:

42.9 (1) the United States, one of its agencies, one of its instrumentalities, or an organization
42.10 created and regulated by an act of Congress;

42.11 (2) the Dominion of Canada or one of its provinces if the principal and interest are
42.12 payable in United States dollars;

42.13 (3) a state or one of its municipalities, political subdivisions, agencies, or
42.14 instrumentalities; and

42.15 (4) a United States government-sponsored organization of which the United States is a
42.16 member if the principal and interest are payable in United States dollars.

42.17 (d) **Investment-grade corporate obligations.** An expanded list plan is authorized to
42.18 invest funds in bonds, notes, debentures, transportation equipment obligations, or any other
42.19 longer term evidences of indebtedness issued or guaranteed by a corporation organized
42.20 under the laws of the United States or any of its states, or the Dominion of Canada or any
42.21 of its provinces if:

42.22 (1) the principal and interest are payable in United States dollars; and

42.23 (2) the obligations are rated among the top four quality categories by a nationally
42.24 recognized rating agency.

42.25 (e) **Below-investment-grade corporate obligations.** An expanded list plan is authorized
42.26 to invest in unrated corporate obligations or in corporate obligations that are not rated among
42.27 the top four quality categories by a nationally recognized rating agency if:

42.28 (1) the aggregate value of these obligations does not exceed five percent of the covered
42.29 pension plan's market value;

42.30 (2) the covered pension plan's participation is limited to 50 percent of a single offering
42.31 subject to this paragraph; and

(3) the covered pension plan's participation is limited to 25 percent of an issuer's obligations subject to this paragraph.

(f) Other obligations. (1) An expanded list plan is authorized to invest funds in:

(i) bankers acceptances and deposit notes if issued by a United States bank that is rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit if issued by a United States bank or savings institution rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies, or if issued by a credit union in an amount within the limit of the insurance coverage provided by the National Credit Union Administration or an approved credit union share guaranty corporation;

(iii) commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage securities and asset-backed securities if rated in the top four quality categories by a nationally recognized rating agency;

(v) repurchase agreements and reverse repurchase agreements if collateralized with letters of credit or securities authorized in this section;

(vi) guaranteed investment contracts if issued by an insurance company or a bank that is rated in the top four quality categories by a nationally recognized rating agency or alternative guaranteed investment contracts if the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts if fully insured by a federal agency; and

(viii) guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual insurance company.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), an expanded list plan is authorized to purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of

mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(g) **Corporate stocks.** An expanded list plan is authorized to invest in stocks or convertible issues of any corporation organized under the laws of the United States or any of its states, any corporation organized under the laws of the Dominion of Canada or any of its provinces, or any corporation listed on an exchange that is regulated by an agency of the United States or of the Canadian national government.

An investment in any corporation must not exceed five percent of the total outstanding shares of that corporation, except that an expanded list plan may hold up to 20 percent of the shares of a real estate investment trust and up to 20 percent of the shares of a closed mutual fund. Purchase of shares of exchange-traded or mutual funds shall be consistent with paragraph (b).

(h) **Other investments.** (1) In addition to the investments authorized in paragraphs (b) to (g), and subject to the provisions in clause (2), an expanded list plan is authorized to invest funds in:

(i) equity and debt investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts, through investment in limited partnerships, bank-sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(iii) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

(iv) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

45.1 (i) the aggregate value of all investments made under clause (1), items (i), (ii), and (iii),
45.2 may not exceed 35 percent of the market value of the fund for which the expanded list plan
45.3 is investing;

45.4 (ii) there must be at least four unrelated owners of the investment other than the expanded
45.5 list plan for investments made under clause (1), item (i), (ii), or (iii);

45.6 (iii) the expanded list plan's participation in an investment vehicle is limited to 20 percent
45.7 thereof for investments made under clause (1), item (i), (ii), or (iii);

45.8 (iv) the expanded list plan's participation in a limited partnership does not include a
45.9 general partnership interest or other interest involving general liability. The expanded list
45.10 plan may not engage in any activity as a limited partner which creates general liability;

45.11 (v) the aggregate value of all unrated obligations and obligations that are not rated among
45.12 the top four quality categories by a nationally recognized rating agency authorized by
45.13 paragraph (e) and clause (1), item (iv), must not exceed five percent of the covered plan's
45.14 market value; and

45.15 (vi) for volunteer firefighter relief associations, emerging market equity and international
45.16 debt investments authorized under clause (1), item (iv), must not exceed 15 percent of the
45.17 association's special fund market value.

45.18 (i) **Supplemental plan investments.** The governing body of an expanded list plan may
45.19 certify assets to the State Board of Investment for investment under section 11A.17.

45.20 (j) **Asset mix limitations.** The aggregate value of an expanded list plan's investments
45.21 under paragraphs (g) and (h) and equity investments under paragraph (i), regardless of the
45.22 form in which these investments are held, must not exceed 85 percent of the covered plan's
45.23 market value.

45.24 Sec. 33. Minnesota Statutes 2024, section 356A.06, subdivision 8a, is amended to read:

45.25 Subd. 8a. **Collateralization requirement.** (a) The governing board of a covered pension
45.26 plan shall designate a national bank, an insured state bank, an insured credit union, or an
45.27 insured thrift institution as the depository for the pension plan for assets not held by the
45.28 pension plan's custodian bank.

45.29 (b) Unless collateralized as provided under paragraph (c), a covered pension plan may
45.30 not deposit in a designated depository an amount in excess of the insurance held by the
45.31 depository in the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union
45.32 Administration, or an approved credit union share guaranty corporation, whichever applies.

(c) For an amount greater than the insurance under paragraph (b), the depository must provide collateral in compliance with section 118A.03 or with any comparable successor enactment relating to the collateralization of municipal deposits.

Sec. 34. Minnesota Statutes 2024, section 366.01, subdivision 4, is amended to read:

Subd. 4. Depository; terms; liability; interest. (a) They may designate a bank as the depository of town money for a time not extending beyond their official term, after the execution by the bank of a sufficient bond to the town to be approved by the board and filed in the office of the town clerk. They may then require the treasurer to deposit all or part of the town money in that bank. The designation shall be in writing, and set forth all the terms upon which the deposits are made. It shall be signed by the chair and clerk and filed with the clerk. The town treasurer shall not be liable for the loss of money while deposited in the bank. All interest on the money shall belong to the town.

(b) In addition to the authority for deposit of town money pursuant to paragraph (a) or other provisions of this chapter, the town treasurer may deposit town money in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the town treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the town with respect to the money redeposited into such accounts.

(2) The full amount of the redeposited town funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years of general custodial experience.

Sec. 35. Minnesota Statutes 2024, section 385.07, is amended to read:

385.07 FUNDS, WHERE DEPOSITED OR INVESTED.

(a) All county funds shall be deposited promptly and intact by the county treasurer in the name of the county or invested as provided in section 118A.04. Interest and profits which accrue from such investment shall, when collected, be credited to the general revenue fund of the county.

(b) In addition to the authority for deposit of county funds pursuant to paragraph (a), the county treasurer may deposit county funds in a designated depository in accordance with the following conditions:

(1) The designated depository is authorized by the county treasurer to (i) arrange for the redeposit of the funds into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the county with respect to the funds redeposited into such accounts.

(2) The full amount of the redeposited county funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Share Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving as subcustodian for the designated depository shall have had at least five years of general custodial experience.

Sec. 36. Minnesota Statutes 2024, section 424B.22, subdivision 9, is amended to read:

Subd. 9. **Missing participants.** (a) For purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

(b) "Retirement benefit" means:

(1) the participant's account balance if the retirement plan is a defined contribution plan;

(2) the participant's lump-sum benefit if the retirement plan is a defined benefit plan that pays a lump sum; or

(3) an amount equal to the present value of the participant's benefit if the retirement plan is a defined benefit plan that pays a monthly annuity.

(c) "Individual retirement account" means an account that satisfies the requirements of section 408(a) of the Internal Revenue Code which is established by an officer of the relief association in the name of the participant or other benefit recipient at a ~~federally insured~~ financial institution insured federally or by an approved credit union guaranty corporation.

(d) If the board of trustees cannot locate a participant or other benefit recipient, the board of trustees shall make a diligent effort to obtain a current address or other contact information as follows:

(1) send a notice to the address on file for the participant or other benefit recipient using certified mail;

(2) check with the Minnesota State Fire Department Association, the municipality, and any other employer of the participant;

48.1 (3) check with the participant's designated beneficiary on file with the relief association;
48.2 and

48.3 (4) use one or more of the Internet search tools that are free of charge.

48.4 (e) The board of trustees shall transfer the retirement benefit to an individual retirement
48.5 account or consider the retirement benefit abandoned and deposit funds in the amount of
48.6 the retirement benefit with the commissioner of commerce under chapter 345,
48.7 notwithstanding any laws to the contrary, including section 345.381, if the board of trustees
48.8 is unable to locate the participant or other benefit recipient after taking the actions described
48.9 in paragraph (d) or the participant or other benefit recipient does not elect to receive or
48.10 rollover a retirement benefit to which the participant or other benefit recipient is entitled.

48.11 Sec. 37. Minnesota Statutes 2024, section 427.06, is amended to read:

48.12 **427.06 MONEY, HOW DEPOSITED; CHECKS, HOW DRAWN.**

48.13 (a) All money of any city kept in accordance with sections 427.02 to 427.07 in any
48.14 depository designated by the council of the city shall be kept and deposited in the name of
48.15 the city and the depository shall have no authority to pay out this money except upon checks
48.16 drawn upon the depository signed by the city treasurer and countersigned by the city
48.17 comptroller or recording officer of the city.

48.18 (b) In addition to the authority for deposit of city money pursuant to paragraph (a) or
48.19 other provisions of this chapter, the city treasurer may deposit city money in a designated
48.20 depository in accordance with the following conditions:

48.21 (1) The designated depository is authorized by the city treasurer to (i) arrange for the
48.22 redeposit of the money into deposit accounts in one or more banks, savings and loan
48.23 associations, or credit unions that are located in the United States, and (ii) serve as custodian
48.24 for the city with respect to the money redeposited into such accounts.

48.25 (2) The full amount of the redeposited city funds, plus accrued interest, if any, must be
48.26 insured by the Federal Deposit Insurance Corporation ~~or~~, the National Credit Union Share
48.27 Insurance Fund, or an approved credit union share guaranty corporation. Any entity serving
48.28 as subcustodian for the designated depository shall have had at least five years' experience
48.29 serving in that capacity.

49.1 Sec. 38. Minnesota Statutes 2024, section 524.3-715, is amended to read:

49.2 **524.3-715 TRANSACTIONS AUTHORIZED FOR PERSONAL**
49.3 **REPRESENTATIVES; EXCEPTIONS.**

49.4 Except as restricted or otherwise provided by the will or by an order in a formal
49.5 proceeding and subject to the priorities stated in section 524.3-902, a personal representative,
49.6 acting reasonably for the benefit of the interested persons, may properly:

49.7 (1) retain assets owned by the decedent pending distribution or liquidation including
49.8 those in which the representative is personally interested or which are otherwise improper
49.9 for trust investment;

49.10 (2) receive assets from fiduciaries, or other sources;

49.11 (3) perform, compromise or refuse performance of the decedent's contracts that continue
49.12 as obligations of the estate, as the personal representative may determine under the
49.13 circumstances. In performing enforceable contracts by the decedent to convey or lease land,
49.14 the personal representative, among other possible courses of action, may:

49.15 (i) execute and deliver a deed of conveyance for cash payment of all sums remaining
49.16 due or the purchaser's note for the sum remaining due secured by a mortgage or deed of
49.17 trust on the land; or

49.18 (ii) deliver a deed in escrow with directions that the proceeds, when paid in accordance
49.19 with the escrow agreement, be paid to the successors of the decedent, as designated in the
49.20 escrow agreement;

49.21 (4) satisfy written charitable pledges of the decedent irrespective of whether the pledges
49.22 constituted binding obligations of the decedent or were properly presented as claims, if in
49.23 the judgment of the personal representative the decedent would have wanted the pledges
49.24 completed under the circumstances;

49.25 (5) if funds are not needed to meet debts and expenses currently payable and are not
49.26 immediately distributable, deposit or invest liquid assets of the estate, including moneys
49.27 received from the sale of other assets, in ~~federally insured~~ interest-bearing accounts insured
49.28 federally or through an approved credit union share guaranty corporation, readily marketable
49.29 secured loan arrangements or other prudent investments which would be reasonable for use
49.30 by trustees generally;

49.31 (6) acquire or dispose of an asset, including land in this or another state, for cash or on
49.32 credit, at public or private sale; and manage, develop, improve, exchange, partition, change
49.33 the character of, or abandon an estate asset;

50.1 (7) make ordinary or extraordinary repairs or alterations in buildings or other structures,
50.2 demolish any improvements, raze existing or erect new party walls or buildings;

50.3 (8) subdivide, develop or dedicate land to public use; make or obtain the vacation of
50.4 plats and adjust boundaries; or adjust differences in valuation on exchange or partition by
50.5 giving or receiving considerations; or dedicate easements to public use without consideration;

50.6 (9) enter for any purpose into a lease as lessor or lessee, with or without option to
50.7 purchase or renew, for a term within or extending beyond the period of administration;

50.8 (10) enter into a lease or arrangement for exploration and removal of minerals or other
50.9 natural resources or enter into a pooling or unitization agreement;

50.10 (11) abandon property when, in the opinion of the personal representative, it is valueless,
50.11 or is so encumbered, or is in condition that it is of no benefit to the estate;

50.12 (12) vote stocks or other securities in person or by general or limited proxy;

50.13 (13) pay calls, assessments, and other sums chargeable or accruing against or on account
50.14 of securities, unless barred by the provisions relating to claims;

50.15 (14) hold a security in the name of a nominee or in other form without disclosure of the
50.16 interest of the estate but the personal representative is liable for any act of the nominee in
50.17 connection with the security so held;

50.18 (15) insure the assets of the estate against damage, loss and liability and the personal
50.19 representative against liability as to third persons;

50.20 (16) borrow money with or without security to be repaid from the estate assets or
50.21 otherwise; and advance money for the protection of the estate;

50.22 (17) effect a fair and reasonable compromise with any debtor or obligor, or extend,
50.23 renew or in any manner modify the terms of any obligation owing to the estate. The personal
50.24 representative on holding a mortgage, pledge or other lien upon property of another person
50.25 may, in lieu of foreclosure, accept a conveyance or transfer of encumbered assets from the
50.26 owner thereof in satisfaction of the indebtedness secured by lien;

50.27 (18) pay in compliance with section 524.3-805, but without the presentation of a claim,
50.28 the reasonable and necessary last illness expenses of the decedent (except as provided in
50.29 section 524.3-806 (a)), reasonable funeral expenses, debts and taxes with preference under
50.30 federal or state law, and other taxes, assessments, compensation of the personal representative
50.31 and the personal representative's attorney, and all other costs and expenses of administration
50.32 although the same may be otherwise barred under section 524.3-803;

51.1 (19) sell or exercise stock subscription or conversion rights; consent, directly or through
51.2 a committee or other agent, to the reorganization, consolidation, merger, dissolution, or
51.3 liquidation of a corporation or other business enterprise;

51.4 (20) allocate items of income or expense to either estate income or principal, as permitted
51.5 or provided by law;

51.6 (21) employ persons, including attorneys, auditors, investment advisors, or agents, even
51.7 if they are associated with the personal representative, to advise or assist the personal
51.8 representative in the performance of administrative duties; act without independent
51.9 investigation upon their recommendations; and instead of acting personally, employ one or
51.10 more agents to perform any act of administration, whether or not discretionary;

51.11 (22) prosecute or defend claims, or proceedings in any jurisdiction for the protection of
51.12 the estate and of the personal representative in the performance of duties;

51.13 (23) sell, mortgage, or lease any real or personal property of the estate or any interest
51.14 therein, including the homestead, exempt or otherwise, for cash, credit, or for part cash and
51.15 part credit, with or without security for unpaid balances, and without the consent of any
51.16 devisee or heir unless the property has been specifically devised to a devisee or heir by
51.17 decedent's will, except that the homestead of a decedent when the spouse takes any interest
51.18 therein shall not be sold, mortgaged or leased unless the written consent of the spouse has
51.19 been obtained;

51.20 (24) continue any unincorporated business or venture in which the decedent was engaged
51.21 at the time of death (i) in the same business form for a period of not more than four months
51.22 from the date of appointment of a general personal representative if continuation is a
51.23 reasonable means of preserving the value of the business including good will, (ii) in the
51.24 same business form for any additional period of time that may be approved by order of the
51.25 court in a formal proceeding to which the persons interested in the estate are parties; or (iii)
51.26 throughout the period of administration if the business is incorporated by the personal
51.27 representative and if none of the probable distributees of the business who are competent
51.28 adults object to its incorporation and retention in the estate;

51.29 (25) incorporate any business or venture in which the decedent was engaged at the time
51.30 of death;

51.31 (26) provide for exoneration of the personal representative from personal liability in any
51.32 contract entered into on behalf of the estate;

51.33 (27) satisfy and settle claims and distribute the estate as provided in this chapter;

52.1 (28) foreclose a mortgage, lien, or pledge or collect the debts secured thereby, or complete
52.2 any such proceeding commenced by the decedent;

52.3 (29) exercise all powers granted to guardians and conservators by sections 524.5-101
52.4 to 524.5-502."

52.5 Renumber the sections in sequence

52.6 Amend the title as follows:

52.7 Page 1, line 4, after the semicolon, insert "making conforming changes;"

52.8 Correct the title numbers accordingly

52.9 With the recommendation that when so amended the bill be placed on the General
52.10 Register.

52.11 This Committee action taken March 26, 2026

52.12, Co-Chair

52.13, Co-Chair