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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4055

- 03/04/2020 Authored by Kotyza-Witthuhn  
The bill was read for the first time and referred to the Committee on Commerce
- 03/16/2020 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time
- 05/04/2020 Referred to the Chief Clerk for Comparison with S. F. No. 4091
- 05/05/2020 Postponed Indefinitely

1.1 A bill for an act

1.2 relating to commerce; making technical changes to various provisions governing

1.3 or administered by the Department of Commerce; amending Minnesota Statutes

1.4 2018, sections 47.60, by adding a subdivision; 48A.11; 53.03, by adding a

1.5 subdivision; 53A.03; 53B.07, by adding a subdivision; 53C.01, subdivision 12;

1.6 53C.02; 56.02; 58.02, subdivision 21; 58.06, by adding a subdivision; 58A.02,

1.7 subdivision 13; 58A.13; 59A.03, by adding a subdivision; 60A.07, subdivision

1.8 1d; 60A.131; 60A.16, subdivisions 1, 2; 82.68, subdivision 2; 82C.03, subdivision

1.9 2; 82C.06; 82C.15; 216C.437, subdivision 11; 332.30; 332.54, subdivision 4, by

1.10 adding a subdivision; 332.57, subdivision 2; 332A.03; 332B.04, by adding a

1.11 subdivision; repealing Minnesota Statutes 2018, sections 53B.27, subdivisions 3,

1.12 4; 60A.07, subdivision 1a; 72B.14.

1.13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.14 Section 1. Minnesota Statutes 2018, section 47.60, is amended by adding a subdivision

1.15 to read:

1.16 Subd. 7. **Records and fees; maintenance and processing.** Section 58A.04, subdivisions

1.17 2 and 3, apply to this section.

1.18 Sec. 2. Minnesota Statutes 2018, section 48A.11, is amended to read:

1.19 **48A.11 NATIONAL BANKS AS FIDUCIARIES.**

1.20 A national bank in this state granted a special permit to act in a fiduciary capacity by

1.21 either the Federal Reserve Board under subsection K of section 11 of the Federal Reserve

1.22 Act, as amended by the act of September 26, 1918, or the Office of the Comptroller of the

1.23 Currency under the provisions of United States Code, title 12, section 92a, may without

1.24 oath or security assign, transfer to, and deposit with the commissioner, the kinds and amounts

1.25 of authorized securities required by section 48A.03 of a bank or trust company in a city in

2.1 which the national bank is located. If the national bank has a capital of \$500,000 or more,  
2.2 it is not required to deposit these securities for more than the lesser of \$1,000,000 or ten  
2.3 percent of ~~this capital or \$1,000,000~~ the amount of assets the bank is acting in a fiduciary  
2.4 capacity for at offices located in Minnesota. The securities so deposited must be held and  
2.5 maintained as a guaranty fund for the national bank for the performance of its duties in this  
2.6 fiduciary capacity.

2.7 When a national bank has complied with section 48A.03, no oath or security is required  
2.8 of it to accept and perform the trust, as provided in section 48A.07, subdivision 4.

2.9 For purposes of this section, "bank" and "trust company" have the meanings given in  
2.10 section 48A.09.

2.11 Sec. 3. Minnesota Statutes 2018, section 53.03, is amended by adding a subdivision to  
2.12 read:

2.13 Subd. 9. **Records and fees; maintenance and processing.** Section 58A.04, subdivisions  
2.14 2 and 3, apply to this section.

2.15 Sec. 4. Minnesota Statutes 2018, section 53A.03, is amended to read:

2.16 **53A.03 APPLICATION FOR LICENSE; FEES.**

2.17 (a) An application for a license must be in writing, under oath, and in the form prescribed  
2.18 and furnished by the commissioner and must contain the following:

2.19 (1) the full name and address (both of residence and place of business) of the applicant,  
2.20 and if the applicant is a partnership or association, of every member, and the name and  
2.21 business address if the applicant is a corporation;

2.22 (2) the county and municipality, with street and number, if any, of all currency exchange  
2.23 locations operated by the applicant; and

2.24 (3) the applicant's occupation or profession, for the ten years immediately preceding the  
2.25 application; present or previous connection with any other currency exchange in this or any  
2.26 other state; whether the applicant has ever been convicted of any crime; and the nature of  
2.27 the applicant's occupancy of the premises to be licensed; and if the applicant is a partnership  
2.28 or a corporation, the information specified in this paragraph must be supplied for each  
2.29 partner and each officer and director of the corporation. If the applicant is a partnership or  
2.30 a nonpublicly held corporation, the information specified in this paragraph must be required  
2.31 of each partner and each officer, director, and stockholders owning in excess of ten percent  
2.32 of the corporate stock of the corporation.

3.1 (b) The application shall be accompanied by a nonrefundable fee of \$1,000 for the review  
3.2 of the initial application. Upon approval by the commissioner, an additional license fee of  
3.3 \$500 must be paid by the applicant as an annual license fee for the remainder of the calendar  
3.4 year. An annual license fee of \$500 is due for each subsequent calendar year of operation  
3.5 upon submission of a license renewal application on or before September 1. Fees must be  
3.6 deposited in the state treasury and credited to the general fund. Upon payment of the required  
3.7 annual license fee, the commissioner shall issue a license for the year beginning January 1.

3.8 (c) The commissioner shall require the applicant to submit to a background investigation  
3.9 conducted by the Bureau of Criminal Apprehension as a condition of licensure. As part of  
3.10 the background investigation, the Bureau of Criminal Apprehension shall conduct criminal  
3.11 history checks of Minnesota records and is authorized to exchange fingerprints with the  
3.12 Federal Bureau of Investigation for the purpose of a criminal background check of the  
3.13 national files. The cost of the investigation must be paid by the applicant.

3.14 (d) Section 58A.04, subdivisions 2 and 3, apply to this section.

3.15 ~~(d)~~ (e) For purposes of this section, "applicant" includes an employee who exercises  
3.16 management or policy control over the company, a director, an officer, a limited or general  
3.17 partner, a manager, or a shareholder holding more than ten percent of the outstanding stock  
3.18 of the corporation.

3.19 Sec. 5. Minnesota Statutes 2018, section 53B.07, is amended by adding a subdivision to  
3.20 read:

3.21 Subd. 6. **Records and fees; maintenance and processing.** Section 58A.04, subdivisions  
3.22 2 and 3, apply to this section.

3.23 Sec. 6. Minnesota Statutes 2018, section 53C.01, subdivision 12, is amended to read:

3.24 Subd. 12. **Sales finance company.** "Sales finance company" means a person engaged,  
3.25 in whole or in part, in the business of purchasing retail installment contracts entered into in  
3.26 this state from one or more retail sellers. The term includes a bank, trust company, or  
3.27 industrial loan and thrift company, if so engaged. The term also includes a retail seller  
3.28 engaged, in whole or in part, in the business of creating and holding retail installment  
3.29 contracts. The term does not include the pledges of an aggregate number of the contracts  
3.30 to secure a bona fide loan thereon.

4.1 Sec. 7. Minnesota Statutes 2018, section 53C.02, is amended to read:

4.2 **53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.**

4.3 (a) No person shall engage in the business of a sales finance company in this state without  
4.4 a license therefor as provided in sections 53C.01 to 53C.14 provided, however, that no bank,  
4.5 trust company, savings bank, savings association, or credit union, whether state or federally  
4.6 chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated  
4.7 Loan Act authorized to do business in this state shall be required to obtain a license under  
4.8 sections 53C.01 to 53C.14.

4.9 (b) The application for a license shall be in writing, under oath and in the form prescribed  
4.10 by the commissioner. The application shall contain the name of the applicant; date of  
4.11 incorporation, if incorporated; the address where the business is or is to be conducted and  
4.12 similar information as to any branch office of the applicant; the name and resident address  
4.13 of the owner or partners, or, if a corporation or association, of the directors, trustees and  
4.14 principal officers, and other pertinent information the commissioner requires.

4.15 (c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the  
4.16 following year, or any part thereof shall be the sum of \$250 for the principal place of business  
4.17 of the licensee, and the sum of \$125 for each branch of the licensee, ~~maintained in this state.~~  
4.18 Any licensee who proves to the satisfaction of the commissioner, by affidavit or other proof  
4.19 satisfactory to the commissioner, that during the 12 calendar months of the immediately  
4.20 preceding fiscal year, for which the license has been paid that the licensee has not held retail  
4.21 installment contracts exceeding \$15,000 in amount, shall be entitled to a refund of that  
4.22 portion of each license fee paid in excess of \$25. The commissioner shall certify to the  
4.23 commissioner of management and budget that the licensee is entitled to a refund, and  
4.24 payment thereof shall be made by the commissioner of management and budget. The amount  
4.25 necessary to pay for the refundment of the license fee is appropriated out of the general  
4.26 fund. All license fees received by the commissioner under sections 53C.01 to 53C.14 shall  
4.27 be deposited with the commissioner of management and budget.

4.28 (d) Each license shall specify the location of the office or branch and must be  
4.29 conspicuously displayed there. In case the location be changed, the commissioner shall  
4.30 endorse the change of location on the license.

4.31 (e) Upon the filing of such application, and the payment of the fee, the commissioner  
4.32 shall issue a license to the applicant to engage in the business of a sales finance company  
4.33 under and in accordance with the provisions of sections 53C.01 to 53C.14 for a period which  
4.34 shall expire the last day of June next following the date of its issuance. The license shall

5.1 not be transferable or assignable. No licensee shall transact any business provided for by  
5.2 sections 53C.01 to 53C.14 under any other name.

5.3 (f) Section 58A.04, subdivisions 2 and 3, apply to this section.

5.4 Sec. 8. Minnesota Statutes 2018, section 56.02, is amended to read:

5.5 **56.02 APPLICATION FEE.**

5.6 (a) Application for license shall be in writing, under oath, and in the form prescribed by  
5.7 the commissioner, and contain the name and the address, both of the residence and place  
5.8 of business, of the applicant and, if the applicant is a copartnership or association, of every  
5.9 member thereof, and if a corporation, of each officer and director thereof; also the county  
5.10 and municipality, with street and number, if any, where the business is to be conducted, and  
5.11 such further information as the commissioner may require. The applicant at the time of  
5.12 making application, shall pay to the commissioner the sum of \$500 as a fee for investigating  
5.13 the application, and the additional sum of \$250 as an annual license fee for a period  
5.14 terminating on the last day of the current calendar year. In addition to the annual license  
5.15 fee, every licensee hereunder shall pay to the commissioner the actual costs of each  
5.16 examination, as provided for in section 56.10. All moneys collected by the commissioner  
5.17 under this chapter shall be turned over to the commissioner of management and budget and  
5.18 credited by the commissioner of management and budget to the general fund of the state.

5.19 (b) Every applicant shall also prove, in form satisfactory to the commissioner, that the  
5.20 applicant has available for the operation of the business at the location specified in the  
5.21 application, liquid assets of at least \$50,000.

5.22 (c) Section 58A.04, subdivisions 2 and 3, apply to this section.

5.23 Sec. 9. Minnesota Statutes 2018, section 58.02, subdivision 21, is amended to read:

5.24 Subd. 21. **Residential real property; residential real estate.** ~~"Residential real property"~~  
5.25 ~~or "residential real estate" means real property improved or intended to be improved by a~~  
5.26 ~~structure designed principally for the occupancy of from one to four families, whether or~~  
5.27 ~~not the owner occupies the real property.~~ "Residential real estate" means real property  
5.28 located in Minnesota upon which a dwelling is constructed or is intended to be constructed,  
5.29 whether or not the owner occupies the real property.

6.1 Sec. 10. Minnesota Statutes 2018, section 58.06, is amended by adding a subdivision to  
6.2 read:

6.3 Subd. 4. **Records and fees; maintenance and processing.** Section 58A.04, subdivisions  
6.4 2 and 3, apply to this section.

6.5 Sec. 11. Minnesota Statutes 2018, section 58A.02, subdivision 13, is amended to read:

6.6 Subd. 13. **Residential mortgage loan.** "Residential mortgage loan" means a loan  
6.7 primarily for personal, family, or household use that is secured by a mortgage, deed of trust,  
6.8 or other equivalent consensual security interest on a dwelling, as defined in United States  
6.9 Code, title 15, section 1602~~(v)~~(w), or residential real estate upon which a dwelling is  
6.10 constructed or intended to be constructed.

6.11 Sec. 12. Minnesota Statutes 2018, section 58A.13, is amended to read:

6.12 **58A.13 SURETY BOND REQUIRED.**

6.13 Subdivision 1. **Coverage, form, and rules.** (a) Each mortgage loan originator must be  
6.14 covered by a surety bond meeting the requirements of ~~this~~ section 58.08. In the event that  
6.15 the mortgage loan originator is an employee or exclusive agent of a person subject to this  
6.16 chapter, the surety bond of the person subject to this chapter can be used in lieu of the  
6.17 mortgage loan originator's surety bond requirement.

6.18 (b) The surety bond shall provide coverage for each mortgage loan originator in an  
6.19 amount as prescribed in subdivision 2.

6.20 (c) The surety bond must be in a form as prescribed by the commissioner.

6.21 Subd. 2. **Penal sum of surety bond.** The penal sum of the surety bond must be maintained  
6.22 in ~~an~~ the amount that reflects the dollar amount of loans originated as determined ~~by the~~  
6.23 ~~commissioner~~ under section 58.08, subdivision 1a, paragraph (c).

6.24 Subd. 3. **Action on bond.** When an action is commenced on a licensee's residential  
6.25 mortgage originator bond, the commissioner may require the filing of a new bond.

6.26 Subd. 4. **New bond.** Immediately upon recovery upon any action on the bond, ~~the licensee~~  
6.27 residential mortgage originator shall file a new bond.

7.1 Sec. 13. Minnesota Statutes 2018, section 59A.03, is amended by adding a subdivision to  
7.2 read:

7.3 Subd. 4. **Records and fees; maintenance and processing.** Section 58A.04, subdivisions  
7.4 2 and 3, apply to this section.

7.5 Sec. 14. Minnesota Statutes 2018, section 60A.07, subdivision 1d, is amended to read:

7.6 Subd. 1d. **Certificate of incorporation; amendments.** The certificate of incorporation  
7.7 of an insurance corporation organized and existing under the laws of this state may be  
7.8 amended in the manner set forth in section 302A.135. ~~Amendments must be filed with the~~  
7.9 ~~secretary of state in the manner set forth in section 302A.151, except the secretary of state~~  
7.10 ~~may not accept a certificate of filing unless the certificate also contains the endorsement of~~  
7.11 ~~the commissioner of commerce.~~ Amendments are effective upon the commissioner's approval.

7.12 Sec. 15. Minnesota Statutes 2018, section 60A.131, is amended to read:

7.13 **60A.131 OTHER BUSINESS AND INSURANCE INTERESTS, DISCLOSURE.**

7.14 ~~(a) If requested by the commissioner, an insurance company authorized to do business~~  
7.15 ~~in this state shall disclose to the commissioner any changes in the principal management~~  
7.16 ~~and directors of the company from that listed on page one of the annual statement within~~  
7.17 ~~ten days of such change.~~ All domestic insurance companies must disclose to the commissioner  
7.18 any changes in principal management or directors of the company within ten days of the  
7.19 date a change is made. Biographical information must be provided for any new officer or  
7.20 director on the applicable forms required by the commissioner. Foreign insurers are not  
7.21 required to provide notification under this paragraph unless specifically requested.

7.22 (b) Every insurance company authorized to do business in this state shall notify the  
7.23 commissioner within ten days after receipt of notice of any acquisition by any person,  
7.24 association or corporation of stock or other equity security in said insurer where such  
7.25 transaction, directly or indirectly, either involves five percent or more of any class of any  
7.26 equity security of said insurer, or such acquisition results in ownership of five percent or  
7.27 more of any equity security of said insurer.

7.28 (c) All principal management and directors of the company as listed on page one of its  
7.29 annual statement, and any person, association or corporation or any person or persons  
7.30 managing such company under a management contract, who are directly or indirectly the  
7.31 beneficial owners of more than five percent of any class of any equity security of a stock  
7.32 insurer or guaranty fund of a mutual insurer, shall disclose all other interests in excess of

8.1 five percent which they may have in insurance agencies, other insurance companies, premium  
8.2 finance companies and any other companies whose principal business relates directly to the  
8.3 writing of insurance or the handling of claims, within 30 days following May 21, 1967.  
8.4 Any such interests acquired after May 21, 1967, shall be reported to the commissioner  
8.5 within 30 days.

8.6 Sec. 16. Minnesota Statutes 2018, section 60A.16, subdivision 1, is amended to read:

8.7 Subdivision 1. **Scope. (1) Domestic insurance corporations.** Any two or more domestic  
8.8 insurance corporations, formed for any of the purposes for which stock, mutual, or stock  
8.9 and mutual insurance corporations, or reciprocal or interinsurance contract exchanges might  
8.10 be formed under the laws of this state, may be

8.11 (a) merged into one of such domestic insurance corporations, or

8.12 (b) consolidated into a new insurance corporation to be formed under the laws of this  
8.13 state.

8.14 (2) **Domestic and foreign insurance corporations.** Any such domestic insurance  
8.15 corporations and any foreign insurance corporations formed to carry on any insurance  
8.16 business for the conduct of which an insurance corporation might be organized under the  
8.17 laws of this state, may be

8.18 (a) merged into one of such domestic insurance corporations, or

8.19 (b) merged into one of such foreign insurance corporations, or

8.20 (c) ~~consolidated into a new insurance corporation to be formed under the laws of this~~  
8.21 ~~state, or~~

8.22 ~~(d) consolidated into a new insurance corporation to be formed under the laws of the~~  
8.23 ~~government under which one of such foreign insurance corporations was formed, provided~~  
8.24 ~~that each of such foreign insurance corporations is authorized by the laws of the government~~  
8.25 ~~under which it was formed to effect such merger or consolidation.~~

8.26 Sec. 17. Minnesota Statutes 2018, section 60A.16, subdivision 2, is amended to read:

8.27 Subd. 2. **Procedure to be followed. (1) Plan of merger.** The merger or consolidation  
8.28 of insurance corporations can be effected only as a result of a plan of merger adopted,  
8.29 approved, and filed as follows:

8.30 (a) A resolution containing the plan of merger shall be approved by the affirmative vote  
8.31 of a majority of the directors of the board of each constituent corporation. The plan of merger



9.1 shall prescribe the terms and conditions of merger or consolidation, and the mode of carrying  
9.2 the same into effect, with such other details and provisions as are deemed necessary. In the  
9.3 case of merging or consolidating stock insurance corporations or stock and mutual insurance  
9.4 corporations, such plan of merger may prescribe that stock of one or more of such  
9.5 corporations shall be converted, in whole or in part, into stock or other securities of a  
9.6 corporation which is not a merging or consolidating corporation or into cash.

9.7 (b) The plan of merger, or a summary of the plan approved by the commissioner, shall  
9.8 be submitted to the respective shareholders or members, as the case may be, of each  
9.9 constituent corporation, for consideration at a regular meeting or at a special meeting duly  
9.10 called for the purpose of considering and acting upon the plan. Written notice of the meeting,  
9.11 which shall state that the purpose of the meeting is to consider the proposed plan of merger,  
9.12 shall be given to each shareholder or member entitled to vote upon the plan of merger not  
9.13 less than 30 nor more than 60 days before the meeting. The plan of merger must be approved  
9.14 by the affirmative vote of the holders of two-thirds of the voting power of the shareholders  
9.15 or members present or represented at the meeting of each constituent corporation; provided,  
9.16 however, that in the case of a merger, except one in which any shares of the surviving  
9.17 insurance corporation are to be converted into shares or other securities of another corporation  
9.18 or into cash, the agreement need not be submitted to the shareholders or members of that  
9.19 one of the insurance corporations into which it has been agreed the others shall be merged.  
9.20 Upon receiving the approval of the shareholders or members of each constituent corporation,  
9.21 articles of merger shall be prepared that contain the plan of merger and a statement that the  
9.22 plan has been approved by each corporation under this section.

9.23 (c) The articles of merger and plan of merger shall be delivered to the commissioner of  
9.24 commerce, who, if the plan of merger is reasonable and if the provisions thereof providing  
9.25 for any transfer of assets and assumption of liabilities are fair and equitable to the claimants  
9.26 and policyholders, shall ~~place a certificate of approval on the articles of~~ issue an order  
9.27 approving the merger and shall file the articles in the commissioner's office, and. Copies of  
9.28 the articles of merger, certified by the commissioner of commerce, shall be ~~filed for record~~  
9.29 ~~in the Office of the Secretary of State and~~ delivered to the surviving corporation or its legal  
9.30 representative.

9.31 (2) **Articles of incorporation of new company.** (a) If the plan of merger is for a  
9.32 consolidation into a new insurance corporation to be formed under any law or laws of this  
9.33 state, articles of incorporation for such new insurance corporation shall be prepared and  
9.34 delivered to the commissioner of commerce together with the articles of merger as provided  
9.35 in clause (1) hereof.

10.1 (b) Such articles shall be prepared, executed, approved, filed and recorded in the form  
10.2 and manner prescribed in, or applicable to, the particular law or laws under which the new  
10.3 insurance corporation is to be formed.

10.4 (3) **Abandonment.** A proposed merger or consolidation may be abandoned at any time  
10.5 prior to approval by the commissioner under the provision for abandonment, if any, set forth  
10.6 in the plan of merger.

10.7 (4) **Mutual insurance holding companies.** In the case of a merger of two mutual  
10.8 insurance holding companies under section 66A.40, subdivision 2, paragraph (c), the  
10.9 procedures set forth in subdivisions 1, 2, 3, 4, and 6 shall apply, subject to the following:

10.10 (a) the plan of merger must be fair and reasonable to the members of each constituent  
10.11 corporation;

10.12 (b) no member of either constituent corporation on the effective date of the merger shall  
10.13 lose membership solely on account of the merger;

10.14 (c) membership and voting rights in each respective constituent corporation for purposes  
10.15 of the meeting of the members held to consider the plan of merger shall be determined in  
10.16 accordance with the articles and bylaws of that constituent corporation as of a record date  
10.17 established in the plan of merger; and

10.18 (d) the commissioner may require changes to the plan or require certain undertakings  
10.19 from the surviving corporation to assure compliance with this clause.

10.20 Sec. 18. Minnesota Statutes 2018, section 82.68, subdivision 2, is amended to read:

10.21 Subd. 2. **Financial interests disclosure; licensee.** (a) Before the negotiation or  
10.22 consummation of any transaction, a licensee shall affirmatively disclose to the owner of  
10.23 real property that the licensee is a real estate broker or agent salesperson, and in what capacity  
10.24 the licensee is acting, if the licensee directly, or indirectly through a third party, purchases  
10.25 for himself or herself or acquires, or intends to acquire, any interest in, or any option to  
10.26 purchase, the owner's property.

10.27 (b) When a principal in the transaction is a licensee or a relative or business associate  
10.28 of the licensee, that fact must be disclosed in writing before negotiating or consummating  
10.29 any transaction.

11.1 Sec. 19. Minnesota Statutes 2018, section 82C.03, subdivision 2, is amended to read:

11.2 Subd. 2. **Owner requirements.** (a) An appraisal management company applying to the  
11.3 commissioner for a license in this state ~~may~~ must not be ~~more than ten percent~~ owned by  
11.4 any person that is currently subject to any cease and desist order or injunctive order that  
11.5 would preclude involvement with an appraisal management company, or that has ever:

11.6 (1) voluntarily surrendered in lieu of disciplinary action an appraiser certification,  
11.7 registration or license, or an appraisal management company license;

11.8 (2) been the subject of a final order revoking or denying an appraiser certification,  
11.9 registration or license, or an appraisal management company license; or

11.10 (3) a final order barring involvement in any industry or profession issued by this or  
11.11 another state or federal regulatory agency.

11.12 (b) A person that owns more than ten percent of an appraisal management company in  
11.13 this state shall:

11.14 (1) be of good moral character, as determined by the commissioner;

11.15 (2) submit to a background investigation, as determined by the commissioner; and

11.16 (3) certify to the commissioner that the person has never been the subject of an order of  
11.17 certificate, registration or license suspension, revocation, or denial; cease and desist order;  
11.18 injunctive order; or order barring involvement in an industry or profession issued by this  
11.19 or another state or federal regulatory agency.

11.20 Sec. 20. Minnesota Statutes 2018, section 82C.06, is amended to read:

11.21 **82C.06 EXEMPTIONS.**

11.22 This chapter does not apply to:

11.23 (1) a person that exclusively employs appraisers on an employer and employee basis  
11.24 for the performance of appraisals, and:

11.25 (i) the employer is responsible for ensuring that the appraisals are performed by  
11.26 employees in accordance with USPAP; and

11.27 (ii) the employer accepts all liability associated with the performance of the appraisal  
11.28 by the employee;

11.29 (2) a department or unit within a financial institution that is subject to direct regulation  
11.30 by an agency of the United States government, or to regulation by an agency of this state,  
11.31 that receives a request for the performance of an appraisal from one employee of the financial

12.1 institution, and another employee of the same financial institution assigns the request for  
12.2 the appraisal to an appraiser that is an independent contractor to the institution, except that  
12.3 an appraisal management company that is a wholly owned subsidiary of a financial institution  
12.4 ~~shall not be~~ is considered a department or unit within a financial institution to which the  
12.5 provisions of this chapter do not apply;

12.6 (3) a person that enters into an agreement, whether written or otherwise, with an appraiser  
12.7 for the performance of an appraisal, and upon the completion of the appraisal, the report of  
12.8 the appraiser performing the appraisal is signed by both the appraiser who completed the  
12.9 appraisal and the appraiser who requested the completion of the appraisal, except that an  
12.10 appraisal management company may not avoid the requirements of this chapter by requiring  
12.11 that an employee of the appraisal management company that is an appraiser to sign an  
12.12 appraisal that is completed by an appraiser that is part of the appraisal panel of the appraisal  
12.13 management company; or

12.14 (4) any governmental agency performing appraisals on behalf of that level of government  
12.15 or any agency performing ad valorem tax appraisals for county assessors.

12.16 Sec. 21. Minnesota Statutes 2018, section 82C.15, is amended to read:

12.17 **82C.15 ADJUDICATION OF DISPUTES BETWEEN AN APPRAISAL**  
12.18 **MANAGEMENT COMPANY AND AN INDEPENDENT APPRAISER.**

12.19 ~~Except within the first 30 days after an independent appraiser is first added to the~~  
12.20 ~~appraiser panel of an appraisal management company,~~ An appraisal management company  
12.21 may not remove an appraiser from its appraiser panel, or otherwise refuse to assign requests  
12.22 for real estate appraisal services to an independent appraiser without:

12.23 (1) notifying the appraiser in writing of the reasons why the appraiser is being removed  
12.24 from the appraiser panel or is not receiving appraisal requests from the appraisal management  
12.25 company;

12.26 (2) if the appraiser is being removed from the panel for illegal conduct, having determined  
12.27 that the appraiser has violated USPAP, or chapter 82B, taking into account the nature of  
12.28 the alleged conduct or violation; and

12.29 (3) providing an opportunity for the appraiser to respond and appeal the notification of  
12.30 the appraisal management company.

13.1 Sec. 22. Minnesota Statutes 2018, section 216C.437, subdivision 11, is amended to read:

13.2 Subd. 11. **Powers of the commissioner.** (a) The commissioner has under this section  
13.3 the same powers the commissioner has under section 45.027, including the authority to  
13.4 impose a civil penalty not to exceed \$10,000 per violation.

13.5 (b) The commissioner may condition or refuse to renew a license for any of the reasons  
13.6 the commissioner may deny, suspend, or revoke a license.

13.7 (c) The commissioner may order restitution against persons subject to this section for  
13.8 violations of this section.

13.9 (d) The commissioner may issue orders or directives under this section as follows:

13.10 (1) order or direct persons subject to this chapter to cease and desist from conducting  
13.11 business, including immediate temporary orders to cease and desist;

13.12 (2) order or direct persons subject to this chapter to cease any harmful activities or  
13.13 violations of this chapter, including immediate temporary orders to cease and desist;

13.14 (3) enter immediate temporary orders to cease business under a license if the  
13.15 commissioner determines that the license was erroneously granted or the licensee is currently  
13.16 in violation of this chapter; and

13.17 (4) order or direct other affirmative action the commissioner considers necessary.

13.18 (e) Each violation or failure to comply with any directive or order of the commissioner  
13.19 is a separate and distinct violation or failure.

13.20 (f) Section 58A.04, subdivisions 2 and 3, apply to this section.

13.21 Sec. 23. Minnesota Statutes 2018, section 332.30, is amended to read:

13.22 **332.30 ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND**  
13.23 **REQUIREMENTS.**

13.24 (a) Before beginning business in this state, an accelerated mortgage payment provider,  
13.25 as defined in section 332A.02, subdivision 8, clause (9), shall submit to the commissioner  
13.26 of commerce an authorization fee of \$250 and either:

13.27 (1) a surety bond in which the accelerated mortgage payment provider is the obligor, in  
13.28 an amount determined by the commissioner; or

13.29 (2) if the commissioner agrees to accept it, a deposit:

13.30 (i) in cash in an amount equivalent to the bond amount; or

14.1 (ii) of authorized securities, as defined in section 50.14, with an aggregate market value  
14.2 equal to the bond amount. The cash or securities must be deposited with the commissioner  
14.3 of management and budget.

14.4 (b) The amount of the bond required by the commissioner shall vary with the amount  
14.5 of Minnesota client funds held or to be held by the obligor. For new businesses, the bond  
14.6 must be no less than \$100,000, except as provided in section 332.301. The commissioner  
14.7 may increase the required bond amount upon 30 days' notice to the accelerated mortgage  
14.8 payment provider.

14.9 (c) If a bond is submitted, it must name as surety an insurance company authorized to  
14.10 transact fidelity and surety business in this state. The bond must run to the state of Minnesota  
14.11 for the use of the state and of any person who may have a claim against the obligor arising  
14.12 out of the obligor's activities as an accelerated mortgage payment provider. The bond must  
14.13 be conditioned that the obligor will not commit any fraudulent act and will faithfully conform  
14.14 to and abide by the provisions of accelerated mortgage payment agreements with Minnesota  
14.15 residents.

14.16 (d) If an accelerated mortgage payment provider has failed to account to a mortgagor  
14.17 or distribute funds to the mortgagee as required by an accelerated mortgage payment  
14.18 agreement, the mortgagor or the mortgagor's legal representative or receiver or the  
14.19 commissioner shall have, in addition to any other legal remedies, a right of action in the  
14.20 name of the debtor on the bond or the security given pursuant to this section.

14.21 (e) Section 58A.04, subdivisions 2 and 3, apply to this section.

14.22 Sec. 24. Minnesota Statutes 2018, section 332.54, subdivision 4, is amended to read:

14.23 Subd. 4. **Update of information.** The credit services organization must update the  
14.24 registration statement required under this section not later than ~~90~~ 30 days after the date  
14.25 from which a change in the information required in the statement occurs.

14.26 Sec. 25. Minnesota Statutes 2018, section 332.54, is amended by adding a subdivision to  
14.27 read:

14.28 Subd. 8. **Records and fees; maintenance and processing.** Section 58A.04, subdivisions  
14.29 2 and 3, apply to this section.

15.1 Sec. 26. Minnesota Statutes 2018, section 332.57, subdivision 2, is amended to read:

15.2 Subd. 2. **Contents.** The disclosure statement required under subdivision 1 must be printed  
15.3 in boldface and in at least 10-point type and must include the following statement:

15.4 "CONSUMER CREDIT FILE RIGHTS UNDER MINNESOTA AND FEDERAL LAW

15.5 ~~You have a right to obtain a copy of your credit report from a credit bureau. You may~~  
15.6 ~~be charged a reasonable fee. There is no fee, however, if you have been turned down for~~  
15.7 ~~credit, employment, insurance, or a rental dwelling because of information in your credit~~  
15.8 ~~report within the preceding 30 days. The credit bureau must provide someone to help you~~  
15.9 ~~interpret the information in your credit file.~~

15.10 ~~You have a right to dispute inaccurate information by contacting the credit bureau~~  
15.11 ~~directly. However, neither you nor any "credit repair" company or credit services organization~~  
15.12 ~~has the right to have accurate, current, and verifiable information removed from your credit~~  
15.13 ~~bureau report. Under the federal Fair Credit Reporting Act, the credit bureau must remove~~  
15.14 ~~accurate, negative information from your report only if it is over seven years old. Bankruptcy~~  
15.15 ~~can be reported for ten years.~~

15.16 ~~You have a right to sue a credit repair company that violates Minnesota's Credit Services~~  
15.17 ~~Organization Act. This law prohibits deceptive practices by credit repair companies and~~  
15.18 ~~gives you a right to cancel your contract for any reason within five working days from the~~  
15.19 ~~date you signed it.~~

15.20 ~~Credit bureaus are required to follow reasonable procedures to ensure that creditors~~  
15.21 ~~report information accurately. However, mistakes may occur.~~

15.22 ~~You may, on your own, notify a credit bureau in writing that you dispute the accuracy~~  
15.23 ~~of information in your credit file. The credit bureau must then reinvestigate and modify or~~  
15.24 ~~remove inaccurate information. The credit bureau may not charge any fee for this service.~~  
15.25 ~~Any pertinent information and copies of any documents you have concerning an error should~~  
15.26 ~~be given to the credit bureau.~~

15.27 ~~If reinvestigation does not resolve the dispute to your satisfaction, you may send a brief~~  
15.28 ~~statement to the credit bureau to keep in your file, explaining why you think the record is~~  
15.29 ~~inaccurate. The credit bureau must include your statement about disputed information with~~  
15.30 ~~any reports it issues about you."~~

15.31 You have a right to dispute inaccurate information in your credit report by contacting  
15.32 the credit bureau directly. However, neither you nor any 'credit repair' company or credit  
15.33 repair organization has the right to have accurate, current, and verifiable information removed

16.1 from your credit report. The credit bureau must remove accurate, negative information from  
16.2 your report only if it is over seven years old. Bankruptcy information can be reported for  
16.3 ten years.

16.4 You have a right to obtain a copy of your credit report from a credit bureau. You may  
16.5 be charged a reasonable fee. There is no fee, however, if you have been turned down for  
16.6 credit, employment, insurance, or a rental dwelling because of information in your credit  
16.7 report within the preceding 60 days. The credit bureau must provide assistance to help you  
16.8 interpret the information in your credit file. You are entitled to receive a free copy of your  
16.9 credit report if you are unemployed and intend to apply for employment in the next 60 days,  
16.10 if you are a recipient of public welfare assistance, or if you have reason to believe that there  
16.11 is inaccurate information in your credit report due to fraud.

16.12 You have a right to sue a credit repair ORGANIZATION that violates the Credit Repair  
16.13 Organization Act. This law prohibits deceptive practices by credit repair organizations.

16.14 You have the right to cancel your contract with any credit repair organization for any  
16.15 reason within three business days of the date you signed it.

16.16 Credit bureaus are required to follow reasonable procedures to ensure that the information  
16.17 they report is accurate. However, mistakes may occur.

16.18 You may, on your own, notify a credit bureau in writing that you dispute the accuracy  
16.19 of information in your credit file. The credit bureau must then reinvestigate and modify or  
16.20 remove inaccurate or incomplete information. The credit bureau is prohibited from charging  
16.21 any fee for this service. Any pertinent information and copies of all documents you have  
16.22 concerning an error should be given to the credit bureau.

16.23 If the credit bureau's reinvestigation does not resolve the dispute to your satisfaction,  
16.24 you may send a brief statement to the credit bureau, to be kept in your file, explaining why  
16.25 you think the record is inaccurate. The credit bureau must include a summary of your  
16.26 statement about disputed information with any report it issues about you.

16.27 Sec. 27. Minnesota Statutes 2018, section 332A.03, is amended to read:

16.28 **332A.03 REQUIREMENT OF REGISTRATION.**

16.29 (a) On or after August 1, 2007, it is unlawful for any person, whether or not located in  
16.30 this state, to operate as a debt management services provider or provide debt management  
16.31 services, including but not limited to offering, advertising, or executing or causing to be  
16.32 executed any debt management services or debt management services agreement, except  
16.33 as authorized by law without first becoming registered as provided in this chapter. A person



17.1 who possesses a valid license as a debt prorater that was issued by the commissioner before  
17.2 August 1, 2007, is deemed to be registered as a debt management services provider until  
17.3 the date the debt prorater license expires, at which time the licensee must obtain a renewal  
17.4 as a debt management services provider in compliance with this chapter. Debt proraters  
17.5 who were not required to be licensed as debt proraters before August 1, 2007, may continue  
17.6 to provide debt management services without complying with this chapter to those debtors  
17.7 who entered into a contract to participate in a debt management plan before August 1, 2007,  
17.8 except that the debt prorater must comply with section 332A.13, subdivision 2.

17.9 (b) Section 58A.04, subdivisions 2 and 3, apply to this section.

17.10 Sec. 28. Minnesota Statutes 2018, section 332B.04, is amended by adding a subdivision  
17.11 to read:

17.12 Subd. 8. **Records and fees; maintenance and processing.** Section 58A.04, subdivisions  
17.13 2 and 3, apply to this section.

17.14 Sec. 29. **REPEALER.**

17.15 Minnesota Statutes 2018, sections 53B.27, subdivisions 3 and 4; 60A.07, subdivision  
17.16 1a; and 72B.14, are repealed.

**53B.27 MONEY TRANSMITTERS; COOPERATION REQUIRED IN COMBATTING FRAUD.**

Subd. 3. **No transmit list.** (a) The commissioner shall create and maintain an electronic list of individuals for whom money transmitters may not make money transmissions. The commissioner may contract with a third-party vendor to create and maintain the list. The electronic list must include sufficient identifying information about individuals on the list to allow for money transmitters to match names on the "No Transmit List" with the names of individuals seeking to utilize the money transmitter's services to make money transmissions.

(b) The "No Transmit List" shall be populated in the following ways:

(1) an individual may request that the commissioner put the individual's name on the "No Transmit List;"

(2) persons with the legal authority to act on behalf of an individual may request that the commissioner put the individual's name on the "No Transmit List;"

(3) money transmitters shall request that the commissioner put the names of individuals on the "No Transmit List" that the money transmitter, their employees, their authorized delegates, or their authorized delegates' employees have detected are victims of a scheme to defraud and the names of individuals they have detected are participants in a scheme to defraud individuals residing in Minnesota;

(4) state and local law enforcement agencies and departments may request that the commissioner put the names of individuals residing in Minnesota who have been victims of a scheme to defraud on the "No Transmit List"; and

(5) money transmitters shall request that the commissioner put the names of individuals on the "No Transmit List" who have made a request directly to the money transmitter to be prohibited from making or receiving money transmissions.

(c) An individual on the "No Transmit List" shall remain on the list for a minimum of one year. After the expiration of one year, the individual may at any time request that his or her name be removed from the "No Transmit List," otherwise the name will remain on the list. An individual whose name was put on the "No Transmit List" by a person authorized to act on an individual's behalf shall remain on the list for a minimum of one year. After the expiration of one year, the person authorized to act on the individual's behalf may at any time request that the commissioner remove the individual's name from the "No Transmit List," otherwise the name will remain on the list.

(d) An individual who requests that the individual's name be put on the "No Transmit List" may indicate at the time of the request that the name shall not be removed from the "No Transmit List" unless both the individual and at least one of two designated individuals requests the individual's name be removed from the list.

(e) The commissioner shall create request forms and establish procedures for submission of requests under this subdivision. The commissioner's forms and procedures shall include necessary requirements for verifying the identity and authority of individuals submitting requests. All requests must be submitted to the commissioner on the forms created by the commissioner and in accordance with the procedures established by the commissioner.

(f) Except as otherwise provided in this paragraph, data on individuals in the "No Transmit List" and in requests to have names put on or removed from the list are private data on individuals as defined in section 13.02, subdivision 12. The name of an individual on the "No Transmit List" may be provided to the individual or a person authorized to act on the individual's behalf and shall be provided to a money transmitter through a matching process for the purpose of determining whether it may initiate a money transmission. Data classified under this paragraph may be disclosed to requesting law enforcement agencies for law enforcement purposes or to other government agencies for purposes related to the regulation of money transmissions.

Subd. 4. **Suspicious activity report.** Each time a money transmitter requests that the commissioner put the name of an individual on the "No Transmit List" pursuant to subdivision 3, paragraph (b), clause (3), the money transmitter shall also submit a suspicious activity report pursuant to the federal Bank Secrecy Act.

**60A.07 AUTHORIZATION AND REQUIREMENTS.**

Subd. 1a. **Filing.** The certificate of an insurance corporation must be filed for record with the secretary of state. If the secretary of state finds that it conforms to law and that the required fee has been paid, the secretary of state must record it and certify that fact on it. The secretary of state may not accept a certificate for filing unless the certificate also contains the endorsement of the commissioner of commerce.

**72B.14 VIOLATIONS.**

A person who violates sections 72B.01 to 72B.14, or the terms of any license or permit under sections 72B.01 to 72B.14, or any lawful order of the commissioner in accordance with sections 72B.01 to 72B.14, shall be subject to a fine imposed by the commissioner, not in excess of \$500, which may be imposed in addition to the penalties prescribed in the provisions dealing with the suspension or revocation of licenses or permits.