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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH  
SESSION

**HOUSE FILE No. 2099**

March 24, 2009

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

1.1 A bill for an act  
1.2 relating to commerce; providing for the licensing and regulation of certain  
1.3 persons; establishing prelicense and continuing education requirements;  
1.4 amending Minnesota Statutes 2008, sections 45.22; 45.23; 60K.31, by adding a  
1.5 subdivision; 60K.36, subdivision 4, by adding a subdivision; 60K.37, by adding  
1.6 a subdivision; 60K.55, subdivision 2; 60K.56; 72B.02, subdivisions 2, 5, 11, by  
1.7 adding subdivisions; 72B.03; 72B.05; 72B.06; 72B.08, subdivisions 1, 2, 4;  
1.8 72B.135, subdivisions 1, 2, 3; 82.32; 82B.05, subdivision 1; 82B.08, by adding  
1.9 subdivisions; 82B.09, by adding a subdivision; 82B.10; 82B.13, subdivisions  
1.10 4, 5, 6; 82B.19, subdivisions 1, 2; 82B.20, by adding a subdivision; proposing  
1.11 coding for new law in Minnesota Statutes, chapters 45; 60K; 72B; 82; 82B;  
1.12 repealing Minnesota Statutes 2008, sections 72B.02, subdivision 12; 72B.04;  
1.13 82B.02; Minnesota Rules, parts 2808.0100; 2808.1000; 2808.1100; 2808.1200;  
1.14 2808.1300; 2808.1400; 2808.1500; 2808.1600; 2808.1700; 2808.2000;  
1.15 2808.2100; 2808.6000; 2808.7000; 2808.7100; 2809.0010; 2809.0020;  
1.16 2809.0030; 2809.0040; 2809.0050; 2809.0060; 2809.0070; 2809.0080;  
1.17 2809.0090; 2809.0100; 2809.0110; 2809.0120; 2809.0130; 2809.0140;  
1.18 2809.0150; 2809.0160; 2809.0170; 2809.0180; 2809.0190; 2809.0200;  
1.19 2809.0210; 2809.0220.

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

1.21 Section 1. Minnesota Statutes 2008, section 45.22, is amended to read:

1.22 **45.22 LICENSE EDUCATION APPROVAL.**

1.23 License education courses must be approved in advance by the commissioner. Each  
1.24 ~~sponsor~~ education provider who offers a license education course must be approved by  
1.25 the commissioner. Each approved ~~sponsor~~ education provider must have at least one  
1.26 coordinator who meets the criteria specified in Minnesota Rules, chapter 2809, and who  
1.27 is responsible for supervising the educational program and assuring compliance with all  
1.28 laws and rules. ~~"Sponsor" means any person or entity offering approved education.~~

2.1 For courses with an initial approval date on or before December 31, 2000, approval  
2.2 will expire on April 30, 2006. For courses with an initial approval date after January 1,  
2.3 2001, but before August 1, 2005, approval will expire on April 30, 2007.

2.4 Sec. 2. Minnesota Statutes 2008, section 45.23, is amended to read:

2.5 **45.23 LICENSE EDUCATION FEES.**

2.6 The following fees must be paid to the commissioner:

2.7 (1) initial course approval, \$10 for each hour or fraction of one hour of education  
2.8 course approval sought. Initial course approval expires on the last day of the 24th month  
2.9 after the course is approved;

2.10 (2) renewal of course approval, \$10 per course. Renewal of course approval expires  
2.11 on the last day of the 24th month after the course is renewed;

2.12 (3) initial ~~sponsor~~ education provider approval, \$100. Initial ~~sponsor~~ education  
2.13 provider approval issued under this section is valid for a period not to exceed 24 months  
2.14 and expires on January 31 of the renewal year assigned by the commissioner. Active  
2.15 ~~sponsors~~ education providers who have at least one approved coordinator as of the  
2.16 effective date of this section are deemed to be approved ~~sponsors~~ education providers  
2.17 and are not required to submit an initial application for ~~sponsor~~ education provider  
2.18 approval; and

2.19 (4) renewal of ~~sponsor~~ education provider approval, \$10. Each renewal of ~~sponsor~~  
2.20 education provider approval is valid for a period of 24 months. Active ~~sponsors~~ education  
2.21 providers who have at least one approved coordinator as of the effective date of this  
2.22 section will have an expiration date of January 31, 2008.

2.23 Sec. 3. **[45.25] DEFINITIONS.**

2.24 Subdivision 1. **Scope.** As used in sections 45.25 to 45.43, the terms defined in  
2.25 this section have the meanings given them.

2.26 Subd. 2. **Appropriate and related knowledge.** "Appropriate and related  
2.27 knowledge" means facts, information, or principles that are clearly relevant to the licensee  
2.28 in performing responsibilities under a license. These facts, information, or principles must  
2.29 convey substantive and procedural knowledge as it relates to postlicensing issues and must  
2.30 be relevant to the technical aspects of a particular area of continuing education.

2.31 Subd. 3. **Classroom hour.** "Classroom hour" means a 50-minute hour. Breaks must  
2.32 not be accumulated in order to dismiss the class early. Classes must not be offered to any  
2.33 one student for longer than eight hours in one day, excluding meal breaks.

2.34 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce.

3.1 Subd. 5. **Coordinator.** "Coordinator" means an individual who is responsible for  
3.2 monitoring approved educational offerings.

3.3 Subd. 6. **Education provider.** "Education provider" means a person offering or  
3.4 providing approved education.

3.5 Subd. 7. **Encrypted online examination.** "Encrypted online examination" means  
3.6 an examination offered over the Internet that is (1) inaccessible to anyone but the student  
3.7 taking the examination, who must have a unique login and password to see it, and (2)  
3.8 protected with security measures that make it unreadable if it is electronically stolen. In  
3.9 addition, the student must not have the ability to download and save the examination in  
3.10 any readable form.

3.11 Subd. 8. **Instructor.** "Instructor" means an individual who (1) lectures in an  
3.12 approved educational offering, or (2) creates an interactive Internet or self-study course.

3.13 Subd. 9. **Licensee.** "Licensee" means a person licensed by the Department of  
3.14 Commerce for whom an examination is required before licensure.

3.15 Subd. 10. **Overpayment.** "Overpayment" means any payment of money in excess  
3.16 of a statutory fee.

3.17 Subd. 11. **Person.** "Person" means a natural person, firm, institution, partnership,  
3.18 corporation, limited liability company, limited liability partnership, or association.

3.19 Subd. 12. **Proctor.** "Proctor" means a disinterested third party with no conflict of  
3.20 interest who verifies a student's identity and processes an affidavit testifying that the  
3.21 student received no outside assistance with the course or examination.

3.22 Subd. 13. **Professional designation.** "Professional designation" means a written,  
3.23 proctored, and graded examination, the passage of which leads to a bona fide professional  
3.24 designation used by licensees.

3.25 **Sec. 4. [45.26] PAYMENT OF FEES.**

3.26 Subdivision 1. **Manner of payment.** All fees must be paid by check, draft, or other  
3.27 negotiable or nonnegotiable instrument or order of withdrawal that is drawn against funds  
3.28 held by a financial institution. Cash will not be accepted.

3.29 Subd. 2. **Refunds.** An overpayment of a course or coordinator approval fee  
3.30 must be refunded within 90 days after a letter requesting the refund is received by the  
3.31 commissioner and signed by the person making the overpayment.

3.32 Refunds must not be given for other than overpayment of fees. A request for a  
3.33 refund of an overpayment must be received by the commissioner within six months of  
3.34 the date of deposit or it will be forfeited.

4.1       Sec. 5. **[45.27] FORMS.**

4.2             All forms required by this chapter must be made in the form set forth by the  
4.3 commissioner. Forms may be duplicated, but must be readable. Computer generated lists  
4.4 and forms with the same information as required in existing forms must be accepted by  
4.5 the department if prior approval is granted by the department.

4.6       Sec. 6. **[45.28] TEXTBOOKS REQUIRED.**

4.7             All prelicense courses must require the use of a textbook or a detailed workbook.  
4.8 The textbook or workbook must cover the subject matter of the course and must be current.

4.9       Sec. 7. **[45.29] INITIAL EDUCATION.**

4.10            Subdivision 1. **Content.** Successful completion of prelicense education includes  
4.11 full-time attendance throughout the course, completion of required assignments or reading  
4.12 material if applicable, and passage of an examination designed by the education provider  
4.13 that is sufficiently comprehensive to measure the student's knowledge of all aspects of  
4.14 the course.

4.15            Prelicensing courses may include coverage of subject matter not prescribed in this  
4.16 section. However, the subject matter must be presented in addition to, and must not be  
4.17 substituted for, the course content or hours specified for the particular industry. A student  
4.18 must not be required to pass an examination, or part of an examination, on this material in  
4.19 order to be able to obtain a license.

4.20            Subd. 2. **Course submission.** Courses must be submitted by the coordinator,  
4.21 instructor, or education provider at least 30 days before the initial offering of the course.

4.22       Sec. 8. **[45.30] CONTINUING EDUCATION.**

4.23            Subdivision 1. **Content.** Continuing education consists of approved courses that  
4.24 impart appropriate and related knowledge in the field for which approval is requested. The  
4.25 burden of demonstrating that courses impart appropriate and related knowledge is upon  
4.26 the person seeking approval or credit. The commissioner may approve any educational  
4.27 offering approved by the regulatory agency of another state if it does not conflict  
4.28 with Minnesota law, and any courses leading to a nationally recognized professional  
4.29 designation used by licensees regulated by this chapter.

4.30            Subd. 2. **Examinations.** Course examinations are required for interactive Internet  
4.31 courses but are not required for other continuing education courses unless they are  
4.32 required by the education provider. When certain prelicense courses are permitted to be

5.1 used for continuing education, the licensee must pass the same examination as is required  
5.2 for those taking the course for prelicensing.

5.3 Subd. 3. **Textbooks.** Textbooks are not required to be used for continuing education  
5.4 courses unless the course is also approved as a prelicense course. If textbooks are not  
5.5 used, students are to be provided with a syllabus containing, at a minimum, the course  
5.6 title, the times and dates of the course offering, the names and addresses or telephone  
5.7 numbers of the course coordinator and instructor, and a detailed outline of the subject  
5.8 materials to be covered. Any written or printed material given to students must be of  
5.9 readable quality and contain accurate and current information.

5.10 Subd. 4. **Credit earned.** (a) Upon completion of approved courses, students must  
5.11 earn one hour of continuing education credit for each hour approved by the commissioner.  
5.12 Continuing education courses must be attended in their entirety in order to receive credit  
5.13 for the number of approved hours.

5.14 (b) Qualified instructors will earn three hours of continuing education credit for each  
5.15 classroom hour of approved instruction that they deliver if they attend the course in its  
5.16 entirety. No more than half of the continuing education hours required for renewal of a  
5.17 license may be earned as a qualified instructor at the rate of three hours of continuing  
5.18 education credit for each classroom hour of approved instruction. No credit will be earned  
5.19 if the licensee has previously obtained credit for the same course as either a student or  
5.20 instructor during the same licensing period.

5.21 Subd. 5. **Nonapproved courses for continuing education.** The following courses  
5.22 will not be approved for credit:

5.23 (1) courses designed solely to prepare students for passing a license examination;

5.24 (2) courses in mechanical office or business skills, including typing, speed reading,  
5.25 or other machines or equipment. Computer skills courses are allowed, if appropriate and  
5.26 related to the industry to which the courses are directed;

5.27 (3) courses in sales promotion, including meetings held in conjunction with the  
5.28 general business of the licensee;

5.29 (4) courses in motivation, salesmanship, psychology, time management, or  
5.30 communication, except as prescribed in prelicense training;

5.31 (5) courses related to office management or intended to improve the operation of the  
5.32 licensee's business; and

5.33 (6) courses that are primarily intended to impart knowledge of specific products of  
5.34 specific companies, if the use of the product or products relates to the sales promotion or  
5.35 marketing of one or more of the products discussed.

6.1 Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in  
6.2 advance. A course that is required by federal criteria or a reciprocity agreement to receive  
6.3 a substantive review will be approved or disapproved on the basis of its compliance with  
6.4 the provisions of laws and rules relating to the appropriate industry. At the commissioner's  
6.5 discretion, a course that is not required by federal criteria or a reciprocity agreement to  
6.6 receive a substantive review may be approved based on the provider's certification on a  
6.7 form specified by the commissioner that the course complies with the provisions of this  
6.8 chapter and the laws and rules relating to the appropriate industry. The commissioner  
6.9 may review any approved course and may cancel its approval with regard to all future  
6.10 offerings. The commissioner must make the final determination as to accreditation and  
6.11 assignment of credit hours for courses. Courses must be at least one hour in length, except  
6.12 courses for real estate appraisers must be at least two hours in length.

6.13 Approval will not include time spent on meals or other unrelated activities.

6.14 (b) Courses must be submitted at least 30 days before the initial proposed course  
6.15 offering.

6.16 (c) Approval must be granted for a subsequent offering of identical continuing  
6.17 education courses without requiring a new application. The commissioner must deny  
6.18 future offerings of courses if they are found not to be in compliance with the laws relating  
6.19 to course approval.

6.20 (d) When either the content of an approved course or its method of instruction  
6.21 changes, the course is no longer approved for license education credit. A new application  
6.22 must be submitted for the changed course if the education provider intends to offer it for  
6.23 license education credit.

6.24 Subd. 7. **Courses open to all.** All course offerings must be open to any interested  
6.25 individuals. Access may be restricted by the education provider based on class size only,  
6.26 except that access to a course offering sponsored by, offered by, or affiliated with an  
6.27 insurance company or agency may be restricted to agents of the company or agency.  
6.28 Courses must not be approved if attendance is restricted to any particular group of people,  
6.29 except for company-sponsored courses allowed by statute.

6.30 Sec. 9. **[45.305] PRELICENSE EDUCATION COURSES OFFERED OVER**  
6.31 **THE INTERNET.**

6.32 Subdivision 1. **Appraiser and insurance Internet prelicense courses.** The design  
6.33 and delivery of an appraiser prelicense education course or an insurance prelicense  
6.34 education course must be approved by the International Distance Education Certification  
6.35 Center (IDECC) before the course is submitted for commissioner's approval.

7.1 Subd. 2. **Real estate Internet prelicense courses.** The design and delivery of a real  
7.2 estate prelicense education course must be approved by either IDECC or the Association  
7.3 of Real Estate License Law Officials before the course is submitted for the commissioner's  
7.4 approval.

7.5 Subd. 3. **Final examination.** The final examination for a prelicense education  
7.6 course offered over the Internet must be a paper examination that is monitored by a proctor  
7.7 who certifies that the student took the examination. The student must not be allowed to  
7.8 review the course content once the examination has begun.

7.9 Sec. 10. **[45.306] CONTINUING EDUCATION COURSES OFFERED OVER**  
7.10 **THE INTERNET.**

7.11 Subdivision 1. **Interactive Internet course requirements.** An interactive Internet  
7.12 continuing education course must:

7.13 (1) specify the minimum system requirements;

7.14 (2) provide encryption that ensures that all personal information, including the  
7.15 student's name, address, and credit card number, cannot be read as it passes across the  
7.16 Internet;

7.17 (3) include technology to guarantee seat time;

7.18 (4) include a high level of interactivity;

7.19 (5) include graphics that reinforce the content;

7.20 (6) include the ability for the student to contact an instructor within a reasonable  
7.21 amount of time;

7.22 (7) include the ability for the student to get technical support within a reasonable  
7.23 amount of time;

7.24 (8) include a statement that the student's information will not be sold or distributed  
7.25 to any third party without prior written consent of the student. Taking the course does not  
7.26 constitute consent;

7.27 (9) be available 24 hours a day, seven days a week, excluding minimal down time  
7.28 for updating and administration;

7.29 (10) provide viewing access to the online course at all times to the commissioner,  
7.30 excluding minimal down time for updating and administration;

7.31 (11) include a process to authenticate the student's identity;

7.32 (12) inform the student and the commissioner how long after its purchase a course  
7.33 will be accessible;

7.34 (13) inform the student that license education credit will not be awarded for taking  
7.35 the course after it loses its status as an approved course;

- 8.1 (14) provide clear instructions on how to navigate through the course;
- 8.2 (15) provide automatic bookmarking at any point in the course;
- 8.3 (16) provide questions after each unit or chapter that must be answered before the
- 8.4 student can proceed to the next unit or chapter;
- 8.5 (17) include a reinforcement response when a quiz question is answered correctly;
- 8.6 (18) include a response when a quiz question is answered incorrectly;
- 8.7 (19) include a final examination;
- 8.8 (20) allow the student to go back and review any unit at any time, except during any
- 8.9 quizzes and the final examination;
- 8.10 (21) provide a course evaluation at the end of the course. At a minimum, the
- 8.11 evaluation must ask the student to report any difficulties caused by the online education
- 8.12 delivery method; and
- 8.13 (22) provide a completion certificate when the course and exam have been completed
- 8.14 and the provider has verified the completion. Electronic certificates are sufficient.
- 8.15 Subd. 2. **Final examination.** The final examination must be either an encrypted
- 8.16 online examination or a paper examination that is monitored by a proctor who certifies that
- 8.17 the student took the examination. The student must not be allowed to review the course
- 8.18 content once the examination has begun.

8.19 **Sec. 11. [45.307] EDUCATION PROVIDER.**

8.20 A person applying for approval as an education provider must make available upon

8.21 request such records and data required by the commissioner to administer the provisions

8.22 and further the purposes of this chapter.

8.23 **Sec. 12. [45.31] COURSE COORDINATOR.**

8.24 Subdivision 1. **Requirement.** Each course of study must have at least one

8.25 coordinator, approved by the commissioner, who is responsible for supervising the

8.26 program and assuring compliance with all laws and rules. Education providers may engage

8.27 an additional coordinator, approved for their providership, in order to assist the coordinator

8.28 or to act as a substitute for the coordinator in the event of an emergency or illness.

8.29 Subd. 2. **Approval.** (a) The commissioner must approve as a coordinator a person

8.30 meeting one or more of the following criteria: at least three years of full-time experience

8.31 in the administration of an education program during the five-year period immediately

8.32 before the date of application, or a degree in education plus two years experience during

8.33 the immediately preceding five-year period in one of the regulated industries for which

8.34 courses are being approved, or a minimum of five years experience within the previous six



9.1 years in the regulated industry for which courses are held. A person applying for approval  
9.2 as a course coordinator must make available upon request such records and data required  
9.3 by the commissioner to administer the provisions and further the purposes of this chapter.

9.4 (b) Coordinator approval may not be transferred to an individual who has not  
9.5 already been approved as an additional coordinator for the applicable license type for  
9.6 the providership in question. An individual must be approved as a coordinator by the  
9.7 commissioner before acting on behalf of an approved education provider.

9.8 Subd. 3. **Responsibilities.** A coordinator is responsible for:

9.9 (1) assuring compliance with all laws and rules relating to educational offerings  
9.10 governed by the commissioner;

9.11 (2) assuring that students are provided with current and accurate information relating  
9.12 to the laws and rules governing their licensed activity;

9.13 (3) supervising and evaluating courses and instructors. Supervision includes  
9.14 assuring, especially when a course will be taught by more than one instructor, that all  
9.15 areas of the curriculum are addressed without redundancy and that continuity is present  
9.16 throughout the entire course;

9.17 (4) ensuring that instructors are qualified to teach the course offering;

9.18 (5) furnishing the commissioner, upon request, with copies of course and instructor  
9.19 evaluations and qualifications of instructors. Evaluations must be completed by students  
9.20 and coordinators;

9.21 (6) investigating complaints related to course offerings and instructors and  
9.22 forwarding a copy of the written complaints to the Department of Commerce;

9.23 (7) maintaining accurate records relating to course offerings, instructors, tests taken  
9.24 by students, and student attendance for a period of three years from the date on which  
9.25 the course was completed. These records must be made available to the commissioner  
9.26 upon request. In the event that an education provider ceases operation for any reason, the  
9.27 coordinator is responsible for maintaining the records or providing a custodian for the  
9.28 records acceptable to the commissioner. The coordinator must notify the commissioner  
9.29 of the name and address of that person. In order to be acceptable to the commissioner,  
9.30 custodians must agree to make copies of acknowledgments available to students at a  
9.31 reasonable fee. Under no circumstances will the commissioner act as custodian of the  
9.32 records;

9.33 (8) ensuring that the coordinator is available to instructors and students throughout  
9.34 course offerings and providing to the students and instructor the name of the coordinator  
9.35 and a telephone number at which the coordinator can be reached;

10.1 (9) attending workshops or instructional programs as reasonably required by the  
10.2 commissioner;

10.3 (10) providing course completion certificates within ten days of, but not before,  
10.4 completion of the entire course. Course completion certificates must be completed in  
10.5 their entirety. A coordinator may require payment of the course tuition as a condition for  
10.6 receiving the course completion certificate;

10.7 (11) notifying the commissioner immediately of any change in an application for the  
10.8 course, coordinator, or instructor approval application; and

10.9 (12) in conjunction with the instructor, assuring and certifying attendance of students  
10.10 enrolled in courses.

10.11 Sec. 13. **[45.32] INSTRUCTORS.**

10.12 Subdivision 1. **Requirement.** Each course of study, except self-study courses,  
10.13 must have an instructor who is qualified by education, training, or experience to ensure  
10.14 competent instruction. Failure to have only qualified instructors teach at an approved  
10.15 course offering will result in loss of course approval. A person applying for approval as  
10.16 an instructor must make available upon request such records and data required by the  
10.17 commissioner to administer the provisions and further the purposes of this chapter.

10.18 Subd. 2. **Qualification for continuing education instructors.** Qualified continuing  
10.19 education instructors must have one of the following qualifications:

10.20 (1) a four-year degree in any area plus two years practical experience in the subject  
10.21 area being taught;

10.22 (2) five years of practical experience in the subject area being taught; or

10.23 (3) a college or graduate degree in the subject area being taught.

10.24 Subd. 3. **Qualifications for prelicensing instructors.** Qualified prelicense  
10.25 instructors must have one of the following qualifications:

10.26 (1) a four-year degree in the industry for which the course is being taught;

10.27 (2) a four-year degree with three years full-time experience in the industry for which  
10.28 the course is being taught;

10.29 (3) a four-year degree with three years full-time experience in the business or  
10.30 profession relating to the subject being taught;

10.31 (4) a postgraduate degree and completion of 45 hours of continuing education in the  
10.32 industry for which the course is being taught;

10.33 (5) a two-year degree in the industry for which the education is being given and  
10.34 completion of 45 hours of continuing education in the industry for which the course is  
10.35 being taught;

11.1 (6) a two-year degree or certificate with five years full-time experience in the  
11.2 industry for which the course is being taught;

11.3 (7) a degree or certificate with five years full-time experience in the business or  
11.4 profession relating to the subject being taught; or

11.5 (8) eight years of experience in the subject area being taught, gained in the eight  
11.6 years immediately preceding the first course offering taught.

11.7 Subd. 4. **Responsibilities.** Approved instructors are responsible for:

11.8 (1) compliance with all laws and rules relating to industry education;

11.9 (2) providing students with current and accurate information;

11.10 (3) maintaining an atmosphere conducive to learning in the classroom;

11.11 (4) in conjunction with the coordinator, assuring and certifying attendance of  
11.12 students enrolled in courses;

11.13 (5) providing assistance to students and responding to questions relating to course  
11.14 materials; and

11.15 (6) attending the workshops or instructional programs that are required by the  
11.16 commissioner.

11.17 Sec. 14. **[45.33] PROHIBITED PRACTICES FOR COORDINATORS AND**  
11.18 **INSTRUCTORS.**

11.19 Subdivision 1. **Prohibitions.** In connection with an approved course, coordinators  
11.20 and instructors must not:

11.21 (1) recommend or promote the services or practices of a particular business;

11.22 (2) encourage or recruit individuals to engage the services of, or become associated  
11.23 with, a particular business;

11.24 (3) use materials, clothing, or other evidences of affiliation with a particular entity;

11.25 (4) require students to participate in other programs or services offered by the  
11.26 instructor, coordinator, or education provider;

11.27 (5) attempt, either directly or indirectly, to discover questions or answers on an  
11.28 examination for a license;

11.29 (6) disseminate to any other person specific questions, problems, or information  
11.30 known or believed to be included in licensing examinations;

11.31 (7) misrepresent any information submitted to the commissioner;

11.32 (8) fail to cover, or ensure coverage of, all points, issues, and concepts contained in  
11.33 the course outline approved by the commissioner during the approved instruction; and

11.34 (9) issue inaccurate course completion certificates.

12.1 Subd. 2. **Notification of disciplinary action.** Coordinators must notify the  
12.2 commissioner within ten days of a felony or gross misdemeanor conviction or of  
12.3 disciplinary action taken against an occupational license held by the coordinator or an  
12.4 instructor teaching an approved offering. The notification may be grounds to suspend,  
12.5 deny, or revoke the approval of the coordinator and grounds to disallow the use of a  
12.6 particular instructor.

12.7 **Sec. 15. [45.34] FEES.**

12.8 Fees for approved courses and related materials must be clearly identified to  
12.9 students. In the event that a course is canceled for any reason, all fees must be returned  
12.10 within 15 days from the date of cancellation. In the event that a course is postponed for  
12.11 any reason, students must be given the choice of attending the course at a later date or of  
12.12 having their fees refunded in full. If a student is unable to attend a course or cancels the  
12.13 registration in a course, education provider policies regarding refunds will govern.

12.14 **Sec. 16. [45.35] FACILITIES.**

12.15 Each course of study, except self-study courses, must be conducted in a classroom or  
12.16 other facility that is adequate to comfortably accommodate the faculty and the number of  
12.17 students enrolled. The education provider may limit the number of students enrolled in a  
12.18 course. Approved courses must not be held on the premises of a company doing business  
12.19 in the regulated area, except for company-sponsored courses allowed by statute.

12.20 **Sec. 17. [45.36] SUPPLEMENTARY MATERIALS.**

12.21 An adequate supply of supplementary materials to be used or distributed in  
12.22 connection with an approved course must be available in order to ensure that each student  
12.23 receives all necessary materials. Outlines and any other materials that are reproduced  
12.24 must be legible.

12.25 **Sec. 18. [45.37] ADVERTISING COURSES.**

12.26 (a) Paragraphs (b) to (f) govern the advertising of prelicense and continuing  
12.27 education courses.

12.28 (b) Advertising must be truthful and not deceptive or misleading. Courses must not  
12.29 be advertised in any manner as approved unless approval has been granted in writing by  
12.30 the commissioner.

13.1 (c) No advertisement, pamphlet, circular, or other similar materials pertaining to an  
13.2 approved offering may be circulated or distributed in this state, unless one of the following  
13.3 statements is prominently displayed:

13.4 For prelicense education courses, "This course has been approved by the Minnesota  
13.5 Commissioner of Commerce for (relevant industry) prelicense education."

13.6 For continuing education courses, "This course has been approved by the Minnesota  
13.7 Commissioner of Commerce for ..... hours for (relevant industry) continuing  
13.8 education."

13.9 (d) Advertising of approved courses must be clearly distinguishable from the  
13.10 advertisement of other nonapproved courses and services.

13.11 (e) Courses must not be advertised before approval, unless the course is described in  
13.12 the advertising as "approval pending" and that is, in fact, the case.

13.13 (f) The number of hours for which a course has been approved must be prominently  
13.14 displayed on an advertisement for the course. If the course offering is longer than the  
13.15 number of hours of credit to be given, it must be clear that credit is not earned for the  
13.16 entire course.

13.17 **Sec. 19. [45.38] NOTICE TO STUDENTS.**

13.18 At the beginning of each approved offering, the following notice must be handed  
13.19 out in printed form or must be read to students: "This educational offering is recognized  
13.20 by the Minnesota Commissioner of Commerce as satisfying ..... hours of credit toward  
13.21 (choose one or more of the following as appropriate: prelicensing or continuing) (insert  
13.22 appropriate industry) education requirements."

13.23 **Sec. 20. [45.39] AUDITS.**

13.24 The commissioner reserves the right to audit subject offerings with or without notice  
13.25 to the education provider.

13.26 **Sec. 21. [45.40] FALSIFICATION OF REPORTS.**

13.27 A licensee or applicant found to have falsified an education report to the  
13.28 commissioner will be considered to have violated the laws relating to the industry for  
13.29 which the person has a license and will be subject to suspension or revocation of the  
13.30 license or denial of the application for licensure.

13.31 The commissioner reserves the right to audit a licensee's education records.

13.32 **Sec. 22. [45.41] DISCIPLINARY ACTION.**

14.1 The commissioner may deny, censure, suspend, or revoke the approval of a  
14.2 coordinator or course and disallow the use of a qualified instructor if it is determined that  
14.3 the coordinator, course, or instructor is not in compliance with this chapter.

14.4 Sec. 23. **[45.42] WAIVERS AND EXTENSIONS.**

14.5 Subdivision 1. **Waivers.** When a licensee documents to the commissioner's  
14.6 satisfaction that the person is unable, and will continue to be unable, to attend actual  
14.7 classroom course work or complete a self-study program because of a physical disability,  
14.8 medical condition, or similar reason, attendance at continuing education courses may  
14.9 be waived for a period not to exceed one year. The commissioner may require that the  
14.10 individual read, listen to, or watch a sufficient number of materials related to that industry  
14.11 as would be necessary for the licensee to satisfy educational credit hour needs. The  
14.12 commissioner will award the licensee credit hours by determining how many credit hours  
14.13 would be granted to a classroom course involving the same material.

14.14 Subd. 2. **Extensions.** When a licensee documents to the commissioner's satisfaction  
14.15 that the person is unable to complete continuing education requirements within the required  
14.16 time period owing to a financial or medical hardship, the commissioner may extend, for up  
14.17 to 90 days, the time period during which the continuing education must be successfully  
14.18 completed. Loss of income from either attendance at courses or cancellation of a license is  
14.19 not a bona fide financial hardship. Requests for extensions must be submitted in writing  
14.20 no later than 60 days before the education is due and must include an explanation with  
14.21 verification of the hardship, plus verification of enrollment in an approved course of study.

14.22 Subd. 3. **Exception.** This section does not apply to appraiser license education.

14.23 Sec. 24. **[45.43] REPORTING REQUIREMENTS.**

14.24 Required education must be reported in a manner prescribed by the commissioner  
14.25 within ten days of the course completion.

14.26 Sec. 25. Minnesota Statutes 2008, section 60K.31, is amended by adding a subdivision  
14.27 to read:

14.28 Subd. 3a. **Fingerprint.** "Fingerprint" means an impression of the lines on the  
14.29 finger taken for purpose of identification.

14.30 Sec. 26. Minnesota Statutes 2008, section 60K.36, subdivision 4, is amended to read:

14.31 Subd. 4. **Course of study.** The examination must be given only after the applicant  
14.32 has completed a program of ~~classroom studies in a school~~, through classroom study,

15.1 verifiable self-study, or a combination of both, which must not include a school course  
 15.2 sponsored by, offered by, or affiliated with an insurance company or its producers; except  
 15.3 that this limitation does not preclude a bona fide professional association of insurance  
 15.4 producers, not acting on behalf of an insurer, from offering courses. The course of study  
 15.5 must consist of ~~30 hours of classroom study devoted to the basic fundamentals of insurance~~  
 15.6 ~~for those seeking a Minnesota license for the first time and 7.5~~ 20 hours devoted to the per  
 15.7 major line of authority in which the producer seeks to be licensed. The program of studies  
 15.8 or study course must have been approved by the commissioner in order to qualify under  
 15.9 this subdivision. If the applicant has been previously licensed for the particular line of  
 15.10 insurance in the state of Minnesota, the requirement of a program of studies or a study  
 15.11 course must be waived. A certification of compliance by the organization offering the  
 15.12 course must accompany the applicant's license application. ~~This program of studies in a~~  
 15.13 ~~school or a study course does not apply to limited lines farm property liability applicants~~  
 15.14 ~~or to variable life and variable annuity applicants.~~

15.15 Sec. 27. Minnesota Statutes 2008, section 60K.36, is amended by adding a subdivision  
 15.16 to read:

15.17 Subd. 4a. **Exemptions.** A prelicensing program of studies does not apply to:

15.18 (1) an applicant for the limited lines farm property liability line of authority or the  
 15.19 variable life and variable annuity line of authority;

15.20 (2) an applicant who has received a two-year Minnesota vocational school degree in  
 15.21 insurance;

15.22 (3) an applicant who has received a four-year college degree in business with an  
 15.23 insurance emphasis;

15.24 (4) an applicant for the life line of authority who holds any of the following  
 15.25 professional designations or successor designations: Certified Employee Benefit Specialist  
 15.26 (CEBS), Chartered Financial Consultant (ChFC), Certified Insurance Counselor (CIC),  
 15.27 Certified Financial Planner (CFP), Chartered Life Underwriter (CLU), Fellow of the Life  
 15.28 Management Institute (FLMI), or Life Underwriter Training Council Fellow (LUTCF);

15.29 (5) an applicant for the health line of authority who holds any of the following  
 15.30 professional designations or successor designations: Registered Health Underwriter  
 15.31 (RHU), Certified Employee Benefit Specialist (CEBS), Registered Employee Benefits  
 15.32 Counselor (REBC), or Health Insurance Associate (HIA); or

15.33 (6) an applicant for the Property, Casualty, or Personal Lines P & C lines of authority  
 15.34 who provides satisfactory evidence of currently holding any of the following professional  
 15.35 designations or successor designations: Accredited Advisor in Insurance (AAI), Associate

16.1 in Risk Management (ARM), Certified Insurance Counselor (CIC), or Chartered Property  
16.2 and Casualty Underwriter (CPCU).

16.3 **Sec. 28. [60K.361] INSURANCE EDUCATION.**

16.4 (a) Prelicense education must consist of 20 hours of education per line of authority.

16.5 (b) The first ten hours must be an introduction to insurance and insurance-related  
16.6 concepts covering all of the major lines of authority except variable life and variable  
16.7 annuities. The course must consist of the following:

16.8 (1) rules, regulations, and law;

16.9 (2) basic fundamentals of insurance;

16.10 (3) property:

16.11 (i) types of policies;

16.12 (ii) policy provisions;

16.13 (iii) perils, exclusions, deductibles, and liability; and

16.14 (iv) evaluating needs;

16.15 (4) casualty:

16.16 (i) types of policies;

16.17 (ii) policy provisions;

16.18 (iii) perils, exclusions, deductibles, and liability; and

16.19 (iv) evaluating needs;

16.20 (5) life:

16.21 (i) types of policies;

16.22 (ii) policy provisions; and

16.23 (iii) group insurance; and

16.24 (6) accident and health:

16.25 (i) types of policies;

16.26 (ii) policy provisions; and

16.27 (iii) group insurance.

16.28 (c) The second ten hours of insurance prelicense education must be composed of  
16.29 courses that cover a specific major line of authority and consist of the following:

16.30 (1) life:

16.31 (i) types of life insurance policies; and

16.32 (ii) Minnesota laws, rules, and regulations pertinent to life insurance;

16.33 (2) accident and health:

16.34 (i) types of health insurance policies; and

16.35 (ii) Minnesota laws, rules, and regulations pertinent to accident and health insurance;



- 17.1 (3) property:
- 17.2 (i) personal lines;
- 17.3 (ii) commercial lines; and
- 17.4 (iii) Minnesota laws, rules, and regulations pertinent to property insurance.
- 17.5 (4) casualty:
- 17.6 (i) personal lines;
- 17.7 (ii) commercial lines; and
- 17.8 (iii) Minnesota laws, rules, and regulations pertinent to casualty insurance; and
- 17.9 (5) personal lines:
- 17.10 (i) types of property/casualty personal lines insurance policies; and
- 17.11 (ii) Minnesota laws, rules, and regulations pertinent to property/casualty personal
- 17.12 lines insurance.

17.13 Sec. 29. Minnesota Statutes 2008, section 60K.37, is amended by adding a subdivision

17.14 to read:

17.15 Subd. 2a. **Criminal history record check; fingerprints.** (a) An individual applying

17.16 for a resident insurance producer license must:

17.17 (1) consent to a criminal history record check;

17.18 (2) submit a fingerprint card in a form acceptable to the commissioner; and

17.19 (3) pay the fee required to perform criminal history record checks with the Minnesota

17.20 Bureau of Criminal Apprehension and the Federal Bureau of Investigation.

17.21 (b) The commissioner may contract for the collection and transmission of

17.22 fingerprints required under this chapter and may order the fee for collecting and

17.23 transmitting fingerprints to be payable directly to the contractor by the applicant. The

17.24 commissioner may agree to a reasonable fingerprinting fee to be charged by the contractor.

17.25 (c) The commissioner must treat and maintain an applicant's fingerprints and any

17.26 criminal history record information obtained under this chapter as confidential and must

17.27 apply security measures consistent with the standards specified by the Criminal Justice

17.28 Information Services Division of the Federal Bureau of Investigation for the electronic

17.29 storage of fingerprints and necessary identifying information. The commissioner must

17.30 limit the use of records solely to the purposes authorized in this chapter. The fingerprints

17.31 and any criminal history record information must not be subject to subpoena, other than

17.32 one issued in a criminal action or investigation.

17.33 (d) The commissioner may receive criminal history record information from another

17.34 government agency in lieu of the Minnesota Bureau of Criminal Apprehension.

18.1 Sec. 30. Minnesota Statutes 2008, section 60K.55, subdivision 2, is amended to read:

18.2 Subd. 2. **Licensing fees.** (a) In addition to fees provided for examinations and the  
18.3 technology surcharge required under paragraph (d), each insurance producer licensed  
18.4 under this chapter shall pay to the commissioner a fee of:

18.5 (1) \$50 for an initial life, accident and health, property, or casualty license issued to  
18.6 an individual insurance producer, and a fee of \$50 for each renewal;

18.7 (2) \$50 for an initial variable life and variable annuity license issued to an individual  
18.8 insurance producer, and a fee of \$50 for each renewal;

18.9 (3) \$50 for an initial personal lines license issued to an individual insurance  
18.10 producer, and a fee of \$50 for each renewal;

18.11 (4) \$50 for an initial limited lines license issued to an individual insurance producer,  
18.12 and a fee of \$50 for each renewal;

18.13 (5) \$200 for an initial license issued to a business entity, and a fee of \$200 for each  
18.14 renewal; and

18.15 (6) \$500 for an initial surplus lines license, and a fee of \$500 for each renewal.

18.16 (b) Initial licenses issued to a business entity under this chapter are valid for a period  
18.17 not to exceed 24 months and expire on October 31 of the renewal year assigned by the  
18.18 commissioner. Initial licenses issued to an individual insurance producer under this  
18.19 chapter before August 1, 2010, are valid for a period not to exceed 24 months and expire  
18.20 on October 31 of the renewal year assigned by the commissioner. Each individual license  
18.21 initially issued or renewed on or after August 1, 2010, expires on the last day of the birth  
18.22 month of the producer in the year that will result in the term of the license being at least  
18.23 12 months, but no more than 24 months. Beginning with the first license expiration on  
18.24 the last day of the birth month of an individual producer as set forth in this paragraph,  
18.25 all such licenses must after this date expire biennially on the last day of the birth month  
18.26 of the individual producer that is two years subsequent to the preceding expiration date.  
18.27 Each renewal insurance producer license is valid for a period of 24 months. ~~Licensees~~  
18.28 ~~who submit renewal applications postmarked or delivered on or before October 15 of the~~  
18.29 ~~renewal year may continue to transact business whether or not the renewal license has been~~  
18.30 ~~received by November 1. Licensees who submit applications postmarked or delivered~~  
18.31 ~~after October 15 of the renewal year must not transact business after the expiration date~~  
18.32 ~~of the license until the renewal license has been received.~~

18.33 (c) All fees are nonreturnable, except that an overpayment of any fee may be  
18.34 refunded upon proper application.

18.35 (d) In addition to the fees required under paragraph (a), individual insurance  
18.36 producers shall pay, for each initial license and renewal, a technology surcharge of up to

19.1 \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted  
 19.2 under that section.

19.3 Sec. 31. Minnesota Statutes 2008, section 60K.56, is amended to read:

19.4 **60K.56 CONTINUING INSURANCE EDUCATION.**

19.5 Subdivision 1. **Definition.** For the purposes of this section, "course" means a course,  
 19.6 program of instruction, or seminar of continuing insurance education. A "professional  
 19.7 designation examination" means a written, proctored, and graded examination the passage  
 19.8 of which leads to a bona fide insurance or financial planning professional designation used  
 19.9 by insurance producers.

19.10 Subd. 2. **Applicability.** This section applies to all natural persons licensed by this  
 19.11 state to sell lines of insurance for which licensing examinations are required.

19.12 Subd. 3. **Exemptions.** This section does not apply to persons soliciting or selling  
 19.13 solely on behalf of companies organized and operating according to chapter 67A.

19.14 Subd. 4. **Powers of the commissioner.** (a) The commissioner shall make the final  
 19.15 determination as to accreditation and assignment of credit hours for courses.

19.16 (b) The commissioner shall adopt procedures for reporting compliance with the  
 19.17 minimum education requirement.

19.18 (c) The commissioner ~~shall~~ may adopt rules according to chapter 14 to carry out the  
 19.19 purposes of this section.

19.20 Subd. 5. **Criteria for course accreditation.** (a) The commissioner may accredit a  
 19.21 course only to the extent it is designed to impart substantive and procedural knowledge of  
 19.22 the insurance field. The burden of demonstrating that the course satisfies this requirement  
 19.23 is on the individual or organization seeking accreditation. ~~The commissioner shall approve~~  
 19.24 ~~any educational program approved by Minnesota Continuing Legal Education relating to~~  
 19.25 ~~the insurance field.~~ The commissioner is authorized to establish a procedure for renewal  
 19.26 of course accreditation.

19.27 (b) The commissioner shall approve or disapprove professional designation  
 19.28 examinations that are recommended for approval by the advisory task force. In order  
 19.29 for an insurance producer to receive full continuing education credit for a professional  
 19.30 designation examination, the producer must pass the examination. A producer may  
 19.31 not receive credit for classroom instruction preparing for the professional designation  
 19.32 examination and also receive continuing education credit for passing the professional  
 19.33 designation examination.

19.34 ~~(c) The commissioner may not accredit a course:~~

19.35 ~~(1) that is designed to prepare students for a license examination;~~

20.1 ~~(2) in sales promotion; or~~

20.2 ~~(3) in motivation, the art of selling, or psychology.~~

20.3 Subd. 6. **Minimum education requirement.** Each person subject to this section  
 20.4 shall complete a minimum of ~~30~~ 24 credit hours of courses accredited by the commissioner  
 20.5 during each ~~24-month~~ licensing period. ~~Any person whose initial licensing period extends~~  
 20.6 ~~more than six months shall complete 15 hours of courses accredited by the commissioner~~  
 20.7 ~~during the initial license period. Any person teaching or lecturing at an accredited~~  
 20.8 ~~course qualifies for three times the number of credit hours that would be granted to a~~  
 20.9 ~~person completing the accredited course. No more than one-half of the credit hours per~~  
 20.10 ~~licensing period required under this section may be credited to a person for attending any~~  
 20.11 ~~combination of courses that are not open to the public and are either sponsored by, offered~~  
 20.12 ~~by, or affiliated with an insurance company or its agents; or offered using new delivery~~  
 20.13 ~~technology, including computer, interactive technology, and the Internet. A licensee~~  
 20.14 ~~may must obtain up to five three hours of the credit hours per licensing period from~~  
 20.15 ~~a class or classes in the area of professional development including, but not limited to;~~  
 20.16 ~~best practices, ethics, privacy protection, customer/client, personal and safety awareness;~~  
 20.17 ~~software applications, agency management, claims settlement, business perpetuation;~~  
 20.18 ~~and disaster planning. Courses sponsored by, offered by, or affiliated with an insurance~~  
 20.19 ~~company or agent may restrict its students to agents of the company or agency.~~

20.20 Subd. 7. **Waiver of requirements.** ~~(a)~~ The commissioner may grant a waiver or  
 20.21 an extension of time up to 90 days to complete the minimum education requirement to  
 20.22 an individual upon a showing of good cause. It is the licensed person's responsibility  
 20.23 to request a waiver or extension on a form prescribed by the commissioner. As of the  
 20.24 day the licensed person properly files a request for a waiver or extension, the license  
 20.25 remains in effect until the commissioner notifies the licensed person of the commissioner's  
 20.26 decision. The commissioner may approve a waiver or extension subject to any reasonable  
 20.27 conditions. The person's license remains in effect during the compliance period determined  
 20.28 by the commissioner. If the licensed person fails to comply with any reasonable conditions  
 20.29 imposed by the commissioner, the commissioner shall terminate the license. If the request  
 20.30 for a waiver or extension is denied by the commissioner, the licensed person shall have 30  
 20.31 days within which to satisfy the minimum education requirement involved in the request  
 20.32 for a waiver or extension. If the minimum education requirement is not satisfied within  
 20.33 the compliance period, the commissioner shall terminate the person's license.

20.34 ~~(b) Upon application on a form prescribed by the commissioner, the commissioner~~  
 20.35 ~~may grant a waiver of the minimum education requirement to a licensee who is no longer~~  
 20.36 ~~actively engaged in the solicitation and sale of insurance. A licensed person seeking a~~

21.1 ~~waiver from the requirements of this section may be required to submit information to~~  
 21.2 ~~the commissioner that substantiates the person's retirement or inactive status. A licensed~~  
 21.3 ~~person receiving a waiver from the commissioner may maintain and renew a license but~~  
 21.4 ~~may not solicit or sell new insurance business while this waiver is in effect. A licensee~~  
 21.5 ~~may, for a fee, continue to service an insurance policy for which the licensee is the~~  
 21.6 ~~producer of record, if the policy is in force at the time the waiver is granted. An insurer~~  
 21.7 ~~may not terminate a service contract or refuse to pay compensation because the waiver~~  
 21.8 ~~does not allow the licensee to solicit or sell new insurance.~~

21.9 ~~For the purposes of receiving renewal commissions and other benefits or~~  
 21.10 ~~compensation from insurers, an agent receiving a waiver under this paragraph is~~  
 21.11 ~~considered to be the holder of a valid insurance producer license in this state.~~

21.12 Subd. 8. **Reporting.** (a) After completing the minimum education requirement,  
 21.13 each person subject to this section shall file or cause to be filed a compliance report in  
 21.14 accordance with the procedures adopted by the commissioner. A producer must not claim  
 21.15 credit for continuing education not actually completed at the date of filing the report.

21.16 (b) An institution offering an accredited course shall comply with the procedure for  
 21.17 reporting compliance adopted by the commissioner.

21.18 ~~(c) If a person subject to this section completes a nonaccredited course, that person~~  
 21.19 ~~may submit an application of the commissioner for approval of the course accompanied~~  
 21.20 ~~by a fee of not more than \$10 payable to the state of Minnesota for deposit in the general~~  
 21.21 ~~fund. Upon a determination that the course satisfies the criteria for course accreditation,~~  
 21.22 ~~the commissioner may approve the nonaccredited course and shall so inform the person.~~

21.23 Subd. 9. **Enforcement.** If a person subject to this section fails to complete the  
 21.24 minimum education or reporting requirement or to pay the prescribed fees for any  
 21.25 licensing period, no license may be renewed or continued in force for that person for any  
 21.26 class of insurance beginning ~~November 1 of the year~~ the day after the renewal was due  
 21.27 and that person may not act as an insurance producer until the person has demonstrated  
 21.28 to the satisfaction of the commissioner that all requirements of this section have been  
 21.29 complied with or that a waiver or extension has been obtained.

21.30 Sec. 32. Minnesota Statutes 2008, section 72B.02, subdivision 2, is amended to read:

21.31 Subd. 2. **Person.** "Person" means ~~a natural person~~ an individual or business entity.

21.32 Sec. 33. Minnesota Statutes 2008, section 72B.02, subdivision 5, is amended to read:

22.1 Subd. 5. **Independent adjuster.** "Independent adjuster" means ~~any~~ a person who  
 22.2 ~~for another for money, commission or any other thing of value acts as an adjuster on~~  
 22.3 ~~behalf of more than one insurer, or who holds out to do so.:~~

22.4 (1) is an individual, a business entity, an independent contractor, or an employee of a  
 22.5 contractor, who contracts for compensation with insurers or self-insurers;

22.6 (2) is treated for tax purposes by the insurer or self-insurer in a manner that is  
 22.7 consistent with the tax treatment of an independent contractor rather than the tax treatment  
 22.8 of an employee, as defined in the Internal Revenue Code, United States Code, title 26,  
 22.9 subtitle C; and

22.10 (3) investigates, negotiates, or settles property, casualty, or workers' compensation  
 22.11 claims for insurers or for self-insurers.

22.12 Sec. 34. Minnesota Statutes 2008, section 72B.02, subdivision 11, is amended to read:

22.13 Subd. 11. **Catastrophe or emergency situation.** "Catastrophe ~~or emergency~~  
 22.14 ~~situation~~" means ~~the occurrence of insured losses of such a number or severity that the~~  
 22.15 ~~ordinary staff adjuster personnel complement of the insurer and the available independent~~  
 22.16 ~~adjusters could not adjust all of the losses resulting from a common cause or related~~  
 22.17 ~~causes in a reasonable time.~~ an event that results in large numbers of deaths or injuries;  
 22.18 causes extensive damage or destruction of facilities that provide and sustain human  
 22.19 needs; produces an overwhelming demand on state and local response resources and  
 22.20 mechanisms; causes a severe long-term effect on general economic activity; or severely  
 22.21 affects state, local, and private sector capabilities to begin and sustain response activities.  
 22.22 A catastrophe must be declared by the governor of the state, district, or territory in which  
 22.23 the catastrophe occurred.

22.24 Sec. 35. Minnesota Statutes 2008, section 72B.02, is amended by adding a subdivision  
 22.25 to read:

22.26 Subd. 15. **Business entity.** "Business entity" means a corporation, association,  
 22.27 partnership, limited liability company, limited liability partnership, or other legal entity.

22.28 Sec. 36. Minnesota Statutes 2008, section 72B.02, is amended by adding a subdivision  
 22.29 to read:

22.30 Subd. 16. **Fingerprint.** "Fingerprint" means an impression of the lines on the  
 22.31 finger taken for purpose of identification.

23.1 Sec. 37. Minnesota Statutes 2008, section 72B.02, is amended by adding a subdivision  
23.2 to read:

23.3 Subd. 17. **Home state.** "Home state" means the District of Columbia and any  
23.4 state or territory of the United States in which an independent adjuster maintains his,  
23.5 her, or its principal place of residence or business and is licensed to act as a resident  
23.6 independent adjuster. If the resident state does not license independent adjusters for the  
23.7 line of authority sought, the independent adjuster shall designate as his, her, or its home  
23.8 state any state in which the independent adjuster is licensed and in good standing.

23.9 Sec. 38. Minnesota Statutes 2008, section 72B.02, is amended by adding a subdivision  
23.10 to read:

23.11 Subd. 18. **Individual.** "Individual" means a natural person.

23.12 Sec. 39. Minnesota Statutes 2008, section 72B.02, is amended by adding a subdivision  
23.13 to read:

23.14 Subd. 19. **Insurer.** "Insurer" means an insurance company.

23.15 Sec. 40. Minnesota Statutes 2008, section 72B.02, is amended by adding a subdivision  
23.16 to read:

23.17 Subd. 20. **Uniform Individual Application.** "Uniform Individual Application"  
23.18 means the current version of the National Association of Insurance Commissioners  
23.19 (NAIC) Uniform Individual Application for resident and nonresident individuals.

23.20 Sec. 41. Minnesota Statutes 2008, section 72B.02, is amended by adding a subdivision  
23.21 to read:

23.22 Subd. 21. **Uniform Business Entity Application.** "Uniform Business Entity  
23.23 Application" means the current version of the National Association of Insurance  
23.24 Commissioners (NAIC) Uniform Business Entity Application for resident and nonresident  
23.25 business entities.

23.26 Sec. 42. Minnesota Statutes 2008, section 72B.03, is amended to read:

23.27 **72B.03 LICENSES.**

23.28 Subdivision 1. **Requirement; exceptions.** ~~Except as otherwise provided, no (a) A~~  
23.29 person shall not act or hold himself or herself out as an independent adjuster, public  
23.30 adjuster, or public adjuster solicitor ~~for money, a commission, or any other thing of value,~~

24.1 unless ~~such~~ the person shall first obtain from the commissioner a license. No license  
24.2 shall be required for:

24.3 ~~(1) a person acting in a catastrophic or emergency situation, and who has registered~~  
24.4 ~~with the commissioner for that purpose;~~

24.5 ~~(2) a nonresident adjuster who occasionally is in this state to adjust a single loss;~~  
24.6 ~~provided, however, that if a nonresident adjusts more than six losses in this state in~~  
24.7 ~~one year the adjuster must qualify for and receive a nonresident's license as provided~~  
24.8 ~~in sections 72B.01 to 72B.14, and provided the adjuster's domiciliary state affords a~~  
24.9 ~~like privilege.~~ is licensed as an independent adjuster, public adjuster, or public adjuster  
24.10 solicitor in accordance with this chapter, or is exempt from licensure as an independent  
24.11 adjuster, public adjuster, or public adjuster solicitor under this chapter.

24.12 (b) The definition of independent adjuster does not include, and a license as an  
24.13 independent adjuster is not required of, the following:

24.14 (1) attorneys-at-law admitted to practice in this state, when acting in the attorney's  
24.15 professional capacity as an attorney;

24.16 (2) a person employed solely to obtain facts surrounding a claim or to furnish  
24.17 technical assistance to a licensed independent adjuster;

24.18 (3) an individual who is employed to investigate suspected fraudulent insurance  
24.19 claims but who does not adjust losses or determine claims payments;

24.20 (4) a person who solely performs executive, administrative, managerial, or clerical  
24.21 duties or any combination of these duties and who does not investigate, negotiate, or settle  
24.22 claims with policyholders, claimants, or their legal representative;

24.23 (5) a licensed health care provider or its employee who provides managed care  
24.24 services so long as the services do not include the determination of compensability;

24.25 (6) a managed care organization or any of its employees or an employee of any  
24.26 organization providing managed care services so long as the services do not include the  
24.27 determination of compensability;

24.28 (7) a person who settles only reinsurance or subrogation claims;

24.29 (8) an officer, director, manager, or employee of an authorized insurer, a surplus lines  
24.30 insurer, a risk retention group, or an attorney-in-fact of a reciprocal insurer;

24.31 (9) a United States manager of the United States branch of an alien insurer;

24.32 (10) a person who investigates, negotiates, or settles life, accident and health,  
24.33 annuity, or disability insurance claims;

24.34 (11) an individual employee, under a self-insured arrangement, who adjusts claims  
24.35 on behalf of his or her employer;



25.1 (12) a licensed insurance producer, attorney-in-fact of a reciprocal insurer, or  
 25.2 managing general agent of the insurer to whom claim authority has been granted by the  
 25.3 insurer;

25.4 (13) a person authorized to adjust workers' compensation or disability claims under  
 25.5 the authority of a third-party administrator license pursuant to section 60A.23, subdivision  
 25.6 8.

25.7 Subd. 2. **Classes of licenses.** (a) Unless denied licensure pursuant to section 72B.08,  
 25.8 persons who have met the requirements of section 72B.04 must be issued an independent  
 25.9 adjuster license. There shall be four classes of licenses, as follows:

- 25.10 (1) independent adjuster's license;  
 25.11 (2) public adjuster's license;  
 25.12 (3) public adjuster solicitor's license; and  
 25.13 (4) crop hail adjuster's license.

25.14 (b) ~~The~~ An independent adjuster and a public adjuster ~~licenses shall be issued in at~~  
 25.15 ~~least three fields each, as follows~~ may qualify for a license in one or more of the following  
 25.16 lines of authority:

25.17 (1) ~~fire and allied lines, inland marine lines and including all perils under~~  
 25.18 ~~homeowners policies~~ property and casualty; or

25.19 (2) ~~all lines written as casualty insurance under section 60A.06, and including~~  
 25.20 ~~workers' compensation; and~~ or

25.21 (3) ~~a combination of the fields described in clauses (1) and (2). Separate licenses~~  
 25.22 ~~shall be required for each field, but the same person may obtain licenses in more than one~~  
 25.23 ~~field. No person shall be licensed as both a public and independent adjuster. The license~~  
 25.24 ~~shall state the class for which the person is licensed and, where applicable, the field in~~  
 25.25 ~~which the person is licensed, and shall state the licensee's name and residence address,~~  
 25.26 ~~the date of issuance and the date of expiration of the license and any other information~~  
 25.27 ~~prescribed by the commissioner which is consistent with the purpose of the license~~ crop.

25.28 (c) Any person holding a license pursuant to this section is not required to hold any  
 25.29 other independent adjuster, insurance, or self-insurance administrator license in this state  
 25.30 pursuant to section 60A.23, subdivision 8, or any other provision, provided that the person  
 25.31 does not act as an independent adjuster with respect to life, health, or annuity insurance,  
 25.32 other than disability insurance.

25.33 (d) An independent adjuster license remains in effect unless probated, suspended,  
 25.34 revoked, or refused as long as the fee set forth in section 72B.04, subdivision 10, is  
 25.35 paid and all other requirements for license renewal are met by the due date, otherwise,  
 25.36 the license expires.

26.1 (e) An independent adjuster whose license expires may, within 12 months of the  
26.2 renewal date, be reissued an independent adjuster license upon receipt of the renewal  
26.3 request, as prescribed by the commissioner, however, a penalty in the amount of double  
26.4 the unpaid renewal fee is required to reissue the expired license.

26.5 (f) An independent adjuster who is unable to comply with license renewal procedures  
26.6 and requirements due to military service, long-term medical disability, or some other  
26.7 extenuating circumstance may request a waiver of same and a waiver of any examination  
26.8 requirement, fine, or other sanction imposed for failure to comply with renewal procedures.

26.9 (g) An independent adjuster is subject to sections 72A.17 to 72A.32.

26.10 (h) The independent adjuster must inform the commissioner by any means  
26.11 acceptable of any change in resident or business addresses for the home state or in legal  
26.12 name within 30 days of the change.

26.13 (i) The license must contain the licensee's name, address, and personal identification  
26.14 number; the dates of issuance and expiration; and any other information the commissioner  
26.15 deems necessary.

26.16 (j) In order to assist in the performance of the commissioner's duties, the  
26.17 commissioner may contract with nongovernmental entities, including the National  
26.18 Association of Insurance Commissioners, its affiliates, or its subsidiaries, to perform any  
26.19 ministerial functions related to licensing that the commissioner may deem appropriate,  
26.20 including the collection of fees and data.

26.21 Subd. 3. **Payment for services; unlawful practice.** No insurer, agent, or other  
26.22 representative of an insurer nor any adjuster shall pay any fee or other compensation to  
26.23 any person for acting as an adjuster, or a public adjuster solicitor, except to a person  
26.24 duly licensed to so act or to a person not required to be licensed by sections 72B.01 to  
26.25 72B.14; and it shall be unlawful for any person to act as an independent adjuster, a  
26.26 public adjuster or a public adjuster solicitor, who is not duly licensed, or excluded from  
26.27 the licensing requirement.

26.28 Sec. 43. **[72B.041] RESIDENT INDEPENDENT ADJUSTER LICENSE**  
26.29 **PROCEDURE AND REQUIREMENTS; EXAMINATIONS; FEES.**

26.30 Subdivision 1. **Application.** (a) An individual applying for a resident independent  
26.31 adjuster license must make application to the commissioner on the appropriate National  
26.32 Association of Insurance Commissioners (NAIC) Uniform Individual Application in  
26.33 a format prescribed by the commissioner and declare under penalty of suspension,  
26.34 revocation, or refusal of the license that the statements made in the application are true,

27.1 correct, and complete to the best of the individual's knowledge and belief. Before  
27.2 approving the application, the commissioner must find that the individual:

27.3 (1) is at least 18 years of age;

27.4 (2) is eligible to designate this state as the individual's home state;

27.5 (3) is trustworthy, reliable, and of good reputation, evidence of which must be  
27.6 determined by the commissioner;

27.7 (4) has not committed any act that is a ground for probation, suspension, revocation,  
27.8 or refusal of an independent adjuster's license as set forth in section 72B.08;

27.9 (5) has successfully passed the examination for the lines of authority for which  
27.10 the individual has applied; and

27.11 (6) has paid the fees set forth in subdivision 9.

27.12 An applicant for licensing as a public adjuster solicitor under sections 72B.01 to  
27.13 72B.14 must be at least 18 years of age, must be competent and trustworthy, and must not  
27.14 have been engaged in any practice which would be grounds for suspension or revocation  
27.15 of a license under sections 72B.01 to 72B.14 within the three years next preceding the  
27.16 date of the application.

27.17 In the case of any applicant who has been convicted of a felony within the ten years  
27.18 next preceding the date of the application, and who in the judgment of the commissioner,  
27.19 meets the other qualifications, the commissioner may impose the additional requirement of  
27.20 the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.

27.21 (b) A business entity applying for a resident independent adjuster license must  
27.22 make application to the commissioner on the appropriate NAIC Uniform Business Entity  
27.23 Application in a format prescribed by the commissioner and declare under penalty of  
27.24 suspension, revocation, or refusal of the license that the statements made in the application  
27.25 are true, correct, and complete to the best of the business entity's knowledge and belief.  
27.26 Before approving the application, the commissioner shall find that the business entity:

27.27 (1) is eligible to designate this state as its home state;

27.28 (2) has designated a licensed independent adjuster responsible for the business  
27.29 entity's compliance with the insurance laws, rules, and regulations of this state;

27.30 (3) has not committed an act that is a ground for probation, suspension, revocation,  
27.31 or refusal of an independent adjuster's license as set forth in section 72B.08; and

27.32 (4) has paid the fees set forth in subdivision 9.

27.33 Subd. 2. **Criminal history record check; fingerprints.** (a) An individual applying  
27.34 for a resident insurance adjuster license must:

27.35 (1) consent to a criminal history record check;

27.36 (2) submit a fingerprint card in a form acceptable to the commissioner; and

28.1 (3) pay the fee required to perform criminal history record checks with the Minnesota  
28.2 Bureau of Criminal Apprehension and the Federal Bureau of Investigation.

28.3 (b) The commissioner may contract for the collection and transmission of  
28.4 fingerprints required under this chapter and may order the fee for collecting and  
28.5 transmitting fingerprints to be payable directly to the contractor by the applicant. The  
28.6 commissioner may agree to a reasonable fingerprinting fee to be charged by the contractor.

28.7 (c) The commissioner must treat and maintain an applicant's fingerprints and any  
28.8 criminal history record information obtained under this chapter as confidential and must  
28.9 apply security measures consistent with the standards specified by the Criminal Justice  
28.10 Information Services Division of the Federal Bureau of Investigation for the electronic  
28.11 storage of fingerprints and necessary identifying information. The commissioner must  
28.12 limit the use of records solely to the purposes authorized in this chapter. The fingerprints  
28.13 and any criminal history record information must not be subject to subpoena, other than  
28.14 one issued in a criminal action or investigation.

28.15 (d) The commissioner may receive criminal history record information from another  
28.16 government agency in lieu of the Minnesota Bureau of Criminal Apprehension.

28.17 (e) The commissioner may require any documents reasonably necessary to verify the  
28.18 information contained in the application.

28.19 (f) All applicants for a license as a public adjuster must attach to their application  
28.20 evidence that the bonding requirement in subdivision 3 has been satisfied.

28.21 Subd. 3. **Bonding.** No initial or renewal public adjuster's license shall be issued to  
28.22 any applicant unless there is on file with the commissioner a good and sufficient surety  
28.23 bond, issued by an insurer authorized to do business in this state. The bond shall be in  
28.24 the amount of \$10,000 with the state of Minnesota as obligee, conditioned for the prompt  
28.25 payment to any person entitled thereto, other than a partner or associate of the applicant,  
28.26 of any amounts received by the applicant or to protect any person other than a partner or  
28.27 associate of the applicant from loss resulting from fraud, dishonesty, forgery or theft  
28.28 in connection with the applicant's duties under sections 72B.01 to 72B.14; provided,  
28.29 however, that the aggregate liability of the surety to all persons for all losses shall, in no  
28.30 event, exceed the amount of such bond. The bond shall remain in effect during the term  
28.31 of the license, or until the surety is released from liability by the commissioner, or until  
28.32 canceled by the surety. The surety may cancel a bond, without prejudice to any liability  
28.33 which occurred prior to the cancellation, by giving at least 30 days' written notice to the  
28.34 commissioner. In the event that the required bond is terminated, the public adjuster's  
28.35 license shall automatically be suspended until a new bond is filed with the commissioner.

29.1            Subd. 4. **Examinations.** (a) An individual applying for an independent adjuster  
29.2 license under this chapter must pass a written examination unless exempt pursuant to  
29.3 subdivision 5. The examination must test the knowledge of the individual concerning the  
29.4 lines of authority for which application is made, the duties and responsibilities of an  
29.5 independent adjuster, and the insurance laws and regulations of this state. Examinations  
29.6 required by this subdivision must be developed and conducted under rules and regulations  
29.7 prescribed by the commissioner.

29.8            (b) The commissioner may make arrangements, including contracting with an  
29.9 outside testing service, for administering examinations.

29.10           (c) An individual who fails to appear for the examination as scheduled or fails to  
29.11 pass the examination must reapply for an examination and remit all required fees and  
29.12 forms before being rescheduled for another examination.

29.13           (d) The commissioner may by rule determine the period of time between failure of  
29.14 an examination and reexamination.

29.15           (e) A person shall not be eligible to take an examination if that person's license as  
29.16 an adjuster or public adjuster solicitor has been revoked in this or any other state within  
29.17 the three years next preceding the date of the application.

29.18           (f) No examination shall be required for the timely renewal of a license, unless the  
29.19 license has been revoked.

29.20           Subd. 5. **Exceptions.** (a) An individual who applies for an independent adjuster  
29.21 license in this state who is or was licensed in another state for the same lines of authority  
29.22 based on an independent adjuster examination is not required to complete a prelicensing  
29.23 examination. This exemption is only available if the person is currently licensed in  
29.24 another state or if that state license has expired and the application is received by this state  
29.25 within 90 days of expiration. The applicant must provide certification from the other state  
29.26 that the applicant's license is currently in good standing or was in good standing at the  
29.27 time of expiration or certification from the other state that its producer database records,  
29.28 maintained by the NAIC, its affiliates, or its subsidiaries, indicate that the applicant or the  
29.29 applicant's company is or was licensed in good standing. The certification must be of a  
29.30 license with the same line of authority for which the individual has applied.

29.31           (b) A person licensed as an independent adjuster in another state based on an  
29.32 independent adjuster examination who establishes legal residency in this state must make  
29.33 application within 90 days to become a resident independent adjuster licensee pursuant to  
29.34 this section, with the exception that no prelicensing examination is required of this person.

30.1 (c) A person who has held a license of any given class or in any field or fields within  
30.2 three years prior to the application shall be entitled to a renewal of the license in the same  
30.3 class or in the same fields without taking an examination.

30.4 (d) A person applying for a license as a crop hail adjuster shall not be required to  
30.5 comply with the requirements of subdivision 4.

30.6 Subd. 6. **License term.** (a) Initial licenses issued to a business entity under this  
30.7 section are valid for a period not to exceed 24 months. Each initial license must expire on  
30.8 October 31 of the expiration year assigned by the commissioner. Initial licenses issued  
30.9 to an individual adjuster under this chapter before August 1, 2010, are valid for a period  
30.10 not to exceed 24 months and expire on October 31 of the renewal year assigned by the  
30.11 commissioner. Each individual license initially issued or initially renewed on or after  
30.12 August 1, 2010, must expire on the last day of the birth month of the adjuster in the year  
30.13 that will result in the term of the license being at least 12 months, but no more than 24  
30.14 months. Beginning with the first license expiration on the last day of the birth month of an  
30.15 individual adjuster as set forth in this subdivision, all such licenses must after this date  
30.16 expire biennially on the last day of the birth month of the individual adjuster that is two  
30.17 years subsequent to the preceding expiration date.

30.18 (b) Licenses issued under this section may be renewed upon the timely filing of an  
30.19 application for renewal.

30.20 Subd. 7. **Renewal.** An application for renewal of a license issued under sections  
30.21 72B.01 to 72B.14 shall be on a form prescribed by the commissioner and shall be filed  
30.22 with the commissioner with payment of the renewal fee prior to the expiration date  
30.23 of the license.

30.24 Subd. 8. **Notice of changes.** Each licensee or holder of a temporary permit shall  
30.25 give written notice to the commissioner of any change in name, or residence address not  
30.26 later than ten days after such change. The commissioner may, upon receipt of such notice,  
30.27 issue an amendment to the license incorporating such changes.

30.28 Subd. 9. **Fees.** A fee of \$50 is imposed for each initial license or temporary permit  
30.29 and \$50 for each renewal thereof or amendment thereto. A fee of \$20 is imposed for the  
30.30 registration of each nonlicensed adjuster who is required to register under section 72B.06.  
30.31 All fees shall be transmitted to the commissioner and shall be payable to the Department  
30.32 of Commerce.

30.33 Sec. 44. **[72B.045] CONTINUING EDUCATION.**

30.34 Subdivision 1. **Requirement.** An individual who holds an independent adjuster  
30.35 license and who is not exempt under this section must satisfactorily complete a minimum

31.1 of 24 hours of continuing education courses, of which three hours must be in ethics,  
31.2 reported to the commissioner on a biennial basis in conjunction with his or her license  
31.3 renewal cycle.

31.4 Subd. 2. **Exceptions.** This section does not apply to:

31.5 (1) a licensee not licensed for one full year prior to the end of the applicable  
31.6 continuing education biennium; or

31.7 (2) a licensee holding a nonresident independent adjuster license who has met the  
31.8 continuing education requirements of his or her designated home state.

31.9 Sec. 45. Minnesota Statutes 2008, section 72B.05, is amended to read:

31.10 **72B.05 NONRESIDENTS.**

31.11 ~~A nonresident person may become licensed under sections 72B.01 to 72B.14,~~  
31.12 ~~provided that the person meets all of the requirements of sections 72B.01 to 72B.14, and~~  
31.13 ~~complies with their provisions, and, on a form prescribed by the commissioner, appoints~~  
31.14 ~~the commissioner as the attorney upon whom may be served all legal process issued~~  
31.15 ~~in connection with any action or proceeding brought or pending in this state against or~~  
31.16 ~~involving the licensee and relating to transactions under the license; the appointment~~  
31.17 ~~shall be irrevocable and shall continue so long as any such action or proceeding could~~  
31.18 ~~arise or exist.~~

31.19 ~~Service of process must be made in compliance with section 45.028, subdivision 2.~~

31.20 (a) Unless refused licensure pursuant to section 72B.08, a nonresident person shall receive  
31.21 a nonresident independent adjuster license if:

31.22 (1) the person is currently licensed in good standing as an independent adjuster  
31.23 in his, her, or its resident or home state;

31.24 (2) the person has submitted the proper request for licensure and has paid the fees  
31.25 required by section 72B.041, subdivision 9;

31.26 (3) the person has submitted or transmitted to the commissioner the appropriate  
31.27 completed application for licensure; and

31.28 (4) the person's designated home state awards nonresident independent adjuster  
31.29 licenses to persons of this state on the same basis.

31.30 (b) The commissioner may verify the independent adjuster's licensing status through  
31.31 any appropriate database, including the producer database maintained by the National  
31.32 Association of Insurance Commissioners, its affiliates, or its subsidiaries, or may request  
31.33 certification of good standing as described in section 72B.041, subdivision 5.

31.34 (c) As a condition to the continuation of a nonresident independent adjuster license,  
31.35 the licensee must maintain a resident independent adjuster license in his, her, or its

32.1 home state. The nonresident independent adjuster license issued under this chapter must  
 32.2 terminate and be surrendered immediately to the commissioner if the resident independent  
 32.3 adjuster license terminates for any reason, unless the termination is due to the independent  
 32.4 adjuster being issued a new resident independent adjuster license in his, her, or its new  
 32.5 home state. The new state resident independent adjuster license must have reciprocity with  
 32.6 the licensing nonresident states, otherwise, the nonresident independent adjuster license  
 32.7 must terminate. Notice of resident independent adjuster license termination must be given  
 32.8 to any state that issued a nonresident independent adjuster license. Notice must be given  
 32.9 within 30 days of the termination date, if terminated for change in the resident home  
 32.10 state, then the notice must include both the previous and current address. Maintaining a  
 32.11 resident independent adjuster license is required for the nonresident independent adjuster  
 32.12 license to remain valid.

32.13 Sec. 46. Minnesota Statutes 2008, section 72B.06, is amended to read:

32.14 **72B.06 CATASTROPHE ~~OR EMERGENCY~~ SITUATIONS.**

32.15 ~~Any person acting as an independent adjuster in this state in a catastrophe or~~  
 32.16 ~~emergency situation who is not a licensed adjuster, must register with the commissioner~~  
 32.17 ~~within 72 hours of commencing any adjusting assignments. The registration shall be~~  
 32.18 ~~made on such form as the commissioner shall prescribe and shall include the name~~  
 32.19 ~~of the registrant, permanent home address and address for the period during which the~~  
 32.20 ~~registration is effective, the categories of losses being adjusted by the registrant, the name~~  
 32.21 ~~of the licensed independent adjuster or staff adjuster who will be supervising that adjuster,~~  
 32.22 ~~and the name of the insurer or insurers in whose behalf the adjusting is being done.~~  
 32.23 ~~No person shall register or be allowed to adjust losses under this provision unless that~~  
 32.24 ~~person is under the supervision of a staff adjuster or a licensed independent adjuster. The~~  
 32.25 ~~supervising adjuster shall indicate on the registration filing the period of time for which~~  
 32.26 ~~the registration is being made, and no unlicensed person shall undertake to adjust losses~~  
 32.27 ~~after the termination of the registration.~~

32.28 ~~Each registrant under this section shall promptly give written notice to the~~  
 32.29 ~~commissioner of any change in address while in this state, or any other information stated~~  
 32.30 ~~in the registration statement. (a) In the event of a declared catastrophe, an insurer must~~  
 32.31 notify the commissioner via an application for registration of each individual, not already  
 32.32 licensed in the state where the catastrophe has been declared, that will act as an emergency  
 32.33 independent adjuster on behalf of the insurer.

32.34 (b) A person who is otherwise qualified to adjust claims, but not already licensed in  
 32.35 the state where the catastrophe has been declared, may act as an emergency independent



33.1 adjuster and adjust claims, if, within five days of deployment to adjust claims arising from  
 33.2 the declared catastrophe, the insurer notifies the commissioner by providing the following  
 33.3 information in a format prescribed by the commissioner:

33.4 (1) the name of the individual;

33.5 (2) the Social Security number of the individual;

33.6 (3) the name of insurer the independent adjuster will represent;

33.7 (4) the effective date of the contract between the insurer and independent adjuster;

33.8 (5) the catastrophe or loss control number;

33.9 (6) the catastrophe event name; and

33.10 (7) other information the commissioner deems necessary.

33.11 (c) An emergency independent adjuster's license or registration remains in force for  
 33.12 a period not to exceed 90 days, unless extended by the commissioner.

33.13 The commissioner may summarily suspend or revoke the right of any person  
 33.14 adjusting in this state under the authority of this section to continue to adjust in this state,  
 33.15 if the commissioner finds that that person has engaged in any of the practices forbidden  
 33.16 to a licensed adjuster under sections 72B.01 to 72B.14. Notice of such suspension or  
 33.17 revocation may be given personally or by mail sent to the temporary address stated in the  
 33.18 registration. ~~A duplicate copy of such notice shall be given to the supervising adjuster.~~

33.19 Sec. 47. Minnesota Statutes 2008, section 72B.08, subdivision 1, is amended to read:

33.20 Subdivision 1. **Causes.** The commissioner may place on probation, suspend,  
 33.21 revoke, or refuse to issue an initial or renewal or renew an independent adjuster's license  
 33.22 or temporary permit or may levy a civil penalty according to section 45.027, subdivision  
 33.23 6, or any combination of the above actions for any of the following causes:

33.24 ~~(a)~~ (1) failure to pass a required examination;

33.25 ~~(b) material~~ (2) obtaining or attempting to obtain a license through misrepresentation  
 33.26 or fraud in obtaining or attempting to obtain a license or a temporary permit providing  
 33.27 incorrect, misleading, incomplete, or materially untrue information in the license  
 33.28 application;

33.29 ~~(c) willful violation of~~ (3) violating any insurance law laws, rules, subpoena, or order  
 33.30 of the commissioner or of another state's insurance commissioner or of any provision of  
 33.31 sections 72B.01 to 72B.14;

33.32 ~~(d) misappropriation, conversion or illegal withholding of moneys required to be~~  
 33.33 ~~held in a fiduciary capacity~~ (4) improperly withholding, misappropriating, or converting  
 33.34 any money or properties received in the course of doing insurance business;

34.1 ~~(e)~~ (5) intentionally misrepresenting the terms and effect of any an actual  
 34.2 or proposed insurance contract or application for insurance, with intent to deceive, or  
 34.3 engaging in, or attempting to engage in, any fraudulent transaction with respect to a claim  
 34.4 or loss that the licensee or holder of a temporary permit is adjusting and, in the case of a  
 34.5 public adjuster solicitor, misrepresenting the services offered or the fees or commission  
 34.6 to be charged;

34.7 ~~(f)~~ (6) conviction of a felony under the laws of this state, any other state, the United  
 34.8 States, or any foreign country;

34.9 ~~(g)~~ (7) the licensee or holder of a temporary permit has demonstrated incompetency  
 34.10 or untrustworthiness to act as an adjuster or public adjuster solicitor;

34.11 ~~(h)~~ (8) refusal to comply with any lawful order of the commissioner;

34.12 (9) having admitted or been found to have committed any insurance unfair trade  
 34.13 practice or fraud;

34.14 (10) using fraudulent, coercive, or dishonest practices, or demonstrating  
 34.15 incompetence, untrustworthiness, or financial irresponsibility, in the conduct of insurance  
 34.16 business in this state or elsewhere;

34.17 (11) having an insurance license, or its equivalent, probated, suspended, revoked, or  
 34.18 refused in any other state, province, district, or territory;

34.19 (12) forging another's name to any document related to an insurance transaction;

34.20 (13) cheating, including improperly using notes or any other reference material, to  
 34.21 complete an examination for an insurance license;

34.22 (14) failing to comply with an administrative or court order imposing a child support  
 34.23 obligation; or

34.24 (15) failing to pay state income tax or comply with any administrative or court order  
 34.25 directing payment of state income tax which remains unpaid.

34.26 Sec. 48. Minnesota Statutes 2008, section 72B.08, subdivision 2, is amended to read:

34.27 Subd. 2. **Notice.** ~~If an application for a license or temporary permit is rejected by~~  
 34.28 ~~the commissioner, the commissioner shall forthwith give written notice to the person~~  
 34.29 ~~concerned, mailed to that person's last known address. The notice shall state the reason for~~  
 34.30 ~~the action.~~ In the event that the action by the commissioner is to refuse application for  
 34.31 licensure or renewal of an existing license, the commissioner must notify the applicant or  
 34.32 licensee in writing, advising of the reason for the refusal.

34.33 Sec. 49. Minnesota Statutes 2008, section 72B.08, subdivision 4, is amended to read:

35.1 Subd. 4. **Suspension or revocation of license or permit.** When the commissioner  
35.2 has information, which if true, would be grounds for suspension, revocation, or refusal to  
35.3 issue a renewal license or a temporary permit, the commissioner may order the licensee or  
35.4 holder of the temporary permit to appear for a hearing pursuant to chapter 14, to determine  
35.5 the facts of the case and to determine whether the license or permit should be suspended  
35.6 or revoked, or whether it should not be renewed. The order shall fix the time and place for  
35.7 the hearing. After the hearing, the commissioner shall enter an order either dismissing the  
35.8 matter or suspending or revoking the license or temporary permit, or otherwise disposing  
35.9 of the matter as the facts require. Pending the results of the hearing, the licensee or permit  
35.10 holder may continue to act under the license or permit.

35.11 The license of a business entity may be probated, suspended, revoked, or refused if  
35.12 the commissioner finds, after a hearing, that:

35.13 (1) its designated individual licensee's violation occurred while acting on behalf of  
35.14 or representing the business entity;

35.15 (2) the violation was known or should have been known by one or more of the  
35.16 business entity's partners, officers, or managers;

35.17 (3) the violation was not reported to the commissioner; and

35.18 (4) corrective action was not taken.

35.19 In addition to or in lieu of any applicable probation, suspension, revocation, or  
35.20 refusal, a person may, after a hearing, additionally be subject to a civil fine according  
35.21 to section 45.027, subdivision 6.

35.22 The commissioner retains the authority to enforce the provisions of and impose  
35.23 any penalty or remedy authorized by this chapter and section 45.027, subdivision 6,  
35.24 against any person who is under investigation for or charged with a violation of this  
35.25 chapter or sections 72A.17 to 72A.32, even if the person's license or registration has been  
35.26 surrendered or has expired by operation of law.

35.27 **Sec. 50. [72B.105] RECORDS OF INDEPENDENT ADJUSTERS TO BE**  
35.28 **RETAINED.**

35.29 An independent adjuster must maintain a copy of each contract between the  
35.30 independent adjuster and the insurer or self-insurer and comply with the record retention  
35.31 policy as agreed to in that contract.

35.32 **Sec. 51. [72B.106] STANDARDS OF CONDUCT OF INDEPENDENT**  
35.33 **ADJUSTERS.**

36.1 (a) An independent adjuster must be honest and fair in all communications with the  
 36.2 insured, the insurer, and the public.

36.3 (b) An independent adjuster must give policyholders and claimants prompt,  
 36.4 knowledgeable service and courteous, fair, and objective treatment at all times.

36.5 (c) An independent adjuster must not give legal advice and must not deal directly  
 36.6 with any policyholder or claimant who is represented by legal counsel without the consent  
 36.7 for the legal counsel involved.

36.8 (d) An independent adjuster must comply with all local, state, and federal privacy  
 36.9 and information security laws, if applicable.

36.10 (e) An independent adjuster must identify himself or herself as an independent  
 36.11 adjuster and, if applicable, identify his or her employer when dealing with any  
 36.12 policyholder or claimant.

36.13 (f) An independent adjuster must not have any financial interest in any adjustment or  
 36.14 acquire for himself or herself or any person any interest or title in salvage, without first  
 36.15 receiving written authority from the principal.

36.16 **Sec. 52. [72B.107] REPORTING OF ACTIONS OF INDEPENDENT**  
 36.17 **ADJUSTER.**

36.18 (a) An independent adjuster must report to the commissioner any administrative  
 36.19 action taken against the independent adjuster in another jurisdiction or by another  
 36.20 governmental agency in this state within 30 days of the final disposition of the matter.  
 36.21 The report must include a copy of the order or consent order and any other relevant legal  
 36.22 documents.

36.23 (b) An independent adjuster must report to the commissioner any criminal action  
 36.24 taken against the independent adjuster in this or any jurisdiction within 30 days of the final  
 36.25 disposition of the criminal matter. The report must include a copy of the initial complaint  
 36.26 filed, the final order issued by the court, and any other relevant legal documents.

36.27 **Sec. 53. Minnesota Statutes 2008, section 72B.135, subdivision 1, is amended to read:**

36.28 **Subdivision 1. ~~Homeowner's Insured's right to cancel. A homeowner~~ An insured**  
 36.29 **who has entered into a contract with a public adjuster involving the business for which**  
 36.30 **the person was licensed, has the right to cancel the contract within ~~48~~ 72 hours after the**  
 36.31 **contract has been signed. Cancellation is evidenced by the ~~homeowner~~ insured giving**  
 36.32 **written notice of cancellation to the public adjuster at the address stated in the contract.**  
 36.33 **Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly**  
 36.34 **addressed to the public adjuster and postage prepaid. Notice of cancellation need not take**

37.1 a particular form and is sufficient if it indicates, by any form of written expression, the  
37.2 intention of the ~~homeowner~~ insured not to be bound by the contract.

37.3 Sec. 54. Minnesota Statutes 2008, section 72B.135, subdivision 2, is amended to read:

37.4 Subd. 2. **Writing required; notice of right to cancel; notice of cancellation.** (a)  
37.5 Before entering a contract referred to in subdivision 1, the public adjuster must:

37.6 (1) furnish the ~~homeowner~~ insured with a statement in boldface type of a minimum  
37.7 size of ten points, in substantially the following form:

37.8 "You, the ~~homeowner~~ insured, may cancel this contract at any time within ~~48~~ 72  
37.9 hours after the contract has been signed between the ~~homeowner~~ insured and the public  
37.10 adjuster. See attached notice of cancellation form for an explanation of this right."; and

37.11 (2) furnish each ~~homeowner~~ insured, a fully completed form in duplicate, captioned,  
37.12 "NOTICE OF CANCELLATION," which shall be attached to the contract and easily  
37.13 detachable, and which shall contain in boldface type of a minimum size of ten points  
37.14 the following information and statements:

37.15 "NOTICE OF CANCELLATION

37.16 .....

37.17 (enter date of contract)

37.18 If you do not want to go forward with the contract with the public adjuster, you may  
37.19 cancel the contract by mailing or delivering a signed and dated copy of this cancellation  
37.20 notice or any other written notice, or send a telegram to (Name of Public Adjuster), at  
37.21 (Address of Public Adjuster's Place of Business) not later than midnight of (Date). If you  
37.22 cancel, any payments made by you under the contract will be returned within ten business  
37.23 days following receipt by the public adjuster of your cancellation notice.

37.24 I HEREBY CANCEL THIS TRANSACTION.

37.25 .....

37.26 (date)

37.27 .....

37.28 (~~Homeowner's~~ Insured's signature)"

37.29 Sec. 55. Minnesota Statutes 2008, section 72B.135, subdivision 3, is amended to read:

37.30 Subd. 3. **Return of payments; compensation.** Within ten days after a contract  
37.31 referred to in subdivision 1 has been canceled, the public adjuster must tender to the  
37.32 ~~homeowner~~ insured any payments made by the ~~homeowner~~ insured and any note or other  
37.33 evidence of indebtedness. However, if the public adjuster has performed any emergency  
37.34 services within the ~~48-hour~~ 72-hour period, the public adjuster is entitled to compensation

38.1 for such services. Emergency services shall mean the removal of water, boarding up a  
38.2 building, and reconnecting lights and heat.

38.3 **Sec. 56. [82.295] EDUCATION; COURSE CURRICULUM.**

38.4 Subdivision 1. Course I. (a) Introduction to Real Estate, one hour:

38.5 (1) overview of course I:

38.6 (i) course goals;

38.7 (ii) attendance breaks;

38.8 (iii) examination policy; and

38.9 (iv) course and instructor evaluation;

38.10 (2) scope of industry;

38.11 (3) areas of specialization;

38.12 (4) industry terminology;

38.13 (5) professional standards and ethics; and

38.14 (6) broker/salesperson relationship.

38.15 (b) Title Closing, six hours:

38.16 (1) examination of title:

38.17 (i) history;

38.18 (ii) examination of abstract;

38.19 (iii) title insurance:

38.20 (A) owners;

38.21 (B) purchasers; and

38.22 (C) mortgage; and

38.23 (iv) title registration (torrens);

38.24 (2) closing:

38.25 (i) closing checklist;

38.26 (ii) methods of closing;

38.27 (A) closing through escrow; and

38.28 (B) other;

38.29 (iii) delivery of deed;

38.30 (iv) responsibilities of buyer and seller;

38.31 (A) taxes and liens;

38.32 (B) reduction certificate (assumption statement);

38.33 (C) insurance;

38.34 (D) leases;

38.35 (E) bill of sale;

- 39.1 (F) title search;
- 39.2 (G) survey;
- 39.3 (H) certificate of occupancy;
- 39.4 (I) violations (ordinances); and
- 39.5 (J) apportionments;
- 39.6 (v) adjournment of closing (settlement);
- 39.7 (vi) Real Estate Settlement Procedures Act (RESPA):
- 39.8 (A) lender requirements;
- 39.9 (B) truth in lending (regulation Z); and
- 39.10 (C) settlement (closing);
- 39.11 (vii) responsibilities of broker;
- 39.12 (viii) deeds:
- 39.13 (A) parts of a deed:
- 39.14 1. parties;
- 39.15 2. consideration;
- 39.16 3. words of conveyance;
- 39.17 4. property description;
- 39.18 5. appurtenances;
- 39.19 6. habendum (estate);
- 39.20 7. execution and acknowledgment; and
- 39.21 8. seal;
- 39.22 (B) delivery;
- 39.23 (C) recording;
- 39.24 (D) types of deeds:
- 39.25 1. quitclaim;
- 39.26 2. warranty deed and covenants;
- 39.27 3. special warranty deed; and
- 39.28 4. other;
- 39.29 (E) covenants running with the land; and
- 39.30 (F) validity;
- 39.31 (3) search and examination of title:
- 39.32 (i) object of search:
- 39.33 (A) chain of title; and
- 39.34 (B) recording acts;
- 39.35 (ii) grantor-grantee system of indexing;
- 39.36 (A) running the chain of title;

- 40.1 (B) grantors;
- 40.2 (C) mortgages;
- 40.3 (D) lis pendens;
- 40.4 (E) judgments;
- 40.5 (F) liens;
- 40.6 (G) taxes;
- 40.7 (H) court with probate jurisdiction; and
- 40.8 (I) special assessments; and
- 40.9 (iii) lot and block indexing.
- 40.10 (c) Real Estate Law, eight hours:
- 40.11 (1) Real estate license law:
- 40.12 (i) purpose of law and rules;
- 40.13 (ii) administration of law:
- 40.14 (A) Department of Commerce; and
- 40.15 (B) penalties for violation; and
- 40.16 (iii) substantive provisions of law:
- 40.17 (A) trust accounts;
- 40.18 (B) prohibition of fraudulent, deceptive, or dishonest practices;
- 40.19 (C) standards of conduct;
- 40.20 (D) Real Estate Research and Recovery Fund; and
- 40.21 (E) licensing and education requirements;
- 40.22 (2) laws relating to agency;
- 40.23 (3) subdivided land act:
- 40.24 (i) scope of law;
- 40.25 (ii) registration provisions; and
- 40.26 (iii) licensing requirements;
- 40.27 (4) Securities Act-potential applicability to real estate; and
- 40.28 (5) appraiser licensing law.
- 40.29 (d) Basic Law of Contracts, three hours:
- 40.30 (1) definition;
- 40.31 (2) essentials;
- 40.32 (3) breach-remedies;
- 40.33 (4) types of real estate contracts:
- 40.34 (i) purchase agreement-parties to;
- 40.35 (ii) listing agreement-parties to;
- 40.36 (iii) contract for deed;



- 41.1 (iv) options; and
- 41.2 (v) lease; and
- 41.3 (5) cancellation.
- 41.4 (e) Principles of Financing, five hours:
- 41.5 (1) types:
- 41.6 (i) FHA;
- 41.7 (ii) VA;
- 41.8 (iii) Conventional/insured conventional;
- 41.9 (iv) ARM;
- 41.10 (v) other; and
- 41.11 (vi) points;
- 41.12 (2) sources of mortgage funds:
- 41.13 (i) lenders;
- 41.14 (ii) secondary mortgage market; and
- 41.15 (iii) owner financing; and
- 41.16 (3) usury.
- 41.17 (f) Types and Classifications of Property, four hours:
- 41.18 (1) residential construction, government regulation;
- 41.19 (2) land development and use:
- 41.20 (i) city planning; and
- 41.21 (ii) zoning; and
- 41.22 (3) condominiums, cooperatives, planned unit developments, common interest
- 41.23 communities, manufactured housing:
- 41.24 (i) definitions;
- 41.25 (ii) financing;
- 41.26 (iii) licenses required to sell;
- 41.27 (iv) homeowner's associations; and
- 41.28 (v) bylaws.
- 41.29 (g) Environmental Issues, three hours.
- 41.30 Subd. 2. **Course II.** (a) Valuation, three hours:
- 41.31 (1) evaluation vs. appraisal;
- 41.32 (2) methods of valuation:
- 41.33 (i) market approach;
- 41.34 (ii) cost approach; and
- 41.35 (iii) income approach; and
- 41.36 (3) tax value.

- 42.1 (b) Financing Applications, seven hours:
- 42.2 (1) review of course I financing;
- 42.3 (2) mortgages:
- 42.4 (i) legal elements;
- 42.5 (ii) theories:
- 42.6 (A) lien; and
- 42.7 (B) title;
- 42.8 (iii) mortgage note; and
- 42.9 (iv) assumption; and
- 42.10 (3) foreclosure/default.
- 42.11 (c) Contracts, 16 hours:
- 42.12 (1) Review of course I contracts;
- 42.13 (2) purchase agreement, essential elements;
- 42.14 (3) listing agreement:
- 42.15 (i) employment contract - broker; and
- 42.16 (ii) essential elements; and
- 42.17 (4) contract for deed, essential elements.
- 42.18 (d) Fair housing, three hours:
- 42.19 (1) Federal fair housing laws; and
- 42.20 (2) state fair housing laws.
- 42.21 (e) Real Estate Specialties, one hour.
- 42.22 Subd. 3. **Course III.** Course III must be a 30-hour course consisting of one of the
- 42.23 courses in paragraphs (a) to (j).
- 42.24 (a) Real Estate Appraisal:
- 42.25 (1) nature, importance, and purposes of appraisals;
- 42.26 (2) nature, importance, and characteristics of property and value;
- 42.27 (3) principles controlling real estate value;
- 42.28 (4) the appraisal process;
- 42.29 (5) economic and neighborhood analysis;
- 42.30 (6) considerations and fundamentals of site evaluation;
- 42.31 (7) construction methods and materials;
- 42.32 (8) architectural styles and utility;
- 42.33 (9) cost approach; estimating costs and accrued depreciation;
- 42.34 (10) analysis;
- 42.35 (11) market data approach;

- 43.1 (12) income approach; income and expense analysis, capitalization theory and  
43.2 techniques;
- 43.3 (13) reconciliation and final value estimate;  
43.4 (14) writing the report;  
43.5 (15) USPAP; and  
43.6 (16) course examination.
- 43.7 (b) Closing Procedures:  
43.8 (1) overview of closing; persons present, protocol, timeliness;  
43.9 (2) review of purchase agreement, supplements, addendum;  
43.10 (3) compilation of data needed to prepare a closing file;  
43.11 (4) legal documents;  
43.12 (5) abstracts, title procedures;  
43.13 (6) review of settlement costs; buyer, seller;  
43.14 (7) closing statement; prorations and other math;  
43.15 (8) review of sample cases;  
43.16 (9) follow-up procedures; and  
43.17 (10) course examination.
- 43.18 (c) Farm and Ranch Brokerage:  
43.19 (1) responsibilities of broker to seller and buyer;  
43.20 (2) selling options;  
43.21 (3) sources of financing;  
43.22 (4) factors in selecting a farm or ranch;  
43.23 (5) advantages and disadvantages of irrigation systems;  
43.24 (6) determination of farm and ranch value;  
43.25 (7) consideration in the constructing of purchase agreements; and  
43.26 (8) course examination.
- 43.27 (d) Real Estate Finance:  
43.28 (1) introduction to the mortgage market;  
43.29 (2) sources of mortgage money;  
43.30 (3) real estate investment trusts and syndication;  
43.31 (4) mortgage banking;  
43.32 (5) financing residential properties;  
43.33 (6) financing income producing properties;  
43.34 (7) construction and land development loans;  
43.35 (8) special techniques used in financing real estate;  
43.36 (9) junior mortgages;

- 44.1 (10) land contracts;
- 44.2 (11) financing long-term leases; and
- 44.3 (12) course examination.
- 44.4 (e) Real Estate Investment:
- 44.5 (1) real estate investments;
- 44.6 (2) discounted cash flow analysis;
- 44.7 (3) measuring investment returns;
- 44.8 (4) estimation of real estate cash flows;
- 44.9 (5) real estate financing;
- 44.10 (6) the tax process;
- 44.11 (7) acquisitions and operations;
- 44.12 (8) dispositions and exchanges;
- 44.13 (9) after-tax investment analysis;
- 44.14 (10) speculative land investment;
- 44.15 (11) multiple exchanges; and
- 44.16 (12) course examination.
- 44.17 (f) Real Estate Law:
- 44.18 (1) the process of real estate law;
- 44.19 (2) real estate brokerage;
- 44.20 (3) contract for the sale of real estate;
- 44.21 (4) property conveyance;
- 44.22 (5) title insurance and closing;
- 44.23 (6) property ownership and taxes;
- 44.24 (7) estates in land and landlord/tenant relationships;
- 44.25 (8) cooperatives, condominiums, and planned unit developments;
- 44.26 (9) real estate lending and land use regulations; and
- 44.27 (10) course examination.
- 44.28 (g) Real Estate Management:
- 44.29 (1) overview and economics of real estate management;
- 44.30 (2) government involvement;
- 44.31 (3) the management plan;
- 44.32 (4) owner relations and record keeping;
- 44.33 (5) marketing and leasing;
- 44.34 (6) property operations:
- 44.35 (i) tenant administration;
- 44.36 (ii) physical plant maintenance; and

- 45.1 (iii) staffing and employee relations;
- 45.2 (7) residential management:
- 45.3 (i) rental housing; and
- 45.4 (ii) condominiums and cooperatives;
- 45.5 (8) commercial management:
- 45.6 (i) office building and special purpose properties; and
- 45.7 (ii) shopping centers and retail properties;
- 45.8 (9) the management office;
- 45.9 (10) creative property management; and
- 45.10 (11) course examination.
- 45.11 (h) Business Brokerage:
- 45.12 (1) business financial statements;
- 45.13 (2) financial statement ratio analysis;
- 45.14 (3) cash flow, rate of return, and break-even analysis;
- 45.15 (4) competitive market analysis;
- 45.16 (5) valuation of the business;
- 45.17 (6) developing the business plan;
- 45.18 (7) qualifying the buyer;
- 45.19 (8) terms of the purchase agreement;
- 45.20 (9) financing the business opportunity;
- 45.21 (10) evaluation of business risk; and
- 45.22 (11) course examination.
- 45.23 (i) Commercial Real Estate:
- 45.24 (1) types of commercial properties;
- 45.25 (2) introduction to commercial real estate sales;
- 45.26 (3) office leasing;
- 45.27 (4) industrial leasing;
- 45.28 (5) retail leasing;
- 45.29 (6) business opportunity sales; and
- 45.30 (7) course examination.
- 45.31 (j) Residential Architecture and Construction:
- 45.32 (1) architectural styles and designs;
- 45.33 (2) blueprints and plans;
- 45.34 (3) construction basics;
- 45.35 (4) exteriors;
- 45.36 (5) interiors;

46.1 (6) mechanical systems; and

46.2 (7) course examination.

46.3 A combination course must consist of no more than three of the preceding ten subjects  
 46.4 and must devote at least ten hours to each subject. An education provider that proposes to  
 46.5 offer a combination course III must submit to the commissioner, as part of the application  
 46.6 for approval, an outline setting forth the subjects to be addressed and the number of hours  
 46.7 proposed to be devoted to each topic.

46.8 Subd. 4. **Broker course.** The required course for real estate brokers must consist of  
 46.9 the subject hours in paragraphs (a) to (j).

46.10 (a) Broker Licensing Requirements, three hours:

46.11 (1) ownership and operational forms; and

46.12 (2) Minnesota License Law Review.

46.13 (b) Trust Account Requirements, two hours:

46.14 (1) opening the trust account;

46.15 (2) deposit requirements; and

46.16 (3) trust account records.

46.17 (c) Agency, five hours:

46.18 (1) current statutes and agency law; and

46.19 (2) statutory addenda and disclosures.

46.20 (d) Antidiscrimination, three hours:

46.21 (1) federal fair housing;

46.22 (2) Americans with Disabilities Act; and

46.23 (3) Minnesota Human Rights Act.

46.24 (e) Real Estate Principles Update, one hour:

46.25 (1) land improvement, estates;

46.26 (2) legal descriptions;

46.27 (3) governmental rights; and

46.28 (4) property taxation and special assessments.

46.29 (f) Real Estate Sale, Lease, and Transfer, two hours:

46.30 (1) purchase agreement and addenda;

46.31 (2) lease types and terms;

46.32 (3) deed types and clauses; and

46.33 (4) contract for deed.

46.34 (g) Financing and Valuation Update, three hours:

46.35 (1) sources of financing;

46.36 (2) foreclosure law;

- 47.1 (3) principles of value; and
- 47.2 (4) methods of valuation.
- 47.3 (h) Broker's Role in Closing, three hours:
- 47.4 (1) prorating;
- 47.5 (2) closing statements;
- 47.6 (3) closing documents; and
- 47.7 (4) deposit requirements.
- 47.8 (i) Income Taxation, three hours:
- 47.9 (1) tax rules of home ownership;
- 47.10 (2) investment tax issues; and
- 47.11 (3) sale of personal residence.
- 47.12 (j) Employment Laws and Insurance, three hours:
- 47.13 (1) Fair Labor Standards Act;
- 47.14 (2) tax laws, withholding, reports;
- 47.15 (3) independent contractor vs. employee;
- 47.16 (4) State and Federal Unemployment Tax Act; and
- 47.17 (5) errors and omissions insurance.
- 47.18 (k) Final Exam.

47.19 Sec. 57. Minnesota Statutes 2008, section 82.32, is amended to read:

47.20 **82.32 LICENSING: CONTINUING EDUCATION AND INSTRUCTION.**

47.21 (a) All real estate salespersons and all real estate brokers shall be required to

47.22 successfully complete 30 hours of real estate continuing education, either as a student or

47.23 a lecturer, in courses of study approved by the commissioner, during the initial license

47.24 period and during each succeeding 24-month license period. At least 15 of the 30 credit

47.25 hours must be completed during the first 12 months of the 24-month licensing period.

47.26 Licensees may not claim credit for continuing education not actually completed as of the

47.27 date their report of continuing education compliance is filed.

47.28 (b) The commissioner may adopt rules defining the standards for course and

47.29 instructor approval, and may adopt rules for the proper administration of prelicense

47.30 instruction as required under section 82.29, subdivision 8, and continuing education

47.31 as required under this section and sections 82.29; 82.31, subdivisions 5 and 6; 82.33,

47.32 subdivisions 1 and 4 to 6; and 82.44. The commissioner may not approve a course which

47.33 can be completed by the student at home or outside the classroom without the supervision

47.34 of an instructor except accredited courses using new delivery technology, including

47.35 interactive technology, and the Internet. The commissioner may approve courses of study

48.1 in the real estate field offered in educational institutions of higher learning in this state or  
48.2 courses of study in the real estate field developed by and offered under the auspices of the  
48.3 National Association of Realtors, its affiliates, or private real estate schools. Courses in  
48.4 motivation, salesmanship, psychology, or time management shall not be approved by the  
48.5 commissioner for continuing education credit. The commissioner may approve courses in  
48.6 any other subjects, including, but not limited to, communication, marketing, negotiation,  
48.7 and technology for continuing education credit.

48.8 ~~(c) Any program approved by Minnesota continuing legal education shall be~~  
48.9 ~~approved by the commissioner of commerce for continuing education for real estate~~  
48.10 ~~brokers and salespeople if the program or any part thereof relates to real estate.~~

48.11 ~~(d)~~ (c) As part of the continuing education requirements of this section and sections  
48.12 82.29; 82.31, subdivisions 5 and 6; 82.33, subdivisions 1 and 4 to 6; and 82.44, the  
48.13 commissioner shall require that all real estate brokers and salespersons receive:

48.14 (1) at least one hour of training during each license period in courses in laws or  
48.15 regulations on agency representation and disclosure; and

48.16 (2) at least one hour of training during each license period in courses in state and  
48.17 federal fair housing laws, regulations, and rules, other antidiscrimination laws, or courses  
48.18 designed to help licensees to meet the housing needs of immigrant and other underserved  
48.19 populations.

48.20 Clauses (1) and (2) do not apply to real estate salespersons and real estate brokers  
48.21 engaged solely in the commercial real estate business who file with the commissioner  
48.22 a verification of this status along with the continuing education report required under  
48.23 paragraph (a).

48.24 ~~(e)~~ (d) The commissioner is authorized to establish a procedure for renewal of  
48.25 course accreditation.

48.26 ~~(f)~~ (e) Approved continuing education courses may be sponsored or offered by  
48.27 a broker of a real estate company and may be held on the premises of a company  
48.28 licensed under this chapter. All continuing education course offerings must be open to  
48.29 any interested individuals. Access may be restricted by the ~~sponsor~~ education provider  
48.30 based on class size only. Courses must not be approved if attendance is restricted to any  
48.31 particular group of people. A broker must comply with all continuing education rules  
48.32 prescribed by the commissioner. The commissioner shall not approve any prelicense  
48.33 instruction courses offered by, sponsored by, or affiliated with any person or company  
48.34 licensed to engage in the real estate business.

48.35 ~~(g)~~ (f) Credit may not be earned if the licensee has previously obtained credit for the  
48.36 same course as either a student or instructor during the same licensing period.



49.1 ~~(h)~~ (g) The real estate education course completion certificate must be in the form  
49.2 set forth by the commissioner. Students are responsible for maintaining copies of course  
49.3 completion certificates.

49.4 (h) An approved prelicense 30-hour broker course may be used for continuing  
49.5 education credit by a real estate salesperson or broker if the course is completed during  
49.6 the appropriate licensing period.

49.7 Sec. 58. **[82B.021] DEFINITIONS.**

49.8 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this  
49.9 section have the meanings given them.

49.10 Subd. 2. **Analysis.** "Analysis" means a study of real estate or real property other  
49.11 than estimating value.

49.12 Subd. 3. **Applicant.** "Applicant" means an individual who has applied to the  
49.13 commissioner of commerce pursuant to this chapter for a license as a real estate appraiser.

49.14 Subd. 4. **Appraisal assignment.** "Appraisal assignment" means an engagement  
49.15 for which an appraiser is employed or retained to act, or would be perceived by third  
49.16 parties or the public as acting, as a disinterested third party in giving an unbiased analysis,  
49.17 opinion, or conclusion relating to the nature, quality, value, or utility of named interests in,  
49.18 or aspects of, identified real estate.

49.19 Subd. 5. **Appraisal Foundation or foundation.** "Appraisal Foundation" or  
49.20 "foundation" means the Appraisal Foundation established on November 30, 1987, as a  
49.21 nonprofit corporation under the laws of Illinois.

49.22 Subd. 6. **Appraisal or real estate appraisal.** "Appraisal" or "real estate appraisal"  
49.23 means an analysis, opinion, or conclusion relating to the nature, quality, value, or utility  
49.24 of named interests in, or aspects of, identified real estate for purposes of preparing an  
49.25 appraisal report. An appraisal may be classified by subject matter into either a valuation  
49.26 or an analysis.

49.27 Subd. 7. **Appraisal report.** "Appraisal report" means an oral or written  
49.28 communication of an appraisal for compensation that is not a contingent fee as defined in  
49.29 section 82B.22 given or signed by a licensed real estate appraiser.

49.30 Subd. 8. **Appraisal Standards Board.** "Appraisal Standards Board" means the  
49.31 independent board of the Appraisal Foundation responsible for promulgation of minimum  
49.32 appraisal standards for federally related transactions.

49.33 Subd. 9. **Appraiser Qualifications Board.** "Appraiser Qualifications Board" means  
49.34 the independent board of the Appraisal Foundation responsible for promulgation of  
49.35 qualification criteria for licensure of real estate appraisers authorized to conduct appraisals

50.1 on federally related transactions, and for issuing or endorsing a uniform state real estate  
50.2 appraiser qualification examination.

50.3 Subd. 10. **Board.** "Board" means the Real Estate Appraisal Advisory Board  
50.4 established under section 82B.05.

50.5 Subd. 11. **Certified general real property appraiser.** "Certified general real  
50.6 property appraiser" means an individual licensed under this chapter to perform appraisals  
50.7 on all types of real property.

50.8 Subd. 12. **Certified residential real property appraiser.** "Certified residential  
50.9 real property appraiser" means an individual licensed under this chapter to perform  
50.10 appraisals on one-family to four-family residential units or agricultural property regardless  
50.11 of transaction value or complexity.

50.12 Subd. 13. **Commissioner.** "Commissioner" means the commissioner of commerce.

50.13 Subd. 14. **Federal Appraisal Subcommittee.** "Federal Appraisal Subcommittee"  
50.14 means the appraisal subcommittee of the Federal Financial Institutions Examinations  
50.15 Council under United States Code, title 12, section 3301 et. seq.

50.16 Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial  
50.17 institutions regulatory agency" means the Board of Governors of the Federal Reserve  
50.18 System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the  
50.19 Currency, the Office of Thrift Supervision, or the National Credit Union Administration.

50.20 Subd. 16. **Federally related transaction.** "Federally related transaction" means  
50.21 any real estate related financial transaction that a federal financial institutions regulatory  
50.22 agency or the federal Resolution Trust Corporation engages in, contracts for, or regulates;  
50.23 and that requires the services of a licensed or certified real estate appraiser.

50.24 Subd. 17. **Foundation appraisal organization.** "Foundation appraisal  
50.25 organization" means a member private appraisal trade organization of the Appraisal  
50.26 Foundation including, but not limited to, the following: American Institute of Real Estate  
50.27 Appraisers, American Society of Appraisers, American Society of Farm Managers and  
50.28 Rural Appraisers, International Association of Assessing Officers, International Right of  
50.29 Way Association, National Association of Independent Fee Appraisers, National Society  
50.30 of Real Estate Appraisers, or Society of Real Estate Appraisers.

50.31 Subd. 18. **Licensed real property appraiser.** "Licensed real property appraiser"  
50.32 means an individual licensed under this chapter to perform appraisals on noncomplex  
50.33 one-family to four-family residential units or agricultural property having a transactional  
50.34 value of less than \$1,000,000 and complex one-family to four-family residential units or  
50.35 agricultural property having a transactional value of less than \$250,000.

51.1            Subd. 19. **Market analysis.** "Market analysis" means a price opinion prepared by a  
51.2 licensed real estate salesperson or broker for marketing purposes.

51.3            Subd. 20. **Person.** "Person" means a natural person, firm, institution, partnership,  
51.4 corporation, or association.

51.5            Subd. 21. **Real estate.** "Real estate" means an identified parcel or tract of land,  
51.6 including improvements, if any.

51.7            Subd. 22. **Real estate appraiser or real property appraiser.** "Real estate  
51.8 appraiser" or "real property appraiser" means a person who develops and communicates  
51.9 appraisals on real property and holds a current, valid license issued under this chapter.

51.10           Subd. 23. **Real estate related financial transaction.** "Real estate related financial  
51.11 transaction" means any transaction involving the sale, lease, purchase, investment in, or  
51.12 exchange of real property, including interests in property, or the financing thereof; the  
51.13 refinancing of real property or interests in real property; and the use of real property or  
51.14 interests in property as security for a loan or investments, including mortgage-backed  
51.15 securities.

51.16           Subd. 24. **Real property.** "Real property" means one or more defined interests,  
51.17 benefits, and rights inherent in the ownership of real estate.

51.18           Subd. 25. **Residential real property or residential real estate.** "Residential real  
51.19 property" or "residential real estate" means property occupied by, or intended to be  
51.20 occupied by, one to four families as their residence.

51.21           Subd. 26. **Standards of professional practice.** "Standards of professional practice"  
51.22 means the uniform standards of professional appraisal practice of the Appraisers Standards  
51.23 Board of the Appraisal Foundation in effect as of January 1, 1991, or other version of  
51.24 these standards the commissioner may by order designate.

51.25           Subd. 27. **Trainee real property appraiser.** "Trainee real property appraiser"  
51.26 means an individual licensed under this chapter to perform appraisals on residential  
51.27 real property or agricultural acreage which does not require a net income capitalization  
51.28 analysis under the uniform standards of professional appraisal practice.

51.29           Subd. 28. **Transaction value.** "Transaction value" means:

51.30           (1) for loans or other extensions of credit, the amount of the loan or extension of  
51.31 credit;

51.32           (2) for sales, leases, purchases, and investments in or exchanges of real property, the  
51.33 market value of the real property interest involved; and

51.34           (3) for the pooling of loans or interests in real property for resale or purchase, the  
51.35 amount of the loan or market value of the real property calculated with respect to each  
51.36 such loan or interest in real property.

52.1            Subd. 29. **USPAP.** "USPAP" means the Uniform Standards of Professional  
52.2 Appraisal Practice established by the Appraisal Foundation.

52.3            Subd. 30. **Valuation.** "Valuation" means an estimate of value of real estate or  
52.4 real property.

52.5            Sec. 59. Minnesota Statutes 2008, section 82B.05, subdivision 1, is amended to read:

52.6            Subdivision 1. **Members.** The Real Estate Appraiser Advisory Board consists  
52.7 of 15 members appointed by the commissioner of commerce. Three of the members  
52.8 must be public members, four must be consumers of appraisal services, and eight must  
52.9 be real estate appraisers of whom not less than two members ~~shall~~ must be ~~registered~~  
52.10 trainee real property appraisers, licensed real property appraisers, or certified residential  
52.11 real property appraisers, not less than two members shall must be certified general real  
52.12 property appraisers, and not less than one member ~~shall~~ must be certified by the Appraisal  
52.13 Qualification Board of the Appraisal Foundation to teach the Uniform Standards of  
52.14 Professional Appraisal Practice. The board is governed by section 15.0575.

52.15            Sec. 60. Minnesota Statutes 2008, section 82B.08, is amended by adding a subdivision  
52.16 to read:

52.17            Subd. 8. **Cancellation of license.** A real estate appraiser's license must be  
52.18 canceled by the commissioner for failure of a licensee to complete continuing education  
52.19 requirements. In this case, the license must be returned to the commissioner within ten  
52.20 days of receipt of notice of cancellation.

52.21            Sec. 61. Minnesota Statutes 2008, section 82B.08, is amended by adding a subdivision  
52.22 to read:

52.23            Subd. 9. **Reinstatement of license.** Within two years of a license cancellation, a  
52.24 person who was previously licensed may reinstate the license without examination by  
52.25 completing the required application, paying the required fee for a new license application,  
52.26 and reporting successful completion of all outstanding continuing education requirements  
52.27 for the period during which the license was canceled. The license must be reinstated  
52.28 without reexamination by completing the required instruction, filing an application, and  
52.29 paying the fee for the license within two years of the cancellation date.

52.30            Sec. 62. Minnesota Statutes 2008, section 82B.08, is amended by adding a subdivision  
52.31 to read:

53.1            Subd. 10. **Withdrawal of license or application.** A licensee or license applicant  
53.2 may at any time file with the commissioner a request to withdraw from the status of  
53.3 licensee or to withdraw a pending license application. Withdrawal from the status of  
53.4 licensee or withdrawal of the license application becomes effective upon receipt by the  
53.5 commissioner unless a revocation, suspension, or denial proceeding is pending when  
53.6 the request to withdraw is filed or a proceeding to revoke, suspend, deny, or impose  
53.7 condition upon the withdrawal is instituted within 30 days after the request to withdraw  
53.8 is filed. If a proceeding is pending or instituted, withdrawal becomes effective at the  
53.9 time and upon the conditions the commissioner by order determines. If no proceeding is  
53.10 pending or instituted and withdrawal automatically becomes effective, the commissioner  
53.11 must institute a revocation or suspension proceeding within one year after withdrawal  
53.12 became effective and enter a revocation or suspension order as of the last date on which  
53.13 the license was in effect.

53.14            Sec. 63. Minnesota Statutes 2008, section 82B.08, is amended by adding a subdivision  
53.15 to read:

53.16            Subd. 11. **Failure to renew license.** If a license lapses or becomes ineffective due  
53.17 to the licensee's failure to timely file a renewal application and the licensee continues  
53.18 to conduct business for which a license is required, the commissioner must institute a  
53.19 revocation or suspension proceeding within two years after the license was last effective  
53.20 and enter a revocation or suspension order as of the last date on which the license was  
53.21 in effect.

53.22            Sec. 64. Minnesota Statutes 2008, section 82B.09, is amended by adding a subdivision  
53.23 to read:

53.24            Subd. 3. **Fees to federal appraisal subcommittee.** In addition to the fees required  
53.25 for licensure under this section, the commissioner must collect and remit such other fees  
53.26 as are required by the Federal Appraisal Subcommittee.

53.27            Sec. 65. Minnesota Statutes 2008, section 82B.10, is amended to read:

53.28            **82B.10 EXAMINATIONS.**

53.29            Subdivision 1. **Generally.** (a) An applicant for a license must pass an examination  
53.30 conducted by the commissioner. The examinations must be of sufficient scope to establish  
53.31 the competency of the applicant to act as a real estate appraiser and must conform  
53.32 with the current National Uniform Exam Content Outlines published by the Appraiser  
53.33 Qualifications Board.

54.1 (b) A passing grade for a real estate appraiser licensing examination must be the cut  
54.2 score defined by the Appraiser Qualifications Board criteria.

54.3 (c) To qualify for a license as a trainee real property appraiser, an applicant must  
54.4 pass a current trainee real property appraiser examination. The examination must test the  
54.5 applicant's knowledge of appraisal terms, principles, theories, and ethics as provided  
54.6 in this chapter.

54.7 (d) To qualify for a license as a licensed real property appraiser, an applicant must  
54.8 pass a current uniform licensed real property appraiser examination approved by the  
54.9 Appraiser Qualifications Board. The examination must test the applicant's knowledge of  
54.10 appraisal terms, principles, theories, and ethics as provided in this chapter.

54.11 (e) To qualify for a license as a certified residential real property appraiser, an  
54.12 applicant must pass a current uniform certified residential real property appraiser  
54.13 examination approved by the Appraiser Qualifications Board. The examination must test  
54.14 the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided  
54.15 in this chapter.

54.16 (f) To qualify for a license as a certified general real property appraiser, an applicant  
54.17 must pass a current uniform certified general real property appraiser examination approved  
54.18 by the Appraiser Qualifications Board. The examination must test the applicant's  
54.19 knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

54.20 Subd. 2. **Reexaminations.** An examination must be required before renewal of a  
54.21 license that has been suspended, or before the issuance of a license to a person whose  
54.22 license has been ineffective for a period of two years. No reexamination is required of an  
54.23 individual who has failed to renew an existing license because of absence from the state  
54.24 while on active duty with the armed services of the United States of America.

54.25 Subd. 3. **Examination frequency.** The commissioner ~~shall~~ must hold examinations  
54.26 at times and places the commissioner determines.

54.27 Subd. 4. **Period for application.** An applicant who obtains an acceptable score  
54.28 on an examination must file an application and obtain the license within two years of  
54.29 the date of successful completion of the examination or a second examination must be  
54.30 taken to qualify for the license.

54.31 Subd. 5. **Renewal; examination.** Except as provided in subdivision 2, no  
54.32 examination is required for the renewal of a license. However, a licensee who has been  
54.33 licensed in the state of Minnesota and who fails to renew the license for a period of two  
54.34 years must be required by the commissioner to again take an examination.

55.1 Subd. 6. **Examination eligibility; revocation.** No applicant may take an  
55.2 examination if a license as a real estate appraiser has been revoked in this or another state  
55.3 within two years of the date of the application.

55.4 Subd. 7. **Reciprocity.** This section may be waived by the commissioner for  
55.5 individuals of other jurisdictions if: (1) a written reciprocal licensing agreement is in effect  
55.6 between the commissioner and the licensing officials of that jurisdiction, (2) the individual  
55.7 is licensed in that jurisdiction, and (3) the licensing requirements of that jurisdiction are  
55.8 substantially similar to the provisions of this chapter.

55.9 Subd. 8. **Fees.** The commissioner may assess an examination fee sufficient to  
55.10 recover the actual direct costs of holding the examination.

55.11 Subd. 9. **Cheating.** The commissioner must not accept the scores of a person who  
55.12 has cheated on an examination. Cheating on a real estate appraiser examination must be  
55.13 grounds for denying an application for an appraiser's license.

55.14 Sec. 66. Minnesota Statutes 2008, section 82B.13, subdivision 4, is amended to read:

55.15 Subd. 4. **Certified residential real property appraiser.** As a prerequisite for  
55.16 licensing as a certified residential real property appraiser, an applicant must present  
55.17 evidence satisfactory to the commissioner that the person has successfully completed at  
55.18 least 120 classroom hours of prelicense courses, with particular emphasis on the appraisal  
55.19 of one to four unit residential properties. Fifteen of the 120 hours must include successful  
55.20 completion of the 15-hour national USPAP course.

55.21 After January 1, 2008, a certified residential real property appraiser applicant  
55.22 must present evidence satisfactory to the commissioner that the person has successfully  
55.23 completed:

55.24 (1) 200 hours of prelicense courses approved by the commissioner; and

55.25 (2) an associate degree from an accredited college or university. In lieu of the  
55.26 required degree the applicant may present satisfactory documentation of completion of  
55.27 21 semester credit hours from an accredited college or university covering the following  
55.28 subject matter courses: English composition; principles of economics (micro or macro);  
55.29 finance; algebra, geometry, or higher mathematics; statistics; ~~introduction to computer~~  
55.30 ~~word processing/spreadsheets~~ computer science; and business or real estate law. If an  
55.31 applicant has completed education requirements before January 1, 2008, no college  
55.32 degree is required.

55.33 Sec. 67. Minnesota Statutes 2008, section 82B.13, subdivision 5, is amended to read:

56.1 Subd. 5. **Certified general real property appraiser.** As a prerequisite for  
 56.2 licensing as a certified general real property appraiser, an applicant must present evidence  
 56.3 satisfactory to the commissioner that the person has successfully completed at least 180  
 56.4 classroom hours of prelicense courses, with particular emphasis on the appraisal of  
 56.5 nonresidential properties. Fifteen of the 180 hours must include successful completion of  
 56.6 the 15-hour national USPAP course.

56.7 After January 1, 2008, a certified general real property appraiser applicant must  
 56.8 present evidence satisfactory to the commissioner that the person has successfully  
 56.9 completed:

56.10 (1) 300 hours of prelicense courses approved by the commissioner; and

56.11 (2) a bachelor's degree from an accredited college or university. In lieu of the  
 56.12 required degree the applicant may present satisfactory documentation of completion of  
 56.13 30 semester credit hours from an accredited college or university covering the following  
 56.14 subject matters courses: English composition; micro economics; macro economics;  
 56.15 finance; algebra, geometry, or higher mathematics; statistics; ~~introduction to computer~~  
 56.16 ~~word processing/spreadsheets~~ computer science; business or real estate law; and two  
 56.17 elective courses in accounting, geography, ag-economics, business management, or real  
 56.18 estate. If an applicant has complete education requirements before January 1, 2008, no  
 56.19 college degree is required.

56.20 Sec. 68. Minnesota Statutes 2008, section 82B.13, subdivision 6, is amended to read:

56.21 Subd. 6. **All appraiser license levels.** To receive approval from the commissioner,  
 56.22 an appraiser prelicense education course must be at least 15 hours long. The required  
 56.23 course hours for all appraiser license levels include completion of the 15-hour national  
 56.24 USPAP course and specific core curriculum courses and hours in accordance with the real  
 56.25 property appraiser qualification criteria as defined by the Appraisal Qualifications Board:

56.26	Trainee	
56.27	Basic appraisal principles	30 hours
56.28	Basic appraisal procedures	30 hours
56.29	The 15-hour national USPAP course or its equivalent	15 hours
56.30	Trainee level total education requirements	75 hours
56.31	Licensed	
56.32	Basic appraisal principles	30 hours
56.33	Basic appraisal procedures	30 hours
56.34	The 15-hour national USPAP course or its equivalent	15 hours
56.35	Residential market analysis and highest and best use	15 hours
56.36	Residential appraiser site valuation and cost approach	15 hours



57.1	Residential sales comparison and income approaches	30 hours
57.2	Residential report writing and case studies	15 hours
57.3	Licensed level total education requirements	150 hours
57.4	Certified residential	
57.5	Basic appraisal principles	30 hours
57.6	Basic appraisal procedures	30 hours
57.7	The 15-hour national USPAP course or its equivalent	15 hours
57.8	Residential market analysis and highest and best use	15 hours
57.9	Residential appraiser site valuation and cost approach	15 hours
57.10	Residential sales comparison and income approaches	30 hours
57.11	Residential report writing and case studies	15 hours
57.12	Statistics, modeling, and finance	15 hours
57.13	Advanced residential applications and case studies	15 hours
57.14	Appraisal subject matter electives	20 hours
57.15	(May include hours over minimum shown above in other modules)	
57.16	Certified residential level total education requirements	200 hours
57.17	Certified general	
57.18	Basic appraisal principles	30 hours
57.19	Basic appraisal procedures	30 hours
57.20	The 15-hour national USPAP course or its equivalent	15 hours
57.21	General appraiser market analysis and highest and best use	30 hours
57.22	Statistics, modeling, and finance	15 hours
57.23	General appraiser sales comparison approach	30 hours
57.24	General appraiser site valuation and cost approach	30 hours
57.25	General appraiser income approach	60 hours
57.26	General appraiser report writing and case studies	30 hours
57.27	Appraisal subject matter electives	30 hours
57.28	(May include hours over minimum shown above in other modules)	
57.29	Certified general level total education requirements	300 hours

57.30        Sec. 69. **[82B.135] COURSE COMPLETION CERTIFICATIONS FOR REAL**  
57.31 **ESTATE APPRAISER LICENSE.**

57.32        **Subdivision 1. Submitting to commissioner.** An applicant for a real estate appraiser  
57.33 license must submit to the commissioner, along with an application for licensure, a copy  
57.34 of the course completion certificate for all required prelicensing education coursework  
57.35 applicable to the class of license sought.

57.36        **Subd. 2. Forms.** The real estate appraiser prelicensing education course completion  
57.37 certificate must be on forms provided by the commissioner.

57.38        **Subd. 3. Copies to be maintained.** Students are responsible for maintaining copies  
57.39 of course completion certificates.

58.1 Sec. 70. Minnesota Statutes 2008, section 82B.19, subdivision 1, is amended to read:

58.2 Subdivision 1. **License renewals.** (a) A licensed real estate appraiser shall must  
58.3 present evidence satisfactory to the commissioner of having met the continuing education  
58.4 requirements of this chapter before the commissioner renews a license.

58.5 The basic continuing education requirement for renewal of a license is the  
58.6 completion by the applicant either as a student or as an instructor, during the immediately  
58.7 preceding term of licensing, of at least 30 classroom hours of instruction in courses or  
58.8 seminars that have received the approval of the commissioner. Classroom hour credit  
58.9 must not be accepted for courses of less than two hours. As part of the continuing  
58.10 education requirements of this section, the commissioner ~~shall~~ must require that all real  
58.11 estate appraisers successfully complete the seven-hour national USPAP update course  
58.12 every two years. If the applicant's immediately preceding term of licensing consisted of  
58.13 ~~12~~ six or more months, but fewer than 24 months, the applicant must provide evidence of  
58.14 completion of 15 hours of instruction during the license period. The credit hours required  
58.15 under this section may be credited to a person for distance education courses that meet  
58.16 Appraiser Qualifications Board criteria. An approved prelicense education course may  
58.17 be taken for continuing education credit.

58.18 (b) The 15-hour USPAP course cannot be used to satisfy the requirement to complete  
58.19 the seven-hour national USPAP update course every two years.

58.20 (c) Notwithstanding section 326.56, subdivision 2, a licensed real estate appraiser  
58.21 returning from active military duty may be placed in active status for a period of up to 90  
58.22 days pending completion of all continuing education requirements.

58.23 Sec. 71. Minnesota Statutes 2008, section 82B.19, subdivision 2, is amended to read:

58.24 Subd. 2. **Rules.** (a) The commissioner may adopt rules to assure that persons  
58.25 renewing their licenses as licensed real estate appraisers have current knowledge of real  
58.26 property appraisal theories, practices, and techniques that will provide a high degree  
58.27 of service and protection to those members of the public with whom they deal in a  
58.28 professional relationship under authority of their license.

58.29 (b) To the extent the commissioner considers it appropriate, courses or parts of  
58.30 courses may be considered to satisfy both continuing education requirements under this  
58.31 section and continuing real estate education requirements.

58.32 (c) As a prerequisite for course approval, ~~sponsors shall~~ education providers must  
58.33 submit proposed monitoring methods, and systems for recording attendance sufficient to  
58.34 ensure that participants receive course credit only for portions actually attended.

59.1 Sec. 72. [82B.195] STANDARDS OF CONDUCT.

59.2 Subdivision 1. Compliance with uniform standards of professional appraisal  
59.3 practice. In addition to an act compelled or prohibited by this chapter, an appraiser  
59.4 must act according to the standards of professional appraisal practice defined in section  
59.5 82B.021, subdivision 31.

59.6 Subd. 2. Disclosure requirements. In addition to the requirements of the standards  
59.7 of professional appraisal practice as defined by section 82B.021, subdivision 31, an  
59.8 appraiser must, prior to performing any appraisal service which requires licensing  
59.9 pursuant to this chapter, disclose in writing to the person contracting for the appraisal  
59.10 service the information identified in clause (4). In addition, an appraiser must prepare a  
59.11 written disclosure providing the information identified in clauses (1) to (13). The written  
59.12 disclosure must be included as part of the final written appraisal report. As specified in  
59.13 this subdivision, an appraiser must:

59.14 (1) disclose who has employed the appraiser;

59.15 (2) disclose who the appraisal is rendered for, if not the person who employed  
59.16 the appraiser;

59.17 (3) disclose the purpose of the appraisal, including an explanation of the difference  
59.18 between the appraisal being given and an appraisal of fee simple market valuation;

59.19 (4) disclose any conflict of interest or situation which might reasonably be perceived  
59.20 to be a conflict of interest which must include, but not be limited to, the following  
59.21 situations:

59.22 (i) whether the appraiser has any ownership interest in the subject property or  
59.23 contiguous properties;

59.24 (ii) whether there is an ownership interest by a spouse, parent, or child of the  
59.25 appraiser in the property or contiguous properties; and

59.26 (iii) whether the appraiser has a continuing business relationship with one of the  
59.27 parties, for example, any part-time or full-time employment of the appraiser, spouse,  
59.28 children living at home, or dependent children.

59.29 Failure to promptly give notification of a conflict must be considered a violation of  
59.30 the standards of professional appraisal practice;

59.31 (5) disclose that the appraisal is a reevaluation and identify the areas of difference  
59.32 between the two appraisals and the justification for the changes;

59.33 (6) disclose any facts concerning the valuation needed for loan purposes or similar  
59.34 information that was provided to the appraiser before or during the appraisal;

59.35 (7) disclose that the appraiser has not performed appraisals of the type requested or  
59.36 for the type of property to be appraised as a regular part of the appraiser's business in the

60.1 preceding five-year period, provided that if the appraiser asserts qualification by training  
60.2 or related experience to perform the appraisal, the appraiser must set forth the training or  
60.3 experience and how it is applicable to the appraisal;

60.4 (8) disclose the license classification of the appraiser and the types of appraisals that  
60.5 the appraiser is authorized to conduct under the licensure;

60.6 (9) disclose any lack of experience or training that would affect the ability of the  
60.7 appraiser to perform the appraisal or could cause rejection of the appraisal by the party  
60.8 requiring the appraisal;

60.9 (10) disclose any appraisal on the same property made by the appraiser in the last  
60.10 three years;

60.11 (11) disclose all pertinent assumptions upon which a valuation based upon income  
60.12 from the property is derived such as expected occupancy rates, rental rates, construction of  
60.13 future improvements, roads, or highways;

60.14 (12) prior to performing the appraisal, disclose whether the appraiser has previously  
60.15 been to the property; and

60.16 (13) disclose any other fact or circumstance that could bring the reliability of the  
60.17 appraisal or the impartiality of the appraiser into question.

60.18 Subd. 3. **Additional requirements.** In addition to the requirements of subdivisions  
60.19 1 and 2, an appraiser must:

60.20 (1) not knowingly make any of the following unacceptable appraisal practices:

60.21 (i) include inaccurate or misleading factual data about the subject neighborhood,  
60.22 site, improvements, or comparable sales;

60.23 (ii) fail to comment on negative factors with respect to the subject neighborhood,  
60.24 subject property, or proximity of the subject property to adverse influences;

60.25 (iii) unless otherwise disclosed in the appraisal report, use comparables in the  
60.26 valuation process that the appraiser has not at least personally inspected from the exterior  
60.27 by driving by them;

60.28 (iv) select and use inappropriate comparable sales or fail to use comparables that are  
60.29 physically and by location the most similar to the subject property;

60.30 (v) use data, particularly comparable sales data, that was provided by parties who  
60.31 have a financial interest in the sale or financing of the subject property without the  
60.32 appraiser's verification of the information from a disinterested source. For example, it  
60.33 would be inappropriate for an appraiser to use comparable sales provided by the builder  
60.34 of the subject property or a real estate broker who is handling the sale of the subject  
60.35 property, unless the appraiser verifies the accuracy of the data provided through another  
60.36 source. If a signed HUD Settlement Statement is used for this verification, the appraiser

61.1 must also verify the sale data with the buyer or county records. The appraiser must also  
61.2 make an independent investigation to determine that the comparable sales provided were  
61.3 the best ones available;

61.4 (vi) use adjustments to the comparable sales that do not reflect the market's reaction  
61.5 to the differences between the subject property and the comparables, or fail to make  
61.6 adjustments when they are clearly indicated;

61.7 (vii) develop a valuation conclusion that is based either partially or completely on  
61.8 factors identified in chapter 363A, including race, color, creed, religion, sex, marital status,  
61.9 status with regard to public assistance, disability, familial status of the owner or occupants  
61.10 of nearby property, or national origin of either the prospective owners or occupants of the  
61.11 properties in the vicinity of the subject property; or

61.12 (viii) develop a valuation conclusion that is not supported by available market data;

61.13 (2) provide a resume, current within six months of the date it is provided, to anyone  
61.14 who employs the appraiser, indicating all professional degrees and licenses held by the  
61.15 appraiser;

61.16 (3) prior to performing the appraisal, view the entire property, inside and out, as well  
61.17 as confirm the existence of any contiguous highways, buildings, or other factors that  
61.18 affect the valuation of the property; and

61.19 (4) reject any request by the person who has employed the appraiser that is in conflict  
61.20 with the requirements of Minnesota law or this chapter and withdraw from the appraisal  
61.21 assignment if the employing party persists in the request.

61.22 Subd. 4. **Enforcement.** Failure to comply with the provisions of this section is a  
61.23 prohibited practice under section 82B.20, subdivision 2, clause (17).

61.24 Sec. 73. Minnesota Statutes 2008, section 82B.20, is amended by adding a subdivision  
61.25 to read:

61.26 Subd. 3. **Revocations.** If the commissioner finds that any licensee or applicant is no  
61.27 longer in existence or has ceased to do business as a real estate appraiser or is subject to  
61.28 an adjudication of mental incompetence or to the control of a committee, conservator, or  
61.29 guardian, or cannot be located after reasonable search, the commissioner may by order  
61.30 revoke the license or deny the application of that person.

61.31 Sec. 74. **REPEALER.**

61.32 (a) Minnesota Statutes 2008, sections 72B.02, subdivision 12; 72B.04; and 82B.02,  
61.33 are repealed.

62.1 (b) Minnesota Rules, parts 2808.0100; 2808.1000; 2808.1100; 2808.1200;  
62.2 2808.1300; 2808.1400; 2808.1500; 2808.1600; 2808.1700; 2808.2000; 2808.2100;  
62.3 2808.6000; 2808.7000; 2808.7100; 2809.0010; 2809.0020; 2809.0030; 2809.0040;  
62.4 2809.0050; 2809.0060; 2809.0070; 2809.0080; 2809.0090; 2809.0100; 2809.0110;  
62.5 2809.0120; 2809.0130; 2809.0140; 2809.0150; 2809.0160; 2809.0170; 2809.0180;  
62.6 2809.0190; 2809.0200; 2809.0210; and 2809.0220, are repealed.

62.7 **Sec. 75. EFFECTIVE DATE.**

62.8 Sections 1 to 24, 26, and 56 to 74 are effective August 1, 2009; section 25 and  
62.9 sections 27 to 50 are effective August 1, 2010.

**72B.02 DEFINITIONS.**

Subd. 12. **Single loss.** "Single loss" means a loss to a single insured, and does not necessarily include all losses resulting from a common cause.

**72B.04 LICENSE PROCEDURE AND REQUIREMENTS; EXAMINATIONS; FEES.**

Subdivision 1. **Application.** A license to act as an adjuster, or public adjuster solicitor shall only be granted by the commissioner to a qualified person upon request.

Subd. 2. **Qualifications.** An applicant for licensing as an adjuster under sections 72B.01 to 72B.14 shall be at least 18 years of age. The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

An applicant for licensing as a public adjuster solicitor under sections 72B.01 to 72B.14 shall be at least 18 years of age, shall be competent and trustworthy, and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

In the case of any applicant who has been convicted of a felony within the ten years next preceding the date of the application, and who in the judgment of the commissioner, meets the other qualifications, the commissioner may impose the additional requirement of the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.

Subd. 3. **Application.** The application for any initial or renewal license under sections 72B.01 to 72B.14 or for a temporary permit shall be signed and sworn to by the applicant and accompanied by the appropriate fee. An application for an initial license or temporary permit shall state the applicant's name, age, residence address, business name and address, educational background, previous experience in the field and class in which a license or permit is sought, the class of license applied for, and, in the case of an applicant for an adjuster's license the field in which the license is being sought, and such other information as the commissioner deems appropriate to determine the applicant's trustworthiness and competency. The application for an initial license or permit shall also state whether or not the application is being made on the basis of an examination. If the application is not made on the successful completion of an examination, it shall state the reasons why no examination is required. Renewal of a license or permit shall be made on the basis of an application for renewal. All applicants for a license as a public adjuster must attach to their application evidence that the bonding requirement has been satisfied.

Subd. 4. **Bonding.** No initial or renewal public adjuster's license shall be issued to any applicant unless there is on file with the commissioner a good and sufficient surety bond, issued by an insurer authorized to do business in this state. The bond shall be in the amount of \$10,000 with the state of Minnesota as obligee, conditioned for the prompt payment to any person entitled thereto, other than a partner or associate of the applicant, of any amounts received by the applicant or to protect any person other than a partner or associate of the applicant from loss resulting from fraud, dishonesty, forgery or theft in connection with the applicant's duties under sections 72B.01 to 72B.14; provided, however, that the aggregate liability of the surety to all persons for all losses shall, in no event, exceed the amount of such bond. The bond shall remain in effect during the term of the license, or until the surety is released from liability by the commissioner, or until canceled by the surety. The surety may cancel a bond, without prejudice to any liability which occurred prior to the cancellation, by giving at least 30 days' written notice to the commissioner. In the event that the required bond is terminated, the public adjuster's license shall automatically be suspended until a new bond is filed with the commissioner.

Subd. 5. **Examinations.** A person applying for a license under sections 72B.01 to 72B.14 must successfully complete an examination prescribed by the commissioner, which examination shall be at least in part a written examination. Examinations shall be given at such time and place as designated by the commissioner and there shall be different examinations for adjusters, public adjuster solicitors, and applicants for temporary permits. Adjusters' examinations shall be given in at least each of three fields: fire and allied lines, inland marine lines and including all perils under homeowners policies; all lines written as casualty insurance under section 60A.06, and including workers' compensation; and a combination of the two foregoing fields. Each examination shall be, in the judgment of the commissioner with the advice of the advisory committee, sufficient to require for a satisfactory score such knowledge of insurance, adjusting practices and appraisal techniques, to the extent that such knowledge is necessary for the class of license applied for and

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the field in which the applicant is being examined, that the people of Minnesota will receive insurance claim service from persons who are sufficiently trained to make fair and well informed judgments in the evaluation or settlement of insured losses. The examination for an applicant for a temporary permit may be oriented to the specified fields, but shall be less exacting than the examination for a license.

The commissioner may by rule determine the period of time between failure of an examination and reexamination.

A person shall not be eligible to take an examination if that person's license as an adjuster or public adjuster solicitor has been revoked in this or any other state within the three years next preceding the date of the application.

No examination shall be required for the timely renewal of a license, unless the license has been revoked.

**Subd. 6. Exceptions.** A person who on January 1, 1972, meets all of the qualifications specified in subdivision 2 with regard to the class of license applied for and, if experience is one of the requisites, has gained the experience within the three years next preceding January 1, 1972, shall be eligible for the issuance of a license without taking an examination.

A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.

A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 5.

The commissioner may issue a license under sections 72B.01 to 72B.14 without an examination, if the applicant presents sufficient and satisfactory evidence of having passed a similar examination in another state and if the commissioner, with the advice of the advisory board, has determined that the standards of such other state are equivalent to those in Minnesota for the class of license applied for. Any applicant who presents sufficient and satisfactory evidence of having successfully completed all six parts of the Insurance Institute of America program in adjusting or other programs approved by the commissioner shall be entitled to an adjuster's license without taking the examination prescribed in subdivision 5.

**Subd. 7. License term.** (a) Initial licenses issued under this section are valid for a period not to exceed two years. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(b) Licenses issued under this section may be renewed upon the timely filing of an application for renewal. Every renewal license is valid for a period of 24 months.

**Subd. 8. Renewal.** An application for renewal of a license issued under sections 72B.01 to 72B.14 shall be on a form prescribed by the commissioner and shall be filed with the commissioner with payment of the renewal fee prior to the expiration date of the license.

**Subd. 9. Notice of changes.** Each licensee or holder of a temporary permit shall give written notice to the commissioner of any change in name, or residence address not later than ten days after such change. The commissioner may, upon receipt of such notice, issue an amendment to the license incorporating such changes.

**Subd. 10. Fees.** A fee of \$50 is imposed for each initial license or temporary permit and \$50 for each renewal thereof or amendment thereto. A fee of \$20 is imposed for the registration of each nonlicensed adjuster who is required to register under section 72B.06. All fees shall be transmitted to the commissioner and shall be payable to the Department of Commerce.

### **82B.02 DEFINITIONS.**

**Subdivision 1. Scope.** For the purposes of this chapter, the terms in this section have the meanings given them.

**Subd. 2. Analysis.** "Analysis" means a study of real estate or real property other than estimating value.

**Subd. 3. Appraisal or real estate appraisal.** "Appraisal" or "real estate appraisal" means an analysis, opinion, or conclusion relating to the nature, quality, value, or utility of named interests in, or aspects of, identified real estate for purposes of preparing an appraisal report. An appraisal may be classified by subject matter into either a valuation or an analysis.

**Subd. 4. Appraisal assignment.** "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in giving an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of named interests in, or aspects of, identified real estate.



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Subd. 5. **Appraisal report.** "Appraisal report" means an oral or written communication of an appraisal for compensation that is not a contingent fee as defined in section 82B.22 given or signed by a licensed real estate appraiser.

Subd. 6. **Board.** "Board" means the Real Estate Appraisal Advisory Board established under section 82B.05.

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 8. **Real estate appraiser.** "Real estate appraiser" means a person who develops and communicates real estate appraisals and who holds a current, valid license issued under this chapter.

Subd. 9. **Market analysis.** "Market analysis" means a price opinion prepared by a licensed real estate salesperson or broker for marketing purposes.

Subd. 10. **Real estate.** "Real estate" means an identified parcel or tract of land, including improvements, if any.

Subd. 11. **Real property.** "Real property" means one or more defined interests, benefits, and rights inherent in the ownership of real estate.

Subd. 12. **Standards of professional practice.** "Standards of professional practice" means the uniform standards of professional appraisal practice of the Appraisers Standards Board of the Appraisal Foundation in effect as of January 1, 1991, or other version of these standards the commissioner may by order designate.

Subd. 13. **Valuation.** "Valuation" means an estimate of value of real estate or real property.

Subd. 14. **Transaction value.** "Transaction value" means:

- (1) for loans or other extensions of credit, the amount of the loan or extension of credit;
- (2) for sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and
- (3) for the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.

Subd. 15. **Residential real property or residential real estate.** "Residential real property" or "residential real estate" means property occupied by, or intended to be occupied by, one to four families as their residence.

Subd. 16. **USPAP.** "USPAP" means the Uniform Standards of Professional Appraisal Practice established by the Appraisal Foundation.