

Subject Commerce Policy Bill

Authors Stephenson

Analyst Larie Ann Pampuch
Bob Eleff
Nathan Hopkins
Mary Davis
Chris Kleman

Date April 8, 2024

Article 1: Consumer Protection

Section Description - Article 1: Consumer Protection

- 1 **Money transmission.**
Removes payroll processing services from definition of money transmission.
- 2 **Payroll processing services.**
Makes technical changes to definition of payroll processing services.
- 3 **Exemption.**
Exempts payroll processing services provider from chapter 53B.
- 4 **(d) Regulation A – Tier 2 filing requirements.**
(1) Initial Filing. Requires an issuer planning to offer and sell securities in Minnesota that are exempt under Tier 2 of federal regulation A to submit an offering notice filing and a consent to service of process. Documents must be submitted to the administrator at least 21 days in advance of the offering and are effective for 12 months. (2) Renewal. Allows an offering to be continued for another 12-month period if a renewal form and a cover letter are filed on or before the original filing expires. (3) Amendment. Allows an issuer to increase the amount of securities offered by submitting an offering notice filing form or other document that describes the transaction.
- 5 **(g) Application for investment adviser representative registration.**
Allows an investment adviser to register if they complete the General Securities Representative Examination (series 7) as well as other requirements.

Effective date. This section is effective the day following final enactment.

Section Description - Article 1: Consumer Protection

- 6 **Continuing education.**
Makes cross-reference change.
Effective date. This section is effective January 1, 2025.
- 7 **Escrow or impound of fees and other funds by commissioner.**
Allows the commissioner to defer the payment of franchise fees if they have found that an applicant does not have adequate financial resources.
- 8-10 These sections make technical changes relating to real property appraiser supervision and training. They are effective January 1, 2026.
- 11 **Imposing fee.**
Requires the commissioner of commerce, if the unencumbered balance of the petroleum tank release cleanup fund falls below \$4 million within 90 days, instead of 60, to impose the fee under section 115C.08, subdivision 3.
- 12 **Disclosure; reporting.**
Makes technical change.
- 13 **Conveyance, taxes paid before recording.**
Adds documents evidencing termination of contract for deed to list of documents.
Effective date. This section is effective the day following final enactment.
- 14 **Person.**
Defines person.
- 15 **Advertisements, displays, or offers.**
This section makes it a deceptive trade practice for a person to advertise, display, or offer goods or services without including all mandatory fees.
- 16 **Automatic gratuity.**
Deems a food service compliant with section 325D.44, if in its advertisements that include prices, the total price includes a disclosure of the percentage of any automatic or mandatory gratuities to be charged.
- 17 **Purchase of acquisition of record required.**
Removes the requirement that the record scrap metal dealers create be permanent. Removes the requirement that, in order to purchase or acquire a detached catalytic converter, a scrap metal dealer must record the vehicle identification number or

Section Description - Article 1: Consumer Protection

- other unique marking that connects the catalytic converter to the vehicle from which it was taken
- 18 **Prohibition on possessing catalytic converters; exception.**
Provides that a used catalytic converter that is not attached to a motor vehicle may be possessed legally when it is marked with a number, bar code, sticker, or other unique marking in addition to being marked with a vehicle identification number.
- 19 **Flame resistant public assembly tents.**
Exempts from the requirements of this section tents designed or manufactured for camping, backpacking, mountaineering, or children's play.
- 20 **Flame resistant tents.**
Removes requirement that sleeping bags meet flame resistancy standards of the commissioner of public safety. Makes cross-reference update.
- 21 **Rules.**
Makes technical and cross-reference changes.
- 22 **[325F.078] Sales of aerosol dusters containing 1,1-difluoroethane (DFE).**
Subd. 1. Definitions. Defines the terms "aerosol duster," "behind-the-counter," and "DFE" or "1,1-difluoroethane" for purposes of this section.
Subd. 2. Requirements for retail sale. Establishes that a retailer must only sell an aerosol duster that contains DFE from behind-the-counter, to a purchaser who presents valid evidence that the person is at least 21 years of age, and in quantities that do not exceed the limit established in subdivision 3.
Subd. 3. Purchasing limit. Establishes that retailers are prohibited from selling more than three cans of an aerosol duster that contains DFE to a customer in a single transaction.
Subd. 4. Exemption. Provides that subdivisions 2 and 3 do not apply to a business purchasing aerosol dusters that contain DFE online.
Subd. 5. Labeling. Requires all aerosol dusters that contain DFE sold in the state to contain labeling that includes the information and warnings specified in the subdivision.
Subd. 6. Violations. Establishes that a violation of subdivision 2 or 3 is a misdemeanor. Establishes an affirmative defense to a charge that a retailer sold a product to a person under age 21 if the retailer proves by a preponderance of the

Section Description - Article 1: Consumer Protection

evidence that the retailer reasonably relied on the type of proof of age required to purchase alcohol.

Effective date. The section is effective the day following final enactment and applies to purchases made on or after that date.

23 **Repairs.**

Defines “repair” to mean work performed for a total price of more than \$100.

24 **Required notice to be displayed.**

Requires retailers to conspicuously display a sign stating that the shop is required to provide a written estimate for repairs costing more than \$100 and that the final price cannot exceed the written estimate by more than ten percent.

25 **[325F.676] Ticket sales.**

Subd. 1. Definitions. Defines commissioner, entertainment, Internet domain name, online ticket marketplace, operator, person, place of entertainment, ticket, ticket reseller, and URL.

Subd. 2. Disclosures. Requires operators, ticket resellers, and online ticket marketplaces to provide certain disclosures and acknowledgment.

Subd. 3. Prohibition. Prohibits ticket resellers and online ticket marketplaces from taking enumerated actions relating to the sale of tickets.

Subd. 4. Commissioner data requests; data practices. Requires an online ticket marketplace to disclose information relating to circumvention of online security systems. Allows the commissioner to share information with the attorney general and enforce this section under section 45.027.

Subd. 5. Enforcement. Allows the commissioner to enforce this section under section 45.027.

Effective date. This section is effective January 1, 2025, and applies to tickets sold on or after that date.

26 **Citation.**

Provides a short title for the act, which is codified in its own new chapter of Minnesota Statutes.

Section Description - Article 1: Consumer Protection

27 Definitions.

Defines key terms for this chapter. Importantly, “account holder” is any social media account holder, while “user” just refers to an account holder in Minnesota. The scope of “social media platform” is set largely within the definition in this section.

28 Scope; exclusions.

Subjects a social media platform to this chapter if it is active in Minnesota and meets the threshold in paragraph (a). Paragraph (b) specifies how a social media platform may determine whether an account holder is a Minnesota-based user.

29 Requirements for social media platforms.

Imposes new prohibitions and requirements on social media platforms.

Subd. 1. Content optimization. Requires a platform to provide a user interface that allows users to indicate what content they do or do not want, and the algorithm must respect those preferences. A platform is specifically prohibited from pushing content to users that does not align with users’ preferences simply to maximize users’ time and engagement on the platform.

Subd. 2. Account interaction limits. Requires platforms to set limits for “new account holders” or highly active account holders to limit their impact on Minnesota-based users. Discourse on platforms can be distorted or dominated by a small minority of account holders. Frequently, these account holders may have recently created “burner” accounts, and they are often some of the most active account holders on a platform.

Subd. 3. Default privacy settings. Requires specific default privacy settings for users. Generally, these default settings focus on keeping user-generated content within a user’s chosen social network. Also prohibits the platform from allowing user-generated content to be scraped and utilized by generative artificial intelligence, without a user’s consent. Specifies that a user may opt to change these default settings.

Subd. 4. Option for heightened protection. Requires platforms to allow users to easily opt into a set of specified heightened protections. These heightened protections include prohibiting platforms from using features (e.g., infinite content feeds, auto-play of next videos, etc.) that encourage increased use, and prohibiting visual counts of “likes,” etc., on user-generated content.

Provides that users can opt-in to these on a specific platform or change a setting on a device (i.e., their phone or tablet) so that they will automatically be opted-in to these heightened protections across all platforms on the device. Also provides

Section Description - Article 1: Consumer Protection

that any device with parental controls enabled will automatically be opted-into heightened protections.

Subd. 5. Transparency requirements. In paragraph (a), requires platforms to post certain information about how their algorithms operate, how they enact the requirements in this bill, information about product experiments on users, and other relevant data on platform use. Also, in paragraph (b), requires platforms to provide users an explanation for each piece of recommended content for why the algorithm is promoting it to them.

30 **Enforcement.**

A private right of action is not authorized. Provides for attorney general enforcement under section 8.31.

31 **Severability.**

Specifies that the rest of the chapter is not affected if a court holds a certain provision invalid.

32-46 **Contract for deed.**

These sections make changes to existing contract for deed and transfer law and create a new chapter regulating contract for deeds, specifically issues relating to disclosures, churning, balloon payments, and termination by vendors.

47 **Rulemaking.**

Requires the commissioner of commerce to adopt rules to conform with the changes relating to investment adviser registration continuing education and franchise fee deferrals. Allows the commissioner to use the good cause exemption under Minnesota Statutes to amend the rules.

48 **Repealer.**

(a) Repeals sections 45.014; 239.791, subdivision 3; 559.201; and 559.202.

(b) Repeals section 82B.25.

(c) Repeals section 53B.58.

Effective date. Paragraph (b) is effective January 1, 2026.

Article 2: Monetary and Financial Institutions Policy

Section Description - Article 2: Monetary and Financial Institutions Policy

- 1-8 **Nonbank data security established.**
These sections create a new chapter of law that regulates nonbank data security. It requires financial institutions to develop, implement, and maintain an information security program to protect customer data.
- 9-11,
21-36 **Mortgage loan originators and financial institutions.**
These sections make changes to requirements relating to financial institutions, mortgage loan originators, and the commissioner of commerce's powers of supervision and funds spent for outreach.
- 12 **Application.**
(b) Rejects certain amendments to federal housing, banking, credit union, and depository institution laws that set interest rates for state chartered banks that issue consumer loans in Minnesota. Requires consumer loans made in Minnesota to be subject to interest rates set by state laws.

(c) Deems that a loan is made in Minnesota if the borrower is a Minnesota resident and the borrower completes the transaction, either personally or electronically, while located in Minnesota.

Effective date. This section is effective August 1, 2024, and applies to loans executed on or after that date.
- 13 **Financing charge for loans.**
Limits the interest an out-of-state financial institution can charge on credit cards to 18 percent, or higher if that rate is allowed by the financial institution's home state.

Effective date. This section is effective August 1, 2024, and applies to loans executed on or after that date.
- 14 **Loan liabilities.**
Makes technical change.
- 15-20 **Virtual currency kiosks.**
These sections relate to virtual currency kiosks. The sections provide definitions, require disclosures, requires acknowledgement of disclosures, and allows for cancellation and refund of transactions under certain circumstances.
- 37-44 **Coerced debt.**
These sections make clarifying changes to laws concerning coerced debt.

Section Description - Article 2: Monetary and Financial Institutions Policy

45-49 **Medical debt collection.**

These sections regulate the collection of medical debt.

50-66, **Attachment, garnishment, and bankruptcy exemptions.**

73-85 These sections make changes to objects, amounts, attachment systems, and forms relating to liens, garnishment, and bankruptcy exemptions.

67-72 **Court fee waiver.**

These sections make a technical change, substituting the term “court fee waiver” for “in forma pauperis.”

86 **Rulemaking.**

Requires the commissioner of commerce to amend Minnesota Rules part 2675.2170.

87 **Repealer.**

(a) Repeals section 58.08, subdivision 3.

(b) Repeals section 332.71, subdivision 8.

Effective date. Paragraph (b) is effective January 1, 2025.

Article 3: Insurance

Section Description - Article 3: Insurance

1 **Scope.**

Adds cross-reference.

2 **Coverage deemed unavailable.**

Deems that, if coverage for a risk is referred by a licensed insurance producer to an unaffiliated surplus lines broker, it is unavailable from a licensed insurer.

3 **[60A.43] Disability income coverage; disclosure.**

Requires long-term disability insurance policies that limit the duration of coverage for mental health or substance use disorders to issue disclosures and receive acknowledgment.

4 **Suicide provision.**

Updates language referencing suicide in life insurance policies.

Section Description - Article 3: Insurance

- 5 **[62Q.585] Gender-affirming care coverage; medically necessary care.**
 Subd. 1. Requirement. Prohibits a health plan from excluding coverage for medically necessary gender-affirming care or requiring treatment to satisfy a definition of “medically necessary” that is more restrictive than that under subdivision 2.

 Subd. 2. Minimum definition. Defines medically necessary care.

 Subd. 3. Definitions. Defines gender-affirming care and health plan.
- 6 **Renewal notice requirement.**
Clarifies that increasing or revising a homeowner’s insurance policy or deductible is not a refusal to renew, reduction in coverage limits, or elimination of coverage. Requires an insurer that provides a deductible that requires a policyholder to pay a percentage of the loss to also provide at least one flat-dollar deductible option.
- 7 **Rules.**
Allows commissioner to take into consideration when setting certain rules insured’s loss experience from natural causes.
- 8 **[65A.3025] Condominium and townhouse policies; coordination of benefits for loss assessment.**
Clarifies the obligations of an insurer when a loss assessment is charged to a unit owner by an association.
- 9 **Rating methods.**
Allows natural causes to be used as a rating factor for homeowner’s insurance.
- 10 **Refusal to renew.**
Makes technical change.
- 11 **Residential contractor; prohibited insurance practices.**
Prohibits certain actions of residential contractors in relation to insurance, deductibles, and repairs referrals.
- 12 **[332.3352] Waiver of licensing and registration.**
Allows the commissioner to waive licensing and registration under this chapter for certain collection agencies.

Section Description - Article 3: Insurance

- 13 **School districts; group health insurance coverage.**
Requires proposals for group health insurance to school districts to include certain information.
- 14 **Jointly.**
Makes technical change.
- 15 **[513.80] Residential real estate service agreements; unfair service agreements.**
Prohibits unfair service agreements, which is defined within from being recorded with the county recorder or enforced.
- 16 **Terms.**
Makes change related to civil liability and insurance policies.
Effective date. This section is effective the day following final enactment.
- 17 **Repealer.**
Repeals section 332.3351.

Article 4: Telecommunications Policy

Section Description - Article 4: Telecommunications Policy

- 1 **[116J.39] Office of Broadband Development.**
Subd. 1. Definitions. Amends the definition of “broadband.”
- 2 **[116J.394] Definitions.**
Provides that the amendments in this section also apply to section 116J.399, and amends the definition of “broadband infrastructure.”
- 3 **[116J.399] Broadband easements.**
Subd. 1. Definitions. Excludes from the definition of “provider” broadband services exclusively provided through personal wireless or satellite. Adds a definition of “local franchising authority.”
- 4 **[116J.399] Broadband easements.**
Subd. 8. Local governmental right-of-way management preserved. Strikes language making the placement of broadband infrastructure subject to section 237.163 and provides that it is regulated under section 5 of this article.

Section Description - Article 4: Telecommunications Policy

5 **[116J.399] Broadband easements.**

Subd. 10. Franchise or municipal authorization. Authorizes a local franchising authority to require a broadband service provider within its jurisdiction to obtain a franchise or other authorization and pay fees that raise revenue, defray a municipality's costs resulting from right-of-way occupation, or both. The franchise fee may be up to five percent of a provider's gross revenues, plus up to an additional three percent of gross revenues dedicated to support local cable programming if the franchising authority operates a cable access channel.

6 **[222.37] Public road; use; restriction.**

Subd. 1. Use requirements. Specifies that a broadband provider may use the public roads in its operations, and, along with other service providers identified in this subdivision, is subject to municipal franchising or other municipal authorization requirements under section 5 of this article. Requires municipal authorization before a service can be provided.

7 **[237.163] Use and regulation of public right-of-way.**

Subd. 2. Generally. Authorizes a local government unit to franchise its public rights-of-way and to receive compensation for use and occupancy.

8 **[237.163] Use and regulation of public right-of-way.**

Subd. 6. Fees. Authorizes a local government unit to franchise its public rights-of-way and to receive compensation for use and occupancy.

9 **[237.163] Use and regulation of public right-of-way.**

Subd. 7. Additional right-of-way provisions. Strikes language prohibiting a local government unit from:

- requiring a telecommunications right-of-way user to obtain a franchise or pay for use of the right-of-way;
- collecting in-kind service fees in exchange for issuing a small wireless facility permit; or
- imposing right-of-way regulations on entities previously authorized to operate in the right-of-way.

10 **[412.221] Specific powers of council.**

Subd. 6. Public ways and grounds. Authorizes a city council to franchise occupants and users of the right-of-way and to receive compensation.

Section Description - Article 4: Telecommunications Policy

11 [237.163] Use and regulation of public right-of-way.

Subd. 7. Additional right-of-way provisions. Strikes language prohibiting a local unit of government from:

- requiring a telecommunications right-of-way user to obtain a franchise to pay for right-of-way use;
- collecting an in-kind fee from a telecommunications right-of-way user; and
- adopt any regulation on placement or operation of existing communication facilities in the right-of-way or imposing fees except as provided for under existing authorization or expressly required by state or federal law.

12 [237.185] Missed repair appointments; credit.

Specifies that a local exchange carrier who fails to appear at a customer's home at the time of a scheduled appointment for a repair must provide an immediate \$25 credit to the customer if:

- the customer notified the carrier that the customer's compromised health requires continued access to emergency services;
- the carrier notified the customer less than 24 hours in advance that rescheduling was necessary; and
- the carrier is required to notify customers annually of this provision.

13 [237.19] Municipal telecommunications services.

Strikes language requiring authorization by 65 percent or more of voters in a municipal election to allow a municipality to construct and operate a telephone exchange within municipal borders, or to purchase an existing exchange.

14 [325F.6945] Internet service providers; prohibited actions.

Subd. 1. Definitions. Adds definitions.

Subd. 2. Prohibited actions. Prohibits an Internet service provider from several actions, including blocking lawful content; impairing or degrading traffic based on content, application, or service; favoring some traffic over other traffic in exchange for a benefit; unreasonably interfering with a customer's ability to access Internet service or content; and engaging in deceptive marketing.

Subd. 3. Exceptions. Exempts software or applications sponsored by federal, state or Tribal government when the provider allows an advantage to customers for free or improved access.

Section Description - Article 4: Telecommunications Policy

Subd. 4. Other laws. Provides that this section does not supersede a provider's obligation to address needs of emergency communications, law, enforcement, or public safety.

Subd. 5. Enforcement. Provides that a violation of subdivision 2 is enforceable by the commissioner of commerce under section 45.027.

15 **[412.221] Specific powers of council.**

Subd. 6. Public ways and grounds. Authorizes a council in a statutory city to franchise occupants and users of the public right-of-way and to receive compensation.

Article 5: Liquor

Section Description - Article 5: Liquor

1 **Special provision; city of Minneapolis.**

Expands the current city authority to issue on-sale intoxicating liquor licenses to the park board (or their concessions or catering contractors) for three city parks to all park board premises, and specifically allows the city to do so notwithstanding the Sunday on-sale seating capacity restrictions.

2 **City of St. Paul; license authorized.**

Amends the authority for the city of St. Paul to issue a license to the Thai Cultural Council of Minnesota for sales at the Minnesota Songkran Festival to allow issuance of the license to the council's concessionaire.

3 **Special liquor law; city of Litchfield.**

Allows the city of Litchfield to issue an on-sale wine or malt liquor license for town ball games played at a ballpark on school grounds, notwithstanding the prohibition on possession of alcoholic beverages on those grounds, and with the approval of the local school board.

4 **Special liquor law; city of Watkins.**

Allows the city of Watkins to issue an on-sale wine or malt liquor license for town ball games played at a ballpark on school grounds, notwithstanding the prohibition on possession of alcoholic beverages on those grounds, and with the approval of the local school board.

Section **Description - Article 5: Liquor**

5 Sports and event center license; Eagan.

Authorizes the city of Eagan to issue up to three on-sale intoxicating liquor licenses for a multiuse sports and event center in the city. The license could be issued for a premises that is not compact and contiguous, for sales on all days of the week.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155