

1.1 moves to amend H.F. No. 4077, the delete everything amendment
1.2 (H4077DE2), as follows:

1.3 Page 102, after line 13, insert:

1.4 "Sec. **[332C.01] DEFINITIONS.**

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

1.7 Subd. 2. **Collecting party.** "Collecting party" means a party engaged in the collection
1.8 of medical debt. Collecting party does not include banks, credit unions, public officers,
1.9 garnishees, and other parties complying with a court order or statutory obligation to garnish
1.10 or levy a debtor's property.

1.11 Subd. 3. **Debtor.** "Debtor" means a person obligated or alleged to be obligated to pay
1.12 any debt.

1.13 Subd. 4. **Medical debt.** "Medical debt" means debt incurred primarily for medically
1.14 necessary health treatment or services. Medical debt does not include debt charged to a
1.15 credit card unless the credit card is issued under a credit plan offered solely for the payment
1.16 of health care treatment or services.

1.17 Subd. 5. **Medically necessary.** "Medically necessary" has the meaning given in section
1.18 62J.805, subdivision 6.

1.19 Subd. 6. **Person.** "Person" means any individual, partnership, association, or corporation.

1.20 Sec. **[332C.02] PROHIBITED PRACTICES.**

1.21 No collecting party shall:

- 2.1 (1) in a collection letter, publication, invoice, or any oral or written communication,
2.2 threaten wage garnishment or legal suit by a particular lawyer, unless the collecting party
2.3 has actually retained the lawyer to do so;
- 2.4 (2) use or employ sheriffs or any other officer authorized to serve legal papers in
2.5 connection with the collection of a claim, except when performing their legally authorized
2.6 duties;
- 2.7 (3) use or threaten to use methods of collection which violate Minnesota law;
- 2.8 (4) furnish legal advice to debtors or represent that the collecting party is competent or
2.9 able to furnish legal advice to debtors;
- 2.10 (5) communicate with debtors in a misleading or deceptive manner by falsely using the
2.11 stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare,
2.12 or instruments which simulate the form and appearance of judicial process;
- 2.13 (6) publish or cause to be published any list of debtors, use shame cards or shame
2.14 automobiles, advertise or threaten to advertise for sale any claim as a means of forcing
2.15 payment thereof, or use similar devices or methods of intimidation;
- 2.16 (7) operate under a name or in a manner which falsely implies the collecting party is a
2.17 branch of or associated with any department of federal, state, county, or local government
2.18 or an agency thereof;
- 2.19 (8) transact business or hold itself out as a debt settlement company, debt management
2.20 company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or
2.21 pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or
2.22 liquidation is done pursuant to court order or under the supervision of a creditor's committee;
- 2.23 (9) unless an exemption in the law exists, violate Code of Federal Regulations, title 12,
2.24 part 1006, while attempting to collect on any account, bill, or other indebtedness. For
2.25 purposes of this section, Public Law 95-109 and Code of Federal Regulations, title 12, part
2.26 1006, apply to collecting parties;
- 2.27 (10) communicate with a debtor by use of an automatic telephone dialing system or an
2.28 artificial or prerecorded voice after the debtor expressly informs the collecting party to cease
2.29 communication utilizing an automatic telephone dialing system or an artificial or prerecorded
2.30 voice. For purposes of this clause, an automatic telephone dialing system or an artificial or
2.31 prerecorded voice includes but is not limited to (i) artificial intelligence chat bots, and (ii)
2.32 the usage of the term under the Telephone Consumer Protection Act, United States Code,
2.33 title 47, section 227(b)(1)(A);

3.1 (11) in collection letters or publications, or in any oral or written communication, imply
3.2 or suggest that medically necessary health treatment or services will be denied as a result
3.3 of a medical debt;

3.4 (12) when a debtor has a listed telephone number, enlist the aid of a neighbor or third
3.5 party to request that the debtor contact the collecting party, except a person who resides
3.6 with the debtor or a third party with whom the debtor has authorized with the collecting
3.7 party to place the request. This clause does not apply to a call back message left at the
3.8 debtor's place of employment which is limited solely to the collecting party's telephone
3.9 number and name;

3.10 (13) when attempting to collect a medical debt, fail to provide the debtor with the full
3.11 name of the collecting party, as registered with the secretary of state;

3.12 (14) fail to return any amount of overpayment from a debtor to the debtor or to the state
3.13 of Minnesota pursuant to the requirements of chapter 345;

3.14 (15) accept currency or coin as payment for a medical debt without issuing an original
3.15 receipt to the debtor and maintain a duplicate receipt in the debtor's payment records;

3.16 (16) attempt to collect any amount, including any interest, fee, charge, or expense
3.17 incidental to the charge-off obligation, from a debtor unless the amount is expressly
3.18 authorized by the agreement creating the medical debt or is otherwise permitted by law;

3.19 (17) falsify any documents with the intent to deceive;

3.20 (18) when initially contacting a Minnesota debtor by mail to collect a medical debt, fail
3.21 to include a disclosure on the contact notice, in a type size or font which is equal to or larger
3.22 than the largest other type of type size or font used in the text of the notice, that includes
3.23 and identifies the Office of the Minnesota Attorney General's general telephone number,
3.24 and states: "You have the right to hire your own attorney to represent you in this matter.";

3.25 (19) commence legal action to collect a medical debt outside the limitations period set
3.26 forth in section 541.053;

3.27 (20) report to a credit reporting agency any medical debt which the collecting party
3.28 knows or should know is or was originally owed to a health care provider, as defined in
3.29 section 62J.805, subdivision 2; or

3.30 (21) challenge a debtor's claim of exemption to garnishment or levy in a manner that is
3.31 baseless, frivolous, or otherwise in bad faith.

4.1 Sec. **[332C.03] MEDICAL DEBT REPORTING PROHIBITED.**

4.2 (a) A collecting party is prohibited from reporting medical debt to a consumer reporting
4.3 agency.

4.4 (b) A consumer reporting agency is prohibited from making a consumer report containing
4.5 an item of information that the consumer reporting agency knows or should know concerns:

4.6 (1) medical information; or

4.7 (2) debt arising from:

4.8 (i) the provision of medical care, treatment, services, devices, medicines; or

4.9 (ii) procedures to maintain, diagnose, or treat a person's physical or mental health.

4.10 (c) For purposes of this section, "consumer report," "consumer reporting agency," and
4.11 "medical information" have the meanings given them in the Fair Credit Reporting Act,
4.12 United States Code, title 15, section 1681a.

4.13 (d) This section also applies to collection agencies and debt buyers licensed under chapter
4.14 332.

4.15 Sec. **[332C.04] DEFENDING MEDICAL DEBT CASES.**

4.16 A debtor who successfully defends against a claim for payment of medical debt that is
4.17 alleged by a collecting party must be awarded the debtor's costs, including a reasonable
4.18 attorney fee as determined by the court, incurred in defending against the collecting party's
4.19 claim for debt payment.

4.20 Sec. **[332C.05] Enforcement.**

4.21 (a) The attorney general may enforce this chapter under section 8.31.

4.22 (b) A collecting party that violates this chapter is strictly liable to the debtor in question
4.23 for the sum of:

4.24 (1) actual damage sustained by the debtor as a result of the violation;

4.25 (2) additional damages as the court may allow, but not exceeding \$1,000 per violation;
4.26 and

4.27 (3) in the case of any successful action to enforce the foregoing, the costs of the action,
4.28 together with a reasonable attorney fee as determined by the court.

5.1 (c) A collecting party that willfully and maliciously violates this chapter is strictly liable
5.2 to the debtor for three times the sums allowable under paragraph (b), clauses (1) and (2).

5.3 (d) The dollar amount limit under paragraph (b), clause (2), changes on July 1 of each
5.4 even-numbered year in an amount equal to changes made in the Consumer Price Index,
5.5 compiled by the United States Bureau of Labor Statistics. The Consumer Price Index for
5.6 December 2024 is the reference base index. If the Consumer Price Index is revised, the
5.7 percentage of change made under this section must be calculated on the basis of the revised
5.8 Consumer Price Index. If a Consumer Price Index revision changes the reference base index,
5.9 a revised reference base index must be determined by multiplying the reference base index
5.10 that is effective at the time by the rebasing factor furnished by the Bureau of Labor Statistics.

5.11 (e) If the Consumer Price Index is superseded, the Consumer Price Index referred to in
5.12 this section is the Consumer Price Index represented by the Bureau of Labor Statistics as
5.13 most accurately reflecting changes in the prices paid by consumers for consumer goods and
5.14 services.

5.15 (f) The attorney general must publish the base reference index under paragraph (c) in
5.16 the State Register no later than September 1, 2024. The attorney general must calculate and
5.17 then publish the revised Consumer Price Index under paragraph (c) in the State Register no
5.18 later than September 1 each even-numbered year.

5.19 (g) A collecting party may not be held liable in any action brought under this section if
5.20 the collecting party shows by a preponderance of evidence that the violation: (1) was not
5.21 intentional and resulted from a bona fide error made notwithstanding the maintenance of
5.22 procedures reasonably adopted to avoid any such error; or (2) was the result of inaccurate
5.23 or incorrect information provided to the collecting party by a health care provider, as that
5.24 term is defined in section 62J.805, subdivision 3; a health carrier, as that term is defined in
5.25 section 62A.011, subdivision 2; or another collecting party currently or previously engaged
5.26 in collection of the medical debt in question.

5.27 Sec. Minnesota Statutes 2022, section 519.05, is amended to read:

5.28 **519.05 LIABILITY OF ~~HUSBAND AND WIFE~~ SPOUSES.**

5.29 (a) A spouse is not liable to a creditor for any debts of the other spouse. ~~Where husband~~
5.30 ~~and wife are living together, they shall be jointly and severally liable for necessary medical~~
5.31 ~~services that have been furnished to either spouse, including any claims arising under section~~
5.32 ~~246.53, 256B.15, 256D.16, or 261.04, and necessary household articles and supplies furnished~~
5.33 ~~to and used by the family. Spouses shall be joint and severally liable for claims arising under~~

6.1 section 256B.15. Notwithstanding this paragraph, in a proceeding under chapter 518 the
6.2 court may apportion such debt between the spouses.

6.3 (b) Either spouse may close a credit card account or other unsecured consumer line of
6.4 credit on which both spouses are contractually liable, by giving written notice to the creditor."

6.5 Page 117, line 15, strike "571.926" and insert "571.927"

6.6 Page 117, line 31, delete the colon

6.7 Page 118, line 1, delete "(1)" and delete "; or" and insert a period

6.8 Page 118, delete lines 2 and 3

6.9 Page 118, line 5, after "employee" insert "or independent contractor"

6.10 Page 118, after line 5, insert:

6.11 "(e) "Independent contractor" means an individual who receives or is owed earnings
6.12 from an employer through periodic payments and is not treated by the employer as an
6.13 employee for federal employment tax purposes."

6.14 Page 123, after line 2, insert:

6.15 "Sec. Minnesota Statutes 2022, section 571.927, is amended to read:

6.16 **571.927 PENALTY FOR RETALIATION FOR GARNISHMENT.**

6.17 Subdivision 1. **Prohibition.** An employer shall not discharge or otherwise discipline an
6.18 employee or independent contractor as a result of an earnings garnishment authorized by
6.19 this chapter.

6.20 Subd. 2. **Remedy.** If an employer violates this section, a court may order the reinstatement
6.21 of an aggrieved party who demonstrates a violation of this section, and other relief the court
6.22 considers appropriate. The aggrieved party may bring a civil action within 90 days of the
6.23 date of the prohibited action. If an employer-employee or employer-independent contractor
6.24 relationship existed before the violation of this section, the employee or independent
6.25 contractor shall recover twice the ~~wages~~ earnings lost as a result of this violation.

6.26 Subd. 3. **Nonwaiver.** The rights guaranteed by this section may not be waived or altered
6.27 by ~~employment~~ contract.

6.28 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
6.29 of action commenced on or after that date."

6.30 Renumber the sections in sequence and correct the internal references