

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 4314**

(SENATE AUTHORS: GUSTAFSON and Latz)

DATE	D-PG	OFFICIAL STATUS
02/26/2024	11823	Introduction and first reading Referred to Commerce and Consumer Protection
03/13/2024	12169	Comm report: To pass and re-referred to Judiciary and Public Safety
03/21/2024	12501	Comm report: To pass and re-referred to Commerce and Consumer Protection
03/25/2024	12891	Author added Latz See SF4097

1.1 A bill for an act

1.2 relating to commerce; modifying provisions governing coerced debt; amending

1.3 Minnesota Statutes 2023 Supplement, sections 332.71, subdivisions 2, 4, 5, 7;

1.4 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; repealing Minnesota

1.5 Statutes 2023 Supplement, section 332.71, subdivision 8.

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

1.7 Section 1. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended

1.8 to read:

1.9 Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's

1.10 name that has been incurred as a result of:

1.11 (1) the use of the debtor's personal information without the debtor's knowledge,

1.12 authorization, or consent;

1.13 (2) the use or threat of force, intimidation, undue influence, ~~harassment~~, fraud, deception,

1.14 coercion, or other similar means against the debtor; or

1.15 (3) economic abuse perpetrated against the debtor.

1.16 (b) Coerced debt does not include secured debt.

1.17 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1.18 Sec. 2. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended

1.19 to read:

1.20 Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse,

1.21 ~~harassment~~ economic abuse, or sex or labor trafficking, and (2) owes coerced debt.

2.1 **EFFECTIVE DATE.** This section is effective January 1, 2025.

2.2 Sec. 3. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended  
2.3 to read:

2.4 Subd. 5. **Documentation.** "Documentation" means ~~a writing that identifies a debt or a~~  
2.5 ~~portion of a debt as coerced debt, describes the circumstances under which the coerced debt~~  
2.6 ~~was incurred, and takes the form of:~~

2.7 (1) a police report;

2.8 (2) a Federal Trade Commission identity theft report;

2.9 (3) an order in a dissolution proceeding under chapter 518 that declares that one or more  
2.10 debts are coerced; or

2.11 (4) a sworn written certification.

2.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

2.13 Sec. 4. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended  
2.14 to read:

2.15 Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic  
2.16 relationship that controls, restrains, restricts, impairs, or interferes with the ability of a ~~victim~~  
2.17 ~~of domestic abuse, harassment, or sex or labor trafficking~~ debtor to acquire, use, or maintain  
2.18 economic resources, including but not limited to:

2.19 (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or  
2.20 financial information;

2.21 (2) interfering with the victim's ability to work and earn wages; or

2.22 (3) exerting undue influence over a person's financial and economic behavior or decisions.

2.23 **EFFECTIVE DATE.** This section is effective January 1, 2025.

2.24 Sec. 5. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

2.25 **332.72 COERCED DEBT PROHIBITED.**

2.26 (a) A person is prohibited from causing another person to incur coerced debt.

2.27 (b) A person who causes another person to incur a coerced debt in violation of this  
2.28 section is civilly liable to the creditor for the amount of the debt, or portion thereof,  
2.29 determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and

3.1 costs, provided the creditor follows the procedures under section 332.74, subdivision 3,  
 3.2 paragraph (b).

3.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

3.4 Sec. 6. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended  
 3.5 to read:

3.6 Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74,  
 3.7 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on  
 3.8 which the creditor demands payment is coerced debt and request that the creditor cease all  
 3.9 collection activity on the coerced debt. The notification and request must be in writing and  
 3.10 include documentation. If not already included in documentation, the notification must  
 3.11 include a signed statement that includes:

3.12 (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or  
 3.13 labor trafficking;

3.14 (2) a recitation of the facts supporting the claim that the debt is coerced; and

3.15 (3) if only a portion of the debt is claimed to be coerced debt, an itemization of the  
 3.16 portion of the debt that is claimed to be coerced debt.

3.17 (b) The creditor, within 30 days of the date the notification and request is received, must  
 3.18 notify the debtor in writing of the creditor's decision to either immediately cease all collection  
 3.19 activity or continue to pursue collection. If a creditor ceases collection but subsequently  
 3.20 decides to resume collection activity, the creditor must notify the debtor ten days prior to  
 3.21 the date the collection activity resumes.

3.22 ~~(b) If a creditor ceases collection but subsequently decides to resume collection activity,~~  
 3.23 ~~the creditor must notify the debtor ten days prior to the date the collection activity resumes.~~

3.24 (c) A debtor must not proceed with an action under section 332.74 until the 30-day  
 3.25 period provided under paragraph (a) has expired.

3.26 **EFFECTIVE DATE.** This section is effective January 1, 2025.

3.27 Sec. 7. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended  
 3.28 to read:

3.29 Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor  
 3.30 has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced  
 3.31 debt, the debtor is entitled to one or more of the following:

4.1 (1) a declaratory judgment that the debt or portion of a debt is coerced debt;

4.2 (2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor  
4.3 liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced  
4.4 debt; and

4.5 (3) an order dismissing any cause of action brought by the creditor to enforce or collect  
4.6 the coerced debt from the debtor or, if only a portion of the debt is established as coerced  
4.7 debt, an order directing that the judgment, if any, in the action be amended to reflect only  
4.8 the portion of the debt that is not coerced debt.

4.9 (b) If the court orders relief for the debtor under paragraph (a), the court, after the  
4.10 creditor's motion has been personally served on the person who violated section 332.72, or  
4.11 if personal service cannot be made, after service by United States mail to the last known  
4.12 address of the person who violated section 332.72 and one-week published notice under  
4.13 section 645.11, shall must issue a judgment in favor of the creditor against the person in  
4.14 the amount of the debt or a portion thereof.

4.15 (c) This subdivision applies regardless of the judicial district in which the creditor's  
4.16 action or the debtor's petition was filed.

4.17 **EFFECTIVE DATE.** This section is effective January 1, 2025.

4.18 Sec. 8. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended  
4.19 to read:

4.20 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative  
4.21 defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance  
4.22 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor  
4.23 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced  
4.24 debt has been ~~eriminally convicted, entered a guilty plea, or entered an Alford plea under~~  
4.25 of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or  
4.26 609.527.

4.27 **EFFECTIVE DATE.** This section is effective January 1, 2025.

4.28 Sec. 9. **REPEALER.**

4.29 Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

4.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

APPENDIX  
Repealed Minnesota Statutes: 24-06602

**332.71 DEFINITIONS.**

Subd. 8. **Harassment.** "Harassment" has the meaning given in section 609.748.