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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2482

02/23/2012 Authored by Howes

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to labor and industry; making changes to construction loans; commercial
1.3 general liability loans; amending Minnesota Statutes 2010, sections 47.20, by
1.4 adding a subdivision; 326B.86, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2010, section 47.20, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 8a. Permitted inquiry in loan applications. If the purpose of a conventional
1.9 loan or loan made under the authority granted in subdivision 1, clause (3) or (4), is to
1.10 enable a borrower to purchase a one to four family dwelling for the borrower's primary
1.11 residence, or to finance a home improvement as defined in section 327A.01, subdivision 9,
1.12 a lender may require the loan applicant to disclose whether:

1.13 (1) the dwelling will be or was newly constructed by a person or entity licensed
1.14 under sections 326B.801 to 326B.885; or

1.15 (2) the home improvement will be performed by a person or entity licensed under
1.16 sections 326B.801 to 326B.885.

1.17 If the construction or home improvement was not performed or planned to be performed by
1.18 a licensed person or entity, the lender may refuse to make the requested loan. The license
1.19 number may be obtained from the Department of Labor and Industry contractor Web site.

1.20 Sec. 2. Minnesota Statutes 2010, section 326B.86, subdivision 2, is amended to read:

1.21 Subd. 2. **Insurance.** Each licensee shall have and maintain in effect commercial
1.22 general liability insurance, which includes premises and operations insurance and products
1.23 and completed operations insurance, with limits of at least \$100,000 per occurrence,

2.1 \$300,000 aggregate limit for bodily injury, and property damage insurance with limits of
2.2 at least \$25,000 or a policy with a single limit for bodily injury and property damage of
2.3 \$300,000 per occurrence and \$300,000 aggregate limits. The insurance must be written
2.4 by an insurer licensed to do business in this state. To complete the sale of a policy for
2.5 insurance for each licensee, the insurer must obtain a valid license available from the
2.6 Department of Labor and Industry contractor Web site. Each licensee shall maintain
2.7 on file with the commissioner a certificate evidencing the insurance. In the event of a
2.8 policy cancellation, the insurer shall send written notice to the commissioner at the same
2.9 time that a cancellation request is received from or a notice is sent to the insured. The
2.10 commissioner may increase the minimum amount of insurance required for any licensee
2.11 or class of licensees if the commissioner considers it to be in the public interest and
2.12 necessary to protect the interests of Minnesota consumers.