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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-EIGHTH SESSION**

**H. F. No. 1221**

03/04/2013 Authored by Dehn, R.; Isaacson; Rosenthal; Davnie and FitzSimmons  
The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy  
04/02/2013 Adoption of Report: Pass and Read Second Time  
04/29/2013 Calendar for the Day  
Read Third Time  
Passed by the House and transmitted to the Senate

1.1 A bill for an act  
1.2 relating to commerce; making various technical and housekeeping changes  
1.3 related to staff adjusters, canceled licenses, and transfer fees; providing producer  
1.4 training requirements for flood insurance products; regulating the Commerce  
1.5 Fraud Bureau; requiring property and casualty actuarial opinions of reserves and  
1.6 supporting documentation; regulating the agricultural cooperative health plan for  
1.7 farmers; regulating real property appraisals; providing application, education,  
1.8 and training requirements; regulating certain Public Utilities Commission  
1.9 requests relating to service of notices, orders, and other documents; eliminating  
1.10 the membership camping license requirement; repealing an obsolete collection  
1.11 agency rule; correcting cross-references; making adjustments to various dollar  
1.12 amounts as required by state law; providing for a method to periodically update  
1.13 Minnesota Statutes to reflect the current dollar amounts as adjusted; amending  
1.14 Minnesota Statutes 2012, sections 13.712, by adding a subdivision; 45.0135;  
1.15 45.027, subdivision 2; 45.307; 45.43; 47.59, subdivisions 3, 6; 56.12; 56.125,  
1.16 subdivision 2; 56.131, subdivisions 2, 6; 60A.62, subdivision 1; 72B.10; 82.62,  
1.17 subdivision 7; 82.63, subdivision 8; 82A.06, subdivision 2; 82A.13, subdivision  
1.18 1; 82A.18, subdivision 2; 82B.08, by adding a subdivision; 82B.094; 82B.095,  
1.19 subdivision 2; 82B.10, subdivision 1; 82B.13, subdivisions 1, 4, 5, 8, by adding  
1.20 a subdivision; 82C.16, subdivision 1; 216.17, subdivisions 2, 4; 216B.18;  
1.21 299C.40, subdivision 1; 325G.22, subdivision 1; 510.02, subdivision 1; 550.37,  
1.22 subdivisions 4, 4a, 6, 10, 12a, 23, 24; Laws 2007, chapter 147, article 12, section  
1.23 14, as amended; proposing coding for new law in Minnesota Statutes, chapters  
1.24 60A; 60K; repealing Minnesota Statutes 2012, sections 82A.16; 82A.17;  
1.25 82B.095, subdivision 1; 115C.09, subdivision 3k; Laws 2000, chapter 488,  
1.26 article 3, section 37; Minnesota Rules, part 2870.1500.

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

1.28 **ARTICLE 1**

1.29 **MISCELLANEOUS TECHNICAL CHANGES**

1.30 Section 1. **[60K.366] PRODUCER TRAINING REQUIREMENTS FOR FLOOD**  
1.31 **INSURANCE PRODUCTS.**

2.1 An individual may not sell, solicit, or negotiate flood insurance through the National  
2.2 Flood Insurance Program (NFIP) unless the individual is licensed as an insurance producer  
2.3 for one or more lines of authority under section 60K.38, subdivision 1, paragraph (b),  
2.4 clauses (3), (4), and (6), and has in addition to the training otherwise required by this  
2.5 chapter, satisfied the minimum training and education requirements established by the  
2.6 Federal Emergency Management Agency (FEMA) for all insurance producers who sell  
2.7 insurance through the NFIP and published at 70 Federal Register 52, 117.

2.8 Upon request of the commissioner, an issuer must demonstrate to the commissioner  
2.9 that its appointed producers who sell flood insurance through the NFIP have complied  
2.10 with the minimum training and education requirements established by FEMA.

2.11 Sec. 2. Minnesota Statutes 2012, section 72B.10, is amended to read:

2.12 **72B.10 STAFF ADJUSTERS.**

2.13 A staff adjuster who adjusts losses or claims in this state shall not be subject to  
2.14 the application, licensing, or examination requirements or other qualifications set forth  
2.15 in sections 72B.01 to 72B.14. Such a staff adjuster shall not, however, engage in any  
2.16 of the practices forbidden to a licensee under section 72B.08, subdivision 1, ~~clause~~  
2.17 clauses (3), (4), (5), (6), (7), or (8) through (15). If the commissioner has information,  
2.18 which if true, would establish that a staff adjuster has engaged or is engaging in any such  
2.19 prohibited practices, the commissioner may issue an order for a hearing to determine the  
2.20 facts involved. The order shall fix the time and place for hearing. The staff adjuster  
2.21 and one or more representatives of the insurer or insurers employing the staff adjuster  
2.22 shall make an appearance at the hearing unless the commissioner expressly waives the  
2.23 appearance of one or more such parties. If, following the hearing, the commissioner  
2.24 determines that the staff adjuster has engaged or is engaging in any prohibited practices,  
2.25 the commissioner may impose a fine, not in excess of \$500, on the staff adjuster or on the  
2.26 employing insurer or insurers, or on both such parties. In addition, the commissioner may  
2.27 order the employing insurer to suspend the staff adjuster from all duties for such period as  
2.28 the commissioner may deem appropriate.

2.29 Any final order of the commissioner shall be subject to judicial review. Any hearing  
2.30 or judicial review under this section shall be in accordance with the contested case  
2.31 provisions of chapter 14.

2.32 Sec. 3. Minnesota Statutes 2012, section 82.62, subdivision 7, is amended to read:

2.33 Subd. 7. **Cancellation Reinstatement of canceled salesperson's or broker's**  
2.34 **license.** A salesperson's or broker's license that has been canceled for failure of a licensee

3.1 to complete postlicensing education requirements ~~must be returned to the commissioner~~  
3.2 ~~by the licensee's broker within ten days of receipt of notice of cancellation.~~ The license  
3.3 shall be reinstated without reexamination by completing the required instruction, filing  
3.4 an application, and paying the fee for a salesperson's or broker's license within two years  
3.5 of the cancellation date.

3.6 Sec. 4. Minnesota Statutes 2012, section 82.63, subdivision 8, is amended to read:

3.7 Subd. 8. **Procedure.** An application for automatic transfer shall be made only on  
3.8 the form prescribed by the commissioner. The transfer is ineffective if the form is not  
3.9 completed in its entirety.

3.10 The form shall be accompanied by a ~~\$10~~ \$20 transfer fee, and the license renewal  
3.11 fee, if applicable. Cash will not be accepted.

3.12 The signature of the broker from whom the salesperson is transferring must predate  
3.13 the signature of the broker to whom the salesperson is transferring. The salesperson is  
3.14 unlicensed for the period of time between the times and dates of both signatures. The  
3.15 broker from whom the salesperson is transferring shall sign and date the transfer application  
3.16 upon the request of the salesperson and shall destroy the salesperson's license immediately.

3.17 Sec. 5. Minnesota Statutes 2012, section 82A.06, subdivision 2, is amended to read:

3.18 Subd. 2. **Partial transactional exemptions.** The following transactions are exempt  
3.19 from the provisions of sections 82A.03; 82A.04; 82A.05; 82A.07; 82A.08; 82A.11,  
3.20 subdivisions 2 and 4; and 82A.14; ~~82A.16; and 82A.17~~: any sale which is made to a  
3.21 person who is not then physically present in this state, and any offer which invites an  
3.22 offeree to attend a sales presentation in another state if:

3.23 (1) the offeror has given at least ten days prior written notice to the commissioner  
3.24 of its intention to offer or sell membership camping contracts to residents of this state  
3.25 pursuant to this exemption and paid a fee of \$50;

3.26 (2) the offeror has demonstrated that the sales presentation will be made, and the  
3.27 sale will be consummated, in a state which specifically regulates the offer and sale of  
3.28 membership camping contracts;

3.29 (3) the offeror has demonstrated that it will deliver a disclosure statement to offerees  
3.30 who are residents of this state which contains substantially the same or greater disclosure  
3.31 as is required by section 82A.05; and

3.32 (4) the offeror has filed a consent to service of process pursuant to section 82A.22.

3.33 Sec. 6. Minnesota Statutes 2012, section 82A.13, subdivision 1, is amended to read:

4.1 Subdivision 1. **Untrue statements filed in documents.** No person shall make  
4.2 or cause to be made any untrue statement of a material fact in an application or other  
4.3 document filed with the commissioner under this chapter, or omit to state in the application  
4.4 or other document any material fact which is required to be stated therein, or fail to  
4.5 notify the commissioner of any material change as required by ~~sections~~ section 82A.07  
4.6 ~~and 82A.16, subdivision 3.~~

4.7 Sec. 7. Minnesota Statutes 2012, section 82A.18, subdivision 2, is amended to read:

4.8 Subd. 2. **Civil penalty.** Any person who materially or repeatedly violates section  
4.9 82A.03, 82A.05, 82A.09, 82A.13, or 82A.14, ~~or 82A.16~~ shall be subject to a fine of not  
4.10 more than \$1,000 for each violation provided, however, that the total recovery arising from  
4.11 the same failure to comply, but involving different purchasers, shall be limited to \$5,000. A  
4.12 fine authorized by this subdivision may be imposed in a civil action brought by the attorney  
4.13 general on behalf of the state of Minnesota, and shall be deposited into the state treasury.

4.14 Sec. 8. Minnesota Statutes 2012, section 82C.16, subdivision 1, is amended to read:

4.15 Subdivision 1. **Powers of commissioner.** (a) The commissioner may by order  
4.16 take any or all of the following actions:

4.17 (1) bar a person from serving as an officer, director, partner, controlling person, or  
4.18 any similar role at an appraisal management company, if such person has ever been the  
4.19 subject of a final order suspending, revoking, or denying a certification, registration, or  
4.20 license as a real estate agent, broker, or appraiser, or a final order barring involvement in  
4.21 any industry or profession issued by this or another state or federal regulatory agency;

4.22 (2) deny, suspend, or revoke an appraisal management company license;

4.23 (3) censure an appraisal management company license; and

4.24 (4) impose a civil penalty as provided for in chapter 45.027.

4.25 (b) In order to take the action in paragraph (a), the commissioner must find:

4.26 (1) that the order is in the public interest; and

4.27 (2) that an officer, director, partner, employee, agent, controlling person or persons,  
4.28 or any person occupying a similar status or performing similar functions, has:

4.29 (i) violated any provision of this chapter;

4.30 (ii) filed an application for a license that is incomplete in any material respect or  
4.31 contains a statement that, in light of the circumstances under which it is made, is false or  
4.32 misleading with respect to a material fact;

4.33 (iii) failed to maintain compliance with the affirmations made under section ~~80C.03~~  
4.34 82C.03, subdivision 5;

5.1 (iv) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive,  
5.2 or dishonest act or practice, whether or not the act or practice involves the appraisal  
5.3 management company;

5.4 (v) engaged in an act or practice, whether or not the act or practice involves the  
5.5 business of appraisal management, appraisal assignments, or real estate mortgage related  
5.6 practices, that demonstrates untrustworthiness, financial irresponsibility, or incompetence;

5.7 (vi) pled guilty, with or without explicitly admitting guilt, pled nolo contendere,  
5.8 or been convicted of a felony, gross misdemeanor, or a misdemeanor involving moral  
5.9 turpitude;

5.10 (vii) paid a civil penalty or been the subject of disciplinary action by the  
5.11 commissioner, or an order of suspension or revocation, cease and desist order, or  
5.12 injunction order, or an order barring involvement in an industry or profession issued by  
5.13 this or any other state or federal regulatory agency or government-sponsored enterprise,  
5.14 or by the secretary of Housing and Urban Development;

5.15 (viii) been found by a court of competent jurisdiction to have engaged in conduct  
5.16 evidencing gross negligence, fraud, misrepresentation, or deceit;

5.17 (ix) refused to cooperate with an investigation or examination by the commissioner;

5.18 (x) failed to pay any fee or assessment imposed by the commissioner; or

5.19 (xi) failed to comply with state and federal tax obligations.

5.20 Sec. 9. Laws 2007, chapter 147, article 12, section 14, as amended by Laws 2010,  
5.21 chapter 344, section 4, subdivision 1, and Laws 2010, chapter 384, section 99, is amended  
5.22 to read:

5.23 Sec. 14. **AGRICULTURAL COOPERATIVE HEALTH PLAN FOR**  
5.24 **FARMERS.**

5.25 Subdivision 1. **Pilot project requirements.** Notwithstanding contrary provisions of  
5.26 Minnesota Statutes, chapter 62H, the following apply to a joint self-insurance pilot project  
5.27 administered by a trust sponsored by one or more agricultural cooperatives organized  
5.28 under Minnesota Statutes, chapter 308A or 308B, or under a federal charter for the  
5.29 purpose of offering health coverage to members of the cooperatives and their families,  
5.30 provided the project satisfies the other requirements of Minnesota Statutes, chapter 62H:

5.31 ~~(1) Minnesota Statutes, section 62H.02, paragraph (b), does not apply;~~

5.32 ~~(2) the notice period required under Minnesota Statutes, section 62H.02, paragraph~~  
5.33 ~~(e), is 90 days;~~

5.34 ~~(3)~~ (1) a joint self-insurance plan may elect to treat the sale of a health plan to or  
5.35 for an employer that has only one eligible employee who has not waived coverage as the

6.1 sale of an individual health plan as allowed under Minnesota Statutes, section 62L.02,  
6.2 subdivision 26;

6.3 (2) notwithstanding Minnesota Statutes, section 62H.05, the cooperative board of  
6.4 trustees shall consist of a minimum of five and a maximum of nine trustees;

6.5 (3) notwithstanding any other provisions of state law, a trust created under Minnesota  
6.6 Statutes, section 62H.05, may be identified as a "cooperative trust" if it is a part of an  
6.7 agricultural cooperative health plan for farmers under this section;

6.8 (4) Minnesota Statutes, section 62H.11, does not apply, and notwithstanding  
6.9 contrary provisions of Minnesota law, the agricultural cooperatives may undertake  
6.10 activities directly and through agents, brokers, third-party administrators and other entities  
6.11 to promote and market the health plan to members of the cooperatives prior to approval  
6.12 of the joint self-insurance plan;

6.13 (5) the joint self-insurance plan is exempt from the requirement in Minnesota  
6.14 Statutes, section 62H.01, to have 1,000 covered enrollees at initial enrollment when the  
6.15 following conditions are met:

6.16 (i) the plan secures approval from the commissioner of commerce of marketing  
6.17 materials, policy forms, and application forms prior to their use in securing preenrollment  
6.18 commitments; and

6.19 (ii) the plan receives commitments in the form of executed letters of intent to  
6.20 enroll from a minimum of 1,000 individuals within 12 months of approval of policy and  
6.21 application forms by the commissioner of commerce;

6.22 (6) the plan must secure prior to initial enrollment aggregate stop-loss coverage and  
6.23 individual stop-loss coverage provided by an insurance company licensed by the state of  
6.24 Minnesota. The plan must submit the stop-loss insurance contract to the commissioner of  
6.25 commerce at least 30 days prior to the proposed plan's effective date and at least 30 days  
6.26 subsequent to any renewal date. Any excess or stop-loss insurance plan must contain a  
6.27 provision that the excess or stop-loss insurer will give the plan and the commissioner of  
6.28 commerce a minimum of 180 days notice of termination or nonrenewal. If the plan fails to  
6.29 secure replacement coverage within 150 days after receipt of the notice of cancellation or  
6.30 nonrenewal, the commissioner shall issue an order providing for the orderly termination of  
6.31 the plan;

6.32 (7) the cooperative must establish a reserve fund, certified by an actuary to be  
6.33 sufficient to cover unpaid claim liability for incurred but not reported liabilities in the  
6.34 event of plan termination. Actuarial certification must include all maximum funding  
6.35 requirements for plan fixed cost requirements and current claims liability requirements and  
6.36 must include calculation for the reserve levels needed to fund all incurred but not reported

7.1 liabilities in the event of member or plan termination. All such reserve funds will be held  
 7.2 in protection of a cooperative trust, in accordance with the plan bylaws. An initial deposit  
 7.3 shall be made to the trust fund in an amount equal to the annual estimated reserve amount  
 7.4 for each of the members required for initial approval as provided by clause (5). In addition  
 7.5 to the initial deposit, monthly reserve funding will continue from a portion of billed rates  
 7.6 collected from participants which will be based on standard actuarial calculations. The  
 7.7 plan will provide scheduled financial reports to the commissioner of commerce for audit  
 7.8 of the financial health of the plan in meeting all plan liabilities;

7.9 ~~(4)~~ (8) Minnesota Statutes, section 297I.05, subdivision 12, paragraph (c), applies;  
 7.10 and

7.11 ~~(5)~~ (9) the trust must pay the assessment for the Minnesota Comprehensive Health  
 7.12 Association as provided under Minnesota Statutes, section 62E.11.

7.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.14 Sec. 10. **REPEALER.**

7.15 **Subdivision 1. Membership camping licensing requirement for salespersons or**  
 7.16 **brokers.** Minnesota Statutes 2012, sections 82A.16; and 82A.17, are repealed.

7.17 **Subd. 2. Collection agency license renewal; obsolete rule.** Minnesota Rules, part  
 7.18 2870.1500, is repealed.

## 7.19 ARTICLE 2

### 7.20 ADJUSTMENTS TO STATUTORY DOLLAR AMOUNTS

7.21 Section 1. Minnesota Statutes 2012, section 47.59, subdivision 3, is amended to read:

7.22 Subd. 3. **Finance charge for loans.** (a) With respect to a loan, including a loan  
 7.23 pursuant to open-end credit but excluding open-end credit pursuant to a credit card, a  
 7.24 financial institution may contract for and receive a finance charge on the unpaid balance of  
 7.25 the principal amount not to exceed the greater of:

7.26 (1) an annual percentage rate not exceeding 21.75 percent; or

7.27 (2) the total of:

7.28 (i) 33 percent per year on that part of the unpaid balance of the principal amount  
 7.29 not exceeding ~~\$750~~ \$1,125; and

7.30 (ii) 19 percent per year on that part of the unpaid balance of the principal amount  
 7.31 exceeding ~~\$750~~ \$1,125.

8.1 With respect to open-end credit pursuant to a credit card, the financial institution  
8.2 may contract for and receive a finance charge on the unpaid balance of the principal  
8.3 amount at an annual percentage rate not exceeding 18 percent per year.

8.4 (b) On a loan where the finance charge is calculated according to the method  
8.5 provided for in paragraph (a), clause (2), the finance charge must be contracted for and  
8.6 earned as provided in that provision or at the single annual percentage rate computed to  
8.7 the nearest one-tenth of one percent that would earn the same total finance charge at  
8.8 maturity of the contract as would be earned by the application of the graduated rates  
8.9 provided in paragraph (a), clause (2), when the debt is paid according to the agreed terms  
8.10 and the calculations are made according to the actuarial method.

8.11 (c) With respect to a loan, the finance charge must be considered not to exceed  
8.12 the maximum annual percentage rate permitted under this section if the finance charge  
8.13 contracted for and received does not exceed the equivalent of the maximum annual  
8.14 percentage rate calculated in accordance with Code of Federal Regulations, title 12, part  
8.15 226, but using the definition of finance charge provided in this section.

8.16 (d) This subdivision does not limit or restrict the manner of calculating the finance  
8.17 charge, whether by way of add-on, discount, discount points, precomputed charges, single  
8.18 annual percentage rate, variable rate, interest in advance, compounding, average daily  
8.19 balance method, or otherwise, if the annual percentage rate does not exceed that permitted  
8.20 by this section. Discount points permitted by this paragraph and not collected but included  
8.21 in the principal amount must not be included in the amount on which credit insurance  
8.22 premiums are calculated and charged.

8.23 (e) With respect to a loan secured by real estate, if a finance charge is calculated or  
8.24 collected in advance, or included in the principal amount of the loan, and the borrower  
8.25 prepays the loan in full, the financial institution shall credit the borrower with a refund of  
8.26 the charge to the extent that the annual percentage rate yield on the loan would exceed the  
8.27 maximum rate permitted under paragraph (a), taking into account the prepayment. The  
8.28 refund need not be made if it would be less than \$5 \$7.50.

8.29 (f) With respect to all other loans, if the finance charge is calculated or collected in  
8.30 advance, or included in the principal amount of the loan, and the borrower prepays the  
8.31 loan in full, the financial institution shall credit the borrower with a refund of the charge to  
8.32 the extent the annual percentage rate yield on the loan would exceed the annual percentage  
8.33 rate on the loan as originally determined under paragraph (a) and taking into account the  
8.34 prepayment. The refund need not be made if it would be less than \$5 \$7.50.

8.35 (g) For the purpose of calculating the refund under this subdivision, the financial  
8.36 institution may assume that the contract was paid before the date of prepayment according

9.1 to the schedule of payments under the loan and that all payments were paid on their due  
9.2 dates.

9.3 (h) For loans repayable in substantially equal successive monthly installments, the  
9.4 financial institution may calculate the refund under paragraph (f) as the portion of the  
9.5 finance charge allocable on an actuarial basis to all wholly unexpired payment periods  
9.6 following the date of prepayment, based on the annual percentage rate on the loan as  
9.7 originally determined under paragraph (a), and for the purpose of calculating the refund  
9.8 may assume that all payments are made on the due date.

9.9 (i) The dollar amounts in this subdivision ~~and~~, subdivision 6, paragraph (a), clause  
9.10 (4), and the dollar amount of original principal amount of closed-end credit in subdivision  
9.11 6, paragraph (d), shall change periodically, as provided in this section, according to and to  
9.12 the extent of changes in the implicit price deflator for the gross domestic product, ~~1987~~  
9.13 2005 = 100, compiled by the United States Department of Commerce, and hereafter  
9.14 referred to as the index. The index for December ~~1994~~ 2011 is the reference base index for  
9.15 adjustments of dollar amounts.

9.16 (j) The designated dollar amounts shall change on July 1 of each even-numbered  
9.17 year if the percentage of change, calculated to the nearest whole percentage point,  
9.18 between the index for December of the preceding year and the reference base index is  
9.19 ten percent or more; but

9.20 (1) the portion of the percentage change in the index in excess of a multiple of ten  
9.21 percent shall be disregarded and the dollar amounts shall change only in multiples of ten  
9.22 percent of the amounts appearing in Laws 1995, chapter 202, on May 24, 1995; and

9.23 (2) the dollar amounts shall not change if the amounts required by this section  
9.24 are those currently in effect pursuant to Laws 1995, chapter 202, as a result of earlier  
9.25 application of this section.

9.26 (k) If the index is revised, the percentage of change pursuant to this section shall  
9.27 be calculated on the basis of the revised index. If a revision of the index changes the  
9.28 reference base index, a revised reference base index shall be determined by multiplying the  
9.29 reference base index then applicable by the rebasing factor furnished by the Department  
9.30 of Commerce. If the index is superseded, the index referred to in this section is the one  
9.31 represented by the Department of Commerce as reflecting most accurately changes in the  
9.32 purchasing power of the dollar for consumers.

9.33 (l) The commissioner shall ~~announce and publish~~:

9.34 (1) announce and publish on or before April 30 of each year in which dollar amounts  
9.35 are to change, the changes in dollar amounts required by paragraph (j); ~~and~~

10.1 (2) announce and publish promptly after the changes occur, changes in the index  
10.2 required by paragraph (k) including, if applicable, the numerical equivalent of the  
10.3 reference base index under a revised reference base index and the designation or title  
10.4 of any index superseding the index; and

10.5 (3) promptly notify the revisor of statutes in writing of the changes announced and  
10.6 published by the commissioner pursuant to clauses (1) and (2). The revisor shall publish  
10.7 the changes in the next edition of Minnesota Statutes.

10.8 (m) A person does not violate this chapter with respect to a transaction otherwise  
10.9 complying with this chapter if that person relies on dollar amounts either determined  
10.10 according to paragraph (j), clause (2), or appearing in the last publication of the  
10.11 commissioner announcing the then current dollar amounts.

10.12 (n) The adjustments provided in this section shall not be affected unless explicitly  
10.13 provided otherwise by law.

10.14 Sec. 2. Minnesota Statutes 2012, section 47.59, subdivision 6, is amended to read:

10.15 Subd. 6. **Additional charges.** (a) For purposes of this subdivision, "financial  
10.16 institution" includes a person described in subdivision 4, paragraph (a). In addition to the  
10.17 finance charges permitted by this section, a financial institution may contract for and  
10.18 receive the following additional charges that may be included in the principal amount  
10.19 of the loan or credit sale unpaid balances:

10.20 (1) official fees and taxes;

10.21 (2) charges for insurance as described in paragraph (b);

10.22 (3) with respect to a loan or credit sale contract secured by real estate, the following  
10.23 "closing costs," if they are bona fide, reasonable in amount, and not for the purpose of  
10.24 circumvention or evasion of this section:

10.25 (i) fees or premiums for title examination, abstract of title, title insurance, surveys,  
10.26 or similar purposes;

10.27 (ii) fees for preparation of a deed, mortgage, settlement statement, or other  
10.28 documents, if not paid to the financial institution;

10.29 (iii) escrows for future payments of taxes, including assessments for improvements,  
10.30 insurance, and water, sewer, and land rents;

10.31 (iv) fees for notarizing deeds and other documents;

10.32 (v) appraisal and credit report fees; and

10.33 (vi) fees for determining whether any portion of the property is located in a flood  
10.34 zone and fees for ongoing monitoring of the property to determine changes, if any,  
10.35 in flood zone status;

11.1 (4) a delinquency charge on a payment, including the minimum payment due in  
11.2 connection with open-end credit, not paid in full on or before the tenth day after its due  
11.3 date in an amount not to exceed five percent of the amount of the payment or ~~\$5.20~~ \$7.80,  
11.4 whichever is greater;

11.5 (5) for a returned check or returned automatic payment withdrawal request, an  
11.6 amount not in excess of the service charge limitation in section 604.113, except that, on  
11.7 a loan transaction that is a consumer small loan as defined in section 47.60, subdivision  
11.8 1, paragraph (a), in which cash is advanced in exchange for a personal check, the civil  
11.9 penalty provisions of section 604.113, subdivision 2, paragraph (b), may not be demanded  
11.10 or assessed against the borrower; and

11.11 (6) charges for other benefits, including insurance, conferred on the borrower that  
11.12 are of a type that is not for credit.

11.13 (b) An additional charge may be made for insurance written in connection with the  
11.14 loan or credit sale contract, which may be included in the principal amount of the loan or  
11.15 credit sale unpaid balances:

11.16 (1) with respect to insurance against loss of or damage to property, or against  
11.17 liability arising out of the ownership or use of property, if the financial institution furnishes  
11.18 a clear, conspicuous, and specific statement in writing to the borrower setting forth the  
11.19 cost of the insurance if obtained from or through the financial institution and stating that  
11.20 the borrower may choose the person through whom the insurance is to be obtained;

11.21 (2) with respect to credit insurance or mortgage insurance providing life, accident,  
11.22 health, or unemployment coverage, if the insurance coverage is not required by the  
11.23 financial institution, and this fact is clearly and conspicuously disclosed in writing to  
11.24 the borrower, and the borrower gives specific, dated, and separately signed affirmative  
11.25 written indication of the borrower's desire to do so after written disclosure to the borrower  
11.26 of the cost of the insurance; and

11.27 (3) with respect to the vendor's single interest insurance, but only (i) to the extent  
11.28 that the insurer has no right of subrogation against the borrower; and (ii) to the extent that  
11.29 the insurance does not duplicate the coverage of other insurance under which loss is  
11.30 payable to the financial institution as its interest may appear, against loss of or damage  
11.31 to property for which a separate charge is made to the borrower according to clause (1);  
11.32 and (iii) if a clear, conspicuous, and specific statement in writing is furnished by the  
11.33 financial institution to the borrower setting forth the cost of the insurance if obtained from  
11.34 or through the financial institution and stating that the borrower may choose the person  
11.35 through whom the insurance is to be obtained.

12.1 (c) In addition to the finance charges and other additional charges permitted by  
12.2 this section, a financial institution may contract for and receive the following additional  
12.3 charges in connection with open-end credit, which may be included in the principal  
12.4 amount of the loan or balance upon which the finance charge is computed:

12.5 (1) annual charges, not to exceed \$50 per annum, payable in advance, for the  
12.6 privilege of opening and maintaining open-end credit;

12.7 (2) charges for the use of an automated teller machine;

12.8 (3) charges for any monthly or other periodic payment period in which the borrower  
12.9 has exceeded or, except for the financial institution's dishonor would have exceeded,  
12.10 the maximum approved credit limit, in an amount not in excess of the service charge  
12.11 permitted in section 604.113;

12.12 (4) charges for obtaining a cash advance in an amount not to exceed the service  
12.13 charge permitted in section 604.113; and

12.14 (5) charges for check and draft copies and for the replacement of lost or stolen  
12.15 credit cards.

12.16 (d) In addition to the finance charges and other additional charges permitted by this  
12.17 section, a financial institution may contract for and receive a onetime loan administrative  
12.18 fee not exceeding \$25 in connection with closed-end credit, which may be included  
12.19 in the principal balance upon which the finance charge is computed. This paragraph  
12.20 applies only to closed-end credit in an original principal amount of ~~\$4,320~~ \$6,480 or less.  
12.21 The determination of an original principal amount must exclude the administrative fee  
12.22 contracted for and received according to this paragraph.

12.23 Sec. 3. Minnesota Statutes 2012, section 56.12, is amended to read:

12.24 **56.12 ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.**

12.25 No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause  
12.26 or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any  
12.27 manner any statement or representation with regard to the rates, terms, or conditions for  
12.28 the lending of money, credit, goods, or things in action which is false, misleading, or  
12.29 deceptive. The commissioner may order any licensee to desist from any conduct which  
12.30 the commissioner shall find to be a violation of the foregoing provisions.

12.31 The commissioner may require that rates of charge, if stated by a licensee, be stated  
12.32 fully and clearly in such manner as the commissioner may deem necessary to prevent  
12.33 misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements  
12.34 of this section and section 56.14, a licensee may give the disclosures required by the  
12.35 federal Truth-in-Lending Act.

13.1 A licensee may take a lien upon real estate as security for any loan exceeding ~~\$4,320~~  
13.2 \$6,480 in principal amount made under this chapter. The provisions of sections 47.20 and  
13.3 47.21 do not apply to loans made under this chapter, except as provided in this section. No  
13.4 loan secured by a first lien on a borrower's primary residence shall be made pursuant to  
13.5 this section if the proceeds of the loan are used to finance the purchase of the borrower's  
13.6 primary residence, unless:

13.7 (1) the proceeds of the loan are used to finance the purchase of a manufactured  
13.8 home or a prefabricated building; or

13.9 (2) the proceeds of the loan are used in whole or in part to satisfy the balance owed  
13.10 on a contract for deed.

13.11 If the proceeds of the loan are used to finance the purchase of the borrower's  
13.12 primary residence, the licensee shall consent to the subsequent transfer of the real estate  
13.13 if the existing borrower continues after transfer to be obligated for repayment of the  
13.14 entire remaining indebtedness. The licensee shall release the existing borrower from all  
13.15 obligations under the loan instruments, if the transferee (1) meets the standards of credit  
13.16 worthiness normally used by persons in the business of making loans, including but not  
13.17 limited to the ability of the transferee to make the loan payments and satisfactorily maintain  
13.18 the property used as collateral, and (2) executes an agreement in writing with the licensee  
13.19 whereby the transferee assumes the obligations of the existing borrower under the loan  
13.20 instruments. Any such agreement shall not affect the priority, validity or enforceability  
13.21 of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one  
13.22 percent of the remaining unpaid principal balance in the event the loan is assumed by  
13.23 the transferee and the existing borrower continues after the transfer to be obligated for  
13.24 repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess  
13.25 of one percent of the remaining unpaid principal balance in the event the remaining  
13.26 indebtedness is assumed by the transferee and the existing borrower is released from all  
13.27 obligations under the loan instruments, but in no event shall the fee exceed ~~\$240~~ \$360.

13.28 A licensee making a loan under this chapter secured by a lien on real estate shall  
13.29 comply with the requirements of section 47.20, subdivision 8.

13.30 No licensee shall conduct the business of making loans under this chapter within any  
13.31 office, room, or place of business in which any other business is solicited or engaged in,  
13.32 or in association or conjunction therewith, if the commissioner finds that the character  
13.33 of the other business is such that it would facilitate evasions of this chapter or of the  
13.34 rules lawfully made hereunder. The commissioner may promulgate rules dealing with  
13.35 such other businesses.

14.1 No licensee shall transact the business or make any loan provided for by this chapter  
14.2 under any other name or at any other place of business than that named in the license. No  
14.3 licensee shall take any confession of judgment or any power of attorney. No licensee shall  
14.4 take any note or promise to pay that does not accurately disclose the principal amount  
14.5 of the loan, the time for which it is made, and the agreed rate or amount of charge, nor  
14.6 any instrument in which blanks are left to be filled in after execution. Nothing herein is  
14.7 deemed to prohibit the making of loans by mail or arranging for settlement and closing  
14.8 of real estate secured loans by an unrelated qualified closing agent at a location other  
14.9 than the licensed location.

14.10 Sec. 4. Minnesota Statutes 2012, section 56.125, subdivision 2, is amended to read:

14.11 Subd. 2. **Real estate as security.** A licensee may take a lien upon real estate as  
14.12 security for any open-end loan at or after such time as the outstanding balance first exceeds  
14.13 ~~\$4,320~~ \$6,480. A subsequent reduction in the balance below ~~\$4,320~~ \$6,480 has no effect  
14.14 on the lien. A licensee may retain the security interest until it terminates the open-end  
14.15 account. If there is no outstanding balance in the account and there is no commitment by  
14.16 the licensee to a line of credit in excess of ~~\$4,320~~ \$6,480, the licensee shall, within 20  
14.17 days following written demand by the borrower, deliver to the borrower a release of the  
14.18 mortgage on any real property taken as security for the open-end loan agreement. A real  
14.19 estate mortgage authorized for a financial institution secures all advances and obligations  
14.20 thereunder from the date of recording.

14.21 Sec. 5. Minnesota Statutes 2012, section 56.131, subdivision 2, is amended to read:

14.22 Subd. 2. **Additional charges.** In addition to the charges provided for by this section  
14.23 and section 56.155, and notwithstanding section 47.59, subdivision 6, to the contrary, no  
14.24 further or other amount whatsoever, shall be directly or indirectly charged, contracted for,  
14.25 or received for the loan made, except actual out of pocket expenses of the licensee to  
14.26 realize on a security after default, and except for the following additional charges which  
14.27 may be included in the principal amount of the loan:

14.28 (a) lawful fees and taxes paid to any public officer to record, file, or release security;

14.29 (b) with respect to a loan secured by an interest in real estate, the following closing  
14.30 costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention  
14.31 or evasion of this section; provided the costs do not exceed one percent of the principal  
14.32 amount or ~~\$400~~ \$600, whichever is greater:

14.33 (1) fees or premiums for title examination, abstract of title, title insurance, surveys,  
14.34 or similar purposes;

15.1 (2) fees, if not paid to the licensee, an employee of the licensee, or a person related  
15.2 to the licensee, for preparation of a mortgage, settlement statement, or other documents,  
15.3 fees for notarizing mortgages and other documents, and appraisal fees;

15.4 (c) the premium for insurance in lieu of perfecting and releasing a security interest to  
15.5 the extent that the premium does not exceed the fees described in paragraph (a);

15.6 (d) discount points and appraisal fees may not be included in the principal amount of  
15.7 a loan secured by an interest in real estate when the loan is a refinancing for the purpose of  
15.8 bringing the refinanced loan current and is made within 24 months of the original date of  
15.9 the refinanced loan. For purposes of this paragraph, a refinancing is not considered to be for  
15.10 the purpose of bringing the refinanced loan current if new funds advanced to the customer,  
15.11 not including closing costs or delinquent installments, exceed ~~\$1,000~~ \$1,500; and

15.12 (e) the onetime loan administrative fee in section 47.59, subdivision 6, paragraph (d).

15.13 Sec. 6. Minnesota Statutes 2012, section 56.131, subdivision 6, is amended to read:

15.14 Subd. 6. **Discount points.** A loan made under this section that is secured by real  
15.15 estate and that is in a principal amount of ~~\$12,000~~ \$18,000 or more and has a maturity  
15.16 of 60 months or more may contain a provision permitting discount points, if the loan  
15.17 does not provide a loan yield in excess of the maximum rate of interest permitted by this  
15.18 section. Loan yield means the annual rate of return obtained by a licensee computed as  
15.19 the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid  
15.20 in full, the licensee must make a refund to the borrower to the extent that the loan yield  
15.21 will exceed the maximum rate of interest provided by this section when the prepayment is  
15.22 taken into account. Discount points permitted by this subdivision and not collected but  
15.23 included in the principal amount must not be included in the amount on which credit  
15.24 insurance premiums are calculated and charged.

15.25 Sec. 7. Minnesota Statutes 2012, section 325G.22, subdivision 1, is amended to read:

15.26 Subdivision 1. **Personal liability of buyer limited.** If the seller or lender  
15.27 repossesses or voluntarily accepts surrender of personal property in which the seller or  
15.28 lender has a security interest arising out of a consumer credit transaction and the aggregate  
15.29 amount of the credit extended in the transaction was ~~\$3,000~~ \$6,900 or less, the buyer is not  
15.30 personally liable to the seller or lender for the unpaid balance of the debt arising from the  
15.31 consumer credit transaction, and the seller or lender is not obligated to resell the collateral.

15.32 Sec. 8. Minnesota Statutes 2012, section 510.02, subdivision 1, is amended to read:

16.1           Subdivision 1. **Exemption.** The homestead may include any quantity of land not  
16.2 exceeding 160 acres. The exemption per homestead, whether the exemption is claimed  
16.3 by one or more debtors, may not exceed ~~\$300,000~~ \$390,000 or, if the homestead is used  
16.4 primarily for agricultural purposes, ~~\$750,000~~ \$975,000, exclusive of the limitations set  
16.5 forth in section 510.05.

16.6           Sec. 9. Minnesota Statutes 2012, section 550.37, subdivision 4, is amended to read:

16.7           Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and  
16.8 foodstuffs of the debtor and the debtor's family.

16.9           (b) Household furniture, household appliances, phonographs, radio and television  
16.10 receivers of the debtor and the debtor's family, not exceeding ~~\$4,500~~ \$10,350 in value.

16.11           (c) The debtor's aggregate interest, not exceeding ~~\$1,225~~ \$2,817.50 in value, in  
16.12 wedding rings or other religious or culturally recognized symbols of marriage exchanged  
16.13 between the debtor and spouse at the time of the marriage and in the debtor's possession.

16.14           The exemption provided by this subdivision may not be waived except with regard  
16.15 to purchase money security interests. Except for a pawnbroker's possessory lien, a  
16.16 nonpurchase money security interest in the property exempt under this subdivision is void.

16.17           If a debtor has property of the type which would qualify for the exemption under  
16.18 clause (b), of a value in excess of ~~\$4,500~~ \$10,350 an itemized list of the exempt property,  
16.19 together with the value of each item listed, shall be attached to the security agreement  
16.20 at the time a security interest is taken, and a creditor may take a nonpurchase money  
16.21 security interest in the excess over ~~\$4,500~~ \$10,350 by requiring the debtor to select the  
16.22 exemption in writing at the time the loan is made.

16.23           Sec. 10. Minnesota Statutes 2012, section 550.37, subdivision 4a, is amended to read:

16.24           Subd. 4a. **Adjustment of dollar amounts.** (a) Except for subdivisions 5 and 7, the  
16.25 dollar amounts in this section shall change periodically as provided in this subdivision to  
16.26 the extent of changes in the implicit price deflator for the gross ~~national~~ domestic product,  
16.27 ~~1972~~ 2005 = 100, compiled by the United States Department of Commerce, and hereafter  
16.28 referred to as the index. The index for December ~~1980~~ 2011 is the reference base index.

16.29           (b) The designated dollar amounts shall change on July 1 of each even-numbered  
16.30 year if the percentage of change, calculated to the nearest whole percentage point, between  
16.31 the index for December of the preceding year and the reference base index is ten percent  
16.32 or more. The portion of the percentage change in the index in excess of a multiple of ten  
16.33 percent shall be disregarded and the dollar amounts shall change only in multiples of ten  
16.34 percent of the amounts stated in this section.

17.1 (c) If the index is revised, the percentage of change pursuant to this section shall  
17.2 be calculated on the basis of the revised index. If a revision of the index changes the  
17.3 reference base index, a revised reference base index shall be determined by multiplying the  
17.4 reference base index then applicable by the rebasing factor furnished by the Department  
17.5 of Commerce. If the index is superseded, the index referred to in this section is the one  
17.6 represented by the Department of Commerce as reflecting most accurately changes in the  
17.7 purchasing power of the dollar for consumers.

17.8 (d) The commissioner of commerce shall ~~announce and publish~~:

17.9 (1) announce and publish on or before April 30 of each year in which dollar amounts  
17.10 are to change, the changes in dollar amounts required by paragraph (b); ~~and~~

17.11 (2) announce and publish promptly after the changes occur, changes in the index  
17.12 required by paragraph (c) including, if applicable, the numerical equivalent of the  
17.13 reference base index under a revised reference base index and the designation or title  
17.14 of any index superseding the index; and

17.15 (3) promptly notify the revisor of statutes in writing of the changes announced and  
17.16 published by the commissioner pursuant to clauses (1) and (2). The revisor shall publish  
17.17 the changes in the next edition of Minnesota Statutes.

17.18 (e) A person does not violate this chapter with respect to a transaction otherwise  
17.19 complying with this chapter if the person relies on dollar amounts either determined  
17.20 according to paragraph (b) or appearing in the last publication of the commissioner  
17.21 announcing the then current dollar amounts.

17.22 Sec. 11. Minnesota Statutes 2012, section 550.37, subdivision 6, is amended to read:

17.23 Subd. 6. **Tools of trade.** The tools, implements, machines, instruments, office  
17.24 furniture, stock in trade, and library reasonably necessary in the trade, business, or  
17.25 profession of the debtor, not exceeding ~~\$5,000~~ \$11,500 in value.

17.26 Sec. 12. Minnesota Statutes 2012, section 550.37, subdivision 10, is amended to read:

17.27 Subd. 10. **Insurance proceeds.** All money received by, or payable to, a surviving  
17.28 spouse or child from insurance payable at the death of a spouse, or parent, not exceeding  
17.29 ~~\$20,000~~ \$46,000. The ~~\$20,000~~ \$46,000 exemption provided by this subdivision shall be  
17.30 increased by ~~\$5,000~~ \$11,500 for each dependent of the surviving spouse or child.

17.31 Sec. 13. Minnesota Statutes 2012, section 550.37, subdivision 12a, is amended to read:

17.32 Subd. 12a. **Motor vehicles.** One motor vehicle to the extent of a value not  
17.33 exceeding ~~\$2,000~~ \$4,600; or one motor vehicle to the extent of a value not exceeding

18.1 ~~\$20,000~~ \$46,000 that has been modified, at a cost of not less than ~~\$1,500~~ \$3,450, to  
18.2 accommodate the physical disability making a disabled person eligible for a certificate  
18.3 authorized by section 169.345.

18.4 Sec. 14. Minnesota Statutes 2012, section 550.37, subdivision 23, is amended to read:

18.5 Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to  
18.6 exceed in value ~~\$4,000~~ \$9,200 in any accrued dividend or interest under or loan value of  
18.7 any unmaturing life insurance contract owned by the debtor under which the insured is the  
18.8 debtor or an individual of whom the debtor is a dependent.

18.9 Sec. 15. Minnesota Statutes 2012, section 550.37, subdivision 24, is amended to read:

18.10 Subd. 24. **Employee benefits.** (a) The debtor's right to receive present or future  
18.11 payments, or payments received by the debtor, under a stock bonus, pension, profit  
18.12 sharing, annuity, individual retirement account, Roth IRA, individual retirement annuity,  
18.13 simplified employee pension, or similar plan or contract on account of illness, disability,  
18.14 death, age, or length of service, to the extent of the debtor's aggregate interest under all  
18.15 plans and contracts up to a present value of ~~\$30,000~~ \$69,000 and additional amounts under  
18.16 all the plans and contracts to the extent reasonably necessary for the support of the debtor  
18.17 and any spouse or dependent of the debtor.

18.18 (b) The exemptions in paragraph (a) do not apply when the debt is owed under a  
18.19 support order as defined in section 518A.26, subdivision 21.

18.20 Sec. 16. **EFFECTIVE DATE.**

18.21 Sections 1 to 15 are effective the day following final enactment.

## 18.22 **ARTICLE 3**

### 18.23 **COMMERCE AND CONSUMER PROTECTION POLICY**

18.24 Section 1. Minnesota Statutes 2012, section 13.712, is amended by adding a  
18.25 subdivision to read:

18.26 Subd. 4. **Actuarial data.** Actuarial reports and related data of the Department of  
18.27 Commerce are classified under section 60A.1296.

18.28 Sec. 2. Minnesota Statutes 2012, section 45.0135, is amended to read:

18.29 **45.0135 DIVISION OF INSURANCE COMMERCE FRAUD PREVENTION**  
18.30 **BUREAU.**

19.1 Subd. 2a. **Authorization.** The commissioner may appoint peace officers, as defined  
19.2 in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as  
19.3 defined in section 626.84, subdivision 1, paragraph (f), known as the ~~Division of Insurance~~  
19.4 Commerce Fraud Prevention Bureau, to conduct investigations, and to make arrests under  
19.5 sections 629.30 and 629.34. The jurisdiction of the law enforcement agency is limited to  
19.6 offenses related to insurance fraud.

19.7 Subd. 2b. **Duties.** The ~~Division of Insurance~~ Commerce Fraud Prevention Bureau  
19.8 shall:

19.9 (1) review notices and reports of insurance fraud submitted by authorized insurers,  
19.10 their employees, and agents or producers;

19.11 (2) respond to notifications or complaints of suspected insurance fraud generated by  
19.12 other law enforcement agencies, state or federal governmental units, or any other person;

19.13 (3) initiate inquiries and conduct investigations when the ~~division~~ bureau has reason  
19.14 to believe that insurance fraud has been or is being committed; and

19.15 (4) report incidents of alleged insurance fraud disclosed by its investigations to  
19.16 appropriate law enforcement agencies, including, but not limited to, the attorney general,  
19.17 county attorneys, or any other appropriate law enforcement or regulatory agency, and shall  
19.18 assemble evidence, prepare charges, and otherwise assist any law enforcement authority  
19.19 having jurisdiction.

19.20 Subd. 2c. **Arrests and investigations.** The initial processing of a person arrested  
19.21 by the ~~Division of Insurance~~ Commerce Fraud Prevention Bureau for an offense within  
19.22 its jurisdiction is the responsibility of the ~~Division of Insurance Fraud Prevention~~ bureau  
19.23 unless otherwise directed by the law enforcement agency with primary jurisdiction.  
19.24 Subsequent investigation shall be the responsibility of the ~~Division of Insurance Fraud~~  
19.25 Prevention bureau unless otherwise directed by the law enforcement agency with primary  
19.26 jurisdiction. At the request of the primary jurisdiction, the ~~Division of Insurance Fraud~~  
19.27 Prevention bureau may assist in a subsequent investigation being carried out by the  
19.28 primary jurisdiction.

19.29 Subd. 2d. **Policy for notice of investigations.** The ~~Division of Insurance~~ Commerce  
19.30 Fraud Prevention Bureau must develop a policy for notifying the law enforcement agency  
19.31 with primary jurisdiction when it has initiated investigation of any person within the  
19.32 jurisdiction of that agency.

19.33 Subd. 2e. **Chief law enforcement officer.** The commissioner shall appoint a peace  
19.34 officer employed full time to be the chief law enforcement officer and to be responsible  
19.35 for the management of the ~~Division of Insurance~~ Commerce Fraud Prevention Bureau.  
19.36 The chief law enforcement officer shall possess the necessary police and management

20.1 experience to manage a law enforcement agency. The chief law enforcement officer  
20.2 may appoint, discipline, and discharge all employees of the ~~Division of Insurance Fraud~~  
20.3 ~~Prevention~~ bureau. All police managerial and supervisory personnel must be full-time  
20.4 employees of the ~~Division of Insurance Fraud Prevention~~ bureau. Supervisory personnel  
20.5 must be on duty and available any time peace officers of the ~~Division of Insurance Fraud~~  
20.6 ~~Prevention~~ bureau are on duty.

20.7 Subd. 2f. **Compliance.** Except as otherwise provided in this section, the ~~Division of~~  
20.8 ~~Insurance Fraud Prevention~~ Commerce Fraud Bureau shall comply with all statutes and  
20.9 administrative rules relating to the operation and management of a law enforcement agency.

20.10 Subd. 3. **Evidence, documentation, and related materials.** If the ~~division~~ bureau  
20.11 seeks evidence, documentation, and related materials pertinent to an investigation, and the  
20.12 matter is located outside of this state, the ~~division~~ bureau may designate representatives,  
20.13 including officials of the state where the matter is located, to secure the matter or inspect  
20.14 the matter on its behalf.

20.15 Subd. 4. **Confidentiality and immunity.** The provisions of chapter 13, including,  
20.16 but not limited to, section 13.82, apply to the classification, disclosure, and collection of  
20.17 data relating to the ~~Division of Insurance~~ Commerce Fraud Prevention Bureau.

20.18 Subd. 5. **Annual report on activities and cost-effectiveness.** The ~~Division of~~  
20.19 ~~Insurance~~ Commerce Fraud Prevention Bureau shall maintain records and information  
20.20 in order to produce an annual report of its activities as may be prescribed by the  
20.21 commissioner of commerce. The commissioner shall report annually to the house of  
20.22 representatives and senate standing committees with jurisdiction over insurance issues  
20.23 as to the activities of the ~~division~~ bureau and the cost-effectiveness of the programs  
20.24 established by the ~~division~~ bureau.

20.25 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention  
20.26 account is created in the state treasury. Money received from assessments under subdivision  
20.27 7 is deposited in the account. Money in this fund is appropriated to the commissioner of  
20.28 commerce for the purposes specified in this section and sections 60A.951 to 60A.956.

20.29 Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of  
20.30 Minnesota, including surplus lines carriers, and having Minnesota earned premium the  
20.31 previous calendar year shall remit an assessment to the commissioner for deposit in the  
20.32 insurance fraud prevention account on or before June 1 of each year. The amount of the  
20.33 assessment shall be based on the insurer's total assets and on the insurer's total written  
20.34 Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13.  
20.35 The assessment is calculated to be an amount up to the following:

21.1	Total Assets	Assessment
21.2	Less than \$100,000,000	\$ 200
21.3	\$100,000,000 to \$1,000,000,000	\$ 750
21.4	Over \$1,000,000,000	\$ 2,000
21.5	Minnesota Written Premium	Assessment
21.6	Less than \$10,000,000	\$ 200
21.7	\$10,000,000 to \$100,000,000	\$ 750
21.8	Over \$100,000,000	\$ 2,000

21.9 For purposes of this subdivision, the following entities are not considered to be  
 21.10 insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or  
 21.11 township mutuals organized under chapter 67A.

21.12 **Subd. 8. Investigations; health-related boards.** (a) ~~The Division of Insurance~~  
 21.13 ~~Commerce Fraud Prevention Bureau~~ may consult with the appropriate health-related board  
 21.14 when a licensee, licensed under chapter 144E, 147, 148, 148B, or 150A, is suspected  
 21.15 of insurance fraud.

21.16 (b) ~~The division bureau~~ shall, for any conviction involving or related to insurance,  
 21.17 send copies of all public data in its possession to the appropriate health-related licensing  
 21.18 board.

21.19 Sec. 3. Minnesota Statutes 2012, section 45.027, subdivision 2, is amended to read:

21.20 **Subd. 2. Power to compel production of evidence.** For the purpose of any  
 21.21 investigation, hearing, proceeding, or inquiry related to the duties and responsibilities  
 21.22 entrusted to the commissioner, the commissioner or a designated representative may  
 21.23 administer oaths and affirmations, subpoena witnesses, compel their attendance, take  
 21.24 evidence, and require the production of books, papers, correspondence, memoranda,  
 21.25 agreements, or other documents or records that the commissioner considers relevant  
 21.26 or material to the inquiry.

21.27 A subpoena issued pursuant to this subdivision must state that the person to whom  
 21.28 the subpoena is directed may not disclose the fact that the subpoena was issued or the fact  
 21.29 that the requested records have been given to law enforcement personnel except:

21.30 (1) insofar as the disclosure is necessary to find and disclose the records; or

21.31 (2) pursuant to court order.

21.32 Sec. 4. Minnesota Statutes 2012, section 45.307, is amended to read:

21.33 **45.307 EDUCATION PROVIDER.**

21.34 **Subdivision 1. Duty to make records and data available to commissioner.** A  
 21.35 person applying for approval as an education provider must make available upon request

22.1 such records and data required by the commissioner to administer the provisions and  
22.2 further the purposes of this chapter.

22.3 Subd. 2. **Responsibility for actions of coordinators and instructors.** An  
22.4 education provider is responsible for any actions taken by one or more of its coordinators  
22.5 or instructors in the course of performing activities associated with license education  
22.6 courses provided under this chapter.

22.7 Subd. 3. **Responsibility for approval of coordinator.** An education provider  
22.8 must ensure that an individual acting as a coordinator on its behalf under this chapter has  
22.9 received prior approval from the commissioner to act as a coordinator.

22.10 Sec. 5. Minnesota Statutes 2012, section 45.43, is amended to read:

22.11 **45.43 REPORTING REQUIREMENTS.**

22.12 Subdivision 1. **Course completions.** Required education must be reported in a  
22.13 manner prescribed by the commissioner within ten days of the course completion.

22.14 Subd. 2. **Violations and penalties.** (a) Each failure to report an individual licensee's  
22.15 course completion in the manner prescribed by subdivision 1 constitutes a separate  
22.16 violation.

22.17 (b) The commissioner may impose a civil penalty not to exceed \$500 per violation  
22.18 upon an education provider that violates subdivision 1.

22.19 Sec. 6. **[60A.1295] ACTUARIAL OPINION OF RESERVES AND SUPPORTING**  
22.20 **DOCUMENTATION.**

22.21 Subdivision 1. **Statement of actuarial opinion.** Every property and casualty  
22.22 insurance company doing business in this state, unless otherwise exempted by the  
22.23 domiciliary commissioner, shall annually submit the opinion of an appointed actuary  
22.24 entitled "Statement of Actuarial Opinion." This opinion must be filed in accordance with  
22.25 the appropriate National Association of Insurance Commissioners (NAIC) Property and  
22.26 Casualty Annual Statement Instructions.

22.27 Subd. 2. **Actuarial opinion summary.** (a) Every property and casualty insurance  
22.28 company domiciled in this state that is required to submit a statement of actuarial opinion  
22.29 shall annually submit an actuarial opinion summary, written by the company's appointed  
22.30 actuary. This actuarial opinion summary must be filed in accordance with the appropriate  
22.31 NAIC Property and Casualty Annual Statement Instructions and must be considered as a  
22.32 document supporting the actuarial opinion required in subdivision 1.

22.33 (b) A company licensed but not domiciled in this state shall provide the actuarial  
22.34 opinion summary upon request.

23.1 Subd. 3. **Actuarial report and workpapers.** (a) An actuarial report and its  
23.2 underlying workpapers as required by the appropriate NAIC Property and Casualty  
23.3 Annual Statement Instructions must be prepared to support each actuarial opinion.

23.4 (b) If the insurance company fails to provide a supporting actuarial report and/or  
23.5 workpapers at the request of the commissioner or the commissioner determines that  
23.6 the supporting actuarial report or workpapers provided by the insurance company are  
23.7 otherwise unacceptable to the commissioner, the commissioner may engage a qualified  
23.8 actuary at the expense of the company to review the opinion and the basis for the opinion  
23.9 and prepare the supporting actuarial report or workpapers.

23.10 Subd. 4. **Liability.** The appointed actuary shall not be liable for damages to any  
23.11 person, other than the insurance company and the commissioner, for any act, error,  
23.12 omission, decision, or conduct with respect to the actuary's opinion, except in cases of  
23.13 fraud or willful misconduct on the part of the appointed actuary.

23.14 **EFFECTIVE DATE.** This section is effective December 31, 2013.

23.15 Sec. 7. **[60A.1296] CONFIDENTIALITY.**

23.16 Subdivision 1. **Actuarial opinion; public document.** The statement of actuarial  
23.17 opinion must be provided with the annual statement in accordance with the appropriate  
23.18 National Association of Insurance Commissioners (NAIC) Property and Casualty Annual  
23.19 Statement Instructions and must be treated as a public document.

23.20 Subd. 2. **Supporting materials; confidential and privileged.** (a) Documents,  
23.21 materials, or other information in the possession or control of the Department of  
23.22 Commerce that are considered an actuarial report, workpapers, or actuarial opinion  
23.23 summary provided in support of the opinion, and any other material provided by the  
23.24 company to the commissioner in connection with the actuarial report, workpapers, or  
23.25 actuarial opinion summary, are confidential data on individuals or protected nonpublic  
23.26 data as defined in section 13.02, shall not be subject to subpoena, and shall not be subject  
23.27 to discovery or admissible in evidence in any private civil action.

23.28 (b) This provision shall not be construed to limit the commissioner's authority to:

23.29 (1) release the documents to the Actuarial Board for Counseling and Discipline  
23.30 (ABCD) so long as the material is required for the purpose of professional disciplinary  
23.31 proceedings and the ABCD establishes procedures satisfactory to the commissioner for  
23.32 preserving the confidentiality of the documents; or

23.33 (2) use the documents, materials, or other information in furtherance of any  
23.34 regulatory or legal action brought as part of the commissioner's official duties.

24.1 Subd. 3. **Protections.** Neither the commissioner nor any person who received  
 24.2 the documents, materials, or other information while acting under the authority of  
 24.3 the commissioner shall be permitted or required to testify in any private civil action  
 24.4 concerning any confidential documents, materials, or information subject to subdivision 2.

24.5 Subd. 4. **Exceptions.** In order to assist in the performance of the commissioner's  
 24.6 duties, the commissioner:

24.7 (1) may share documents, materials, or other information, including the confidential  
 24.8 and privileged documents, materials, or information subject to subdivision 2 with other  
 24.9 state, federal, and international regulatory agencies; with the NAIC and its affiliates  
 24.10 and subsidiaries; and with state, federal, and international law enforcement authorities,  
 24.11 provided that the recipient agrees to maintain the confidentiality and privileged status  
 24.12 of the document, material, or other information and has the legal authority to maintain  
 24.13 confidentiality;

24.14 (2) may receive documents, materials, or information, including otherwise  
 24.15 confidential and privileged documents, materials, or information, from NAIC and its  
 24.16 affiliates and subsidiaries, and from regulatory and law enforcement officials of other  
 24.17 foreign or domestic jurisdictions, and shall maintain as confidential or privileged any  
 24.18 document, material, or information received with notice or the understanding that it is  
 24.19 confidential or privileged under the laws of the jurisdiction that is the source of the  
 24.20 document, material, or information; and

24.21 (3) may enter into agreements governing sharing and use of information consistent  
 24.22 with subdivisions 2 to 4.

24.23 Subd. 5. **Nonwaiver.** No waiver of applicable privilege or claim of confidentiality  
 24.24 in the documents, materials, or information shall occur as a result of disclosure to the  
 24.25 commissioner under this section or as a result of sharing as authorized in subdivision 4.

24.26 **EFFECTIVE DATE.** This section is effective December 31, 2013.

24.27 Sec. 8. Minnesota Statutes 2012, section 60A.62, subdivision 1, is amended to read:

24.28 Subdivision 1. **Definition.** "Company action level event" means any of the  
 24.29 following events:

24.30 (1) the filing of a risk-based capital report by an insurer which indicates that:

24.31 (i) the insurer's total adjusted capital is greater than or equal to its regulatory action  
 24.32 level risk-based capital but less than its company action level risk-based capital; or

24.33 (ii) if a life and/or health insurer, the insurer has total adjusted capital that is greater  
 24.34 than or equal to its company action level risk-based capital but less than the product of its  
 24.35 authorized control level risk-based capital and ~~2.5~~ 3.0 and has a negative trend; or

25.1 (iii) if a property and casualty insurer, the insurer has total adjusted capital which  
 25.2 is greater than or equal to its company action level risk-based capital but less than the  
 25.3 product of its authorized control level risk-based capital and 3.0 and triggers the trend  
 25.4 test determined in accordance with the trend test calculation included in the property  
 25.5 and casualty risk-based capital instructions;

25.6 (2) the notification by the commissioner to the insurer of an adjusted risk-based  
 25.7 capital report that indicates an event in clause (1), provided the insurer does not challenge  
 25.8 the adjusted risk-based report under section 60A.66; or

25.9 (3) if, pursuant to section 60A.66, an insurer challenges an adjusted risk-based  
 25.10 capital report that indicates the event in clause (1), the notification by the commissioner to  
 25.11 the insurer that the commissioner has, after a hearing, rejected the insurer's challenge.

25.12 **EFFECTIVE DATE.** This section is effective December 31, 2013.

25.13 Sec. 9. Minnesota Statutes 2012, section 82B.08, is amended by adding a subdivision  
 25.14 to read:

25.15 Subd. 2a. **Criminal history record check; fingerprints.** (a) An applicant for a  
 25.16 license must:

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

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

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

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

25.25 (c) The commissioner shall submit the applicant's fingerprints, consent, and  
 25.26 the required fee to the superintendent of the Bureau of Criminal Apprehension. The  
 25.27 superintendent shall perform a check of the state criminal history repository and is  
 25.28 authorized to exchange the applicant's fingerprints with the Federal Bureau of Investigation  
 25.29 to obtain the national criminal history record. The superintendent shall return the results  
 25.30 of the state and national criminal history records checks to the commissioner.

25.31 (d) This subdivision applies to an applicant for an initial license or a renewal license.

25.32 **EFFECTIVE DATE.** This section is effective January 1, 2015, and applies to  
 25.33 persons applying for a license pursuant to Minnesota Statutes, chapter 82B, on or after that  
 25.34 date who were not previously fingerprinted in compliance with the terms of this subdivision.

26.1 Sec. 10. Minnesota Statutes 2012, section 82B.094, is amended to read:

26.2 **82B.094 SUPERVISION OF TRAINEE REAL PROPERTY APPRAISERS.**

26.3 (a) A certified residential real property appraiser or a certified general real property  
26.4 appraiser, in good standing, may engage a trainee real property appraiser to assist in the  
26.5 performance of real estate appraisals, provided that the certified residential real property  
26.6 appraiser or a certified general real property appraiser:

26.7 (1) has been licensed in good standing as either a certified residential real property  
26.8 appraiser or a certified general real property appraiser for a total of at least three years;

26.9 (2) has completed a course that is specifically oriented to the requirements and  
26.10 responsibilities of supervisory appraisers and trainee appraisers;

26.11 (3) has not been the subject of any license or certificate suspension or revocation or  
26.12 has not been prohibited from supervising activities in this state or any other state within  
26.13 the previous two years;

26.14 (2) (4) has no more than three trainee real property appraisers working under  
26.15 supervision at any one time;

26.16 (3) (5) actively and personally supervises the trainee real property appraiser, which  
26.17 includes ensuring that research of general and specific data has been adequately conducted  
26.18 and properly reported, application of appraisal principles and methodologies has been  
26.19 properly applied, that the analysis is sound and adequately reported, and that any analyses,  
26.20 opinions, or conclusions are adequately developed and reported so that the appraisal  
26.21 report is not misleading;

26.22 (4) (6) discusses with the trainee real property appraiser any necessary and  
26.23 appropriate changes that are made to a report, involving any trainee appraiser, before it is  
26.24 transmitted to the client. Changes not discussed with the trainee real property appraiser  
26.25 that are made by the supervising appraiser must be provided in writing to the trainee real  
26.26 property appraiser upon completion of the appraisal report;

26.27 (5) (7) accompanies the trainee real property appraiser on the inspections of the  
26.28 subject properties and drive-by inspections of the comparable sales on all appraisal  
26.29 assignments for which the trainee will perform work until the trainee appraiser is  
26.30 determined to be competent, in accordance with the competency rule of USPAP for the  
26.31 property type;

26.32 (6) (8) accepts full responsibility for the appraisal report by signing and certifying  
26.33 that the report complies with USPAP; and

26.34 (7) (9) reviews and signs the trainee real property appraiser's appraisal report or  
26.35 reports or if the trainee appraiser is not signing the report, states in the appraisal the name  
26.36 of the trainee and scope of the trainee's significant contribution to the report.

27.1 (b) The supervising appraiser must review and sign the applicable experience log  
27.2 required to be kept by the trainee real property appraiser.

27.3 (c) The supervising appraiser must notify the commissioner within ten days when  
27.4 the supervision of a trainee real property appraiser has terminated or when the trainee  
27.5 appraiser is no longer under the supervision of the supervising appraiser.

27.6 (d) The supervising appraiser must maintain a separate work file for each appraisal  
27.7 assignment.

27.8 (e) The supervising appraiser must verify that any trainee real property appraiser that  
27.9 is subject to supervision is properly licensed and in good standing with the commissioner.

27.10 Sec. 11. Minnesota Statutes 2012, section 82B.095, subdivision 2, is amended to read:

27.11 Subd. 2. **Components on or after January 1, 2009 Conformance to Appraiser**  
27.12 **Qualifications Board criteria.** ~~(a) On or after January 1, 2009, an applicant for a class~~  
27.13 ~~of license must document that the applicant has met the education, experience, and~~  
27.14 ~~examination components in effect after January 1, 2008.~~

27.15 ~~(b)~~ Qualifications for all levels of licensing must conform to the Real Property  
27.16 Qualification Criteria established by the Appraisal Qualifications Board for implementation  
27.17 effective January 1, ~~2008~~ 2015.

27.18 Sec. 12. Minnesota Statutes 2012, section 82B.10, subdivision 1, is amended to read:

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

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

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

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

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

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

28.10 (g) An applicant must complete the applicable education prerequisites in section  
28.11 82B.13 and the experience requirements in section 82B.14 before the applicant takes the  
28.12 examination required under this section.

28.13 **EFFECTIVE DATE.** This section is effective January 1, 2015, and applies to an  
28.14 applicant for a license on or after that date.

28.15 Sec. 13. Minnesota Statutes 2012, section 82B.13, subdivision 1, is amended to read:

28.16 Subdivision 1. ~~Trainee real property appraiser or licensed real property~~  
28.17 ~~appraiser.~~ (a) As a prerequisite for licensing as a trainee real property appraiser or  
28.18 ~~licensed real property appraiser~~, an applicant must present evidence satisfactory to the  
28.19 commissioner that the person has successfully completed:

28.20 (1) at least 90 classroom 75 hours of prelicense courses approved by the  
28.21 commissioner. The courses must consist Fifteen of the 75 hours must include successful  
28.22 completion of general real estate appraisal principles and the 15-hour national USPAP  
28.23 course; and

28.24 (2) in addition to the required hours under clause (1), a course that is specifically  
28.25 oriented to the requirements and responsibilities of supervisory appraisers and trainee  
28.26 appraisers.

28.27 (a) ~~After January 1, 2008, a trainee real property appraiser applicant must present~~  
28.28 ~~evidence satisfactory to the commissioner that the person has successfully completed at~~  
28.29 ~~least 75 hours of prelicense courses approved by the commissioner.~~

28.30 (b) ~~After January 1, 2008, a licensed real property appraiser applicant must present~~  
28.31 ~~evidence satisfactory to the commissioner that the person has successfully completed~~  
28.32 ~~at least 150 hours of prelicense courses approved by the commissioner~~ All qualifying  
28.33 education must be completed within the five-year period prior to the date of submission of  
28.34 a trainee real property appraiser license application.

29.1 Sec. 14. Minnesota Statutes 2012, section 82B.13, is amended by adding a subdivision  
29.2 to read:

29.3 Subd. 1a. **Licensed real property appraiser.** As a prerequisite for licensing as a  
29.4 licensed real property appraiser, an applicant must present evidence satisfactory to the  
29.5 commissioner that the person has successfully completed:

29.6 (1) at least 150 hours of prelicense courses approved by the commissioner. The  
29.7 courses must consist of 75 hours of general real estate appraisal principles and the 15-hour  
29.8 national USPAP course; and

29.9 (2) an associate degree or higher from an accredited college or university. In lieu of  
29.10 the required degree, the applicant may present satisfactory documentation of successful  
29.11 completion of 30 semester credit hours of instruction from an accredited college or  
29.12 university.

29.13 Sec. 15. Minnesota Statutes 2012, section 82B.13, subdivision 4, is amended to read:

29.14 Subd. 4. **Certified residential real property appraiser.** As a prerequisite for  
29.15 licensing as a certified residential real property appraiser, an applicant must present  
29.16 evidence satisfactory to the commissioner that the person has successfully completed:

29.17 (1) at least ~~120 classroom~~ 200 hours of prelicense courses approved by the  
29.18 commissioner, with particular emphasis on the appraisal of one to four unit residential  
29.19 properties. Fifteen of the ~~120~~ 200 hours must include successful completion of the  
29.20 15-hour national USPAP course; and

29.21 ~~After January 1, 2008, A certified residential real property appraiser applicant~~  
29.22 ~~must present evidence satisfactory to the commissioner that the person has successfully~~  
29.23 ~~completed:~~

29.24 ~~(1) 200 hours of prelicense courses approved by the commissioner; and~~

29.25 ~~(2) an associate a bachelor's degree or higher from an accredited college or~~  
29.26 ~~university. In lieu of the required degree the applicant may present satisfactory~~  
29.27 ~~documentation of completion of 21 semester credit hours from an accredited college or~~  
29.28 ~~university covering the following subject matter courses: English composition; principles~~  
29.29 ~~of economics (micro or macro); finance; algebra, geometry, or higher mathematics;~~  
29.30 ~~statistics; computer science; and business or real estate law. If an applicant has completed~~  
29.31 ~~education requirements before January 1, 2008, no college degree is required.~~

29.32 **EFFECTIVE DATE.** This section is effective January 1, 2015, and applies to an  
29.33 applicant for a license on or after that date.

29.34 Sec. 16. Minnesota Statutes 2012, section 82B.13, subdivision 5, is amended to read:

30.1 Subd. 5. **Certified general real property appraiser.** As a prerequisite for  
 30.2 licensing as a certified general real property appraiser, an applicant must present evidence  
 30.3 satisfactory to the commissioner that the person has successfully completed:

30.4 (1) at least 180-classroom 300 hours of prelicense courses approved by the  
 30.5 commissioner, with particular emphasis on the appraisal of nonresidential properties.  
 30.6 Fifteen of the ~~180~~ 300 hours must include successful completion of the 15-hour national  
 30.7 USPAP course; and

30.8 ~~After January 1, 2008, A certified general real property appraiser applicant must~~  
 30.9 ~~present evidence satisfactory to the commissioner that the person has successfully~~  
 30.10 ~~completed:~~

30.11 ~~(1) 300 hours of prelicense courses approved by the commissioner; and~~

30.12 ~~(2) a bachelor's degree or higher from an accredited college or university. In lieu of~~  
 30.13 ~~the required degree the applicant may present satisfactory documentation of completion of~~  
 30.14 ~~30 semester credit hours from an accredited college or university covering the following~~  
 30.15 ~~subject matters courses: English composition; micro economics; macro economics;~~  
 30.16 ~~finance; algebra, geometry, or higher mathematics; statistics; computer science; business~~  
 30.17 ~~or real estate law; and two elective courses in accounting, geography, ag-economics,~~  
 30.18 ~~business management, or real estate. If an applicant has complete education requirements~~  
 30.19 ~~before January 1, 2008, no college degree is required.~~

30.20 **EFFECTIVE DATE.** This section is effective January 1, 2015, and applies to an  
 30.21 applicant for a license on or after that date.

30.22 Sec. 17. Minnesota Statutes 2012, section 82B.13, subdivision 8, is amended to read:

30.23 Subd. 8. **Appraiser prelicense education.** (a) Credit toward the qualifying  
 30.24 education requirements of this section may also be obtained via the completion of a  
 30.25 degree in real estate from an accredited degree-granting college or university approved  
 30.26 by the Association to Advance Collegiate Schools of Business, or a regional or national  
 30.27 accreditation agency recognized by the United States Secretary of Education, provided  
 30.28 that the college or university has had its curriculum reviewed and approved by the  
 30.29 Appraiser Qualifications Board.

30.30 (b) Notwithstanding section 45.22, a college or university real estate course may be  
 30.31 approved retroactively by the commissioner for appraiser prelicense education credit if:

30.32 (1) the course was offered by a college or university physically located in Minnesota;

30.33 (2) the college or university was an approved education provider at the time the  
 30.34 course was offered; and

31.1 (3) the commissioner's approval is made to the same extent in terms of courses and  
31.2 hours and with the same time limits as those specified by the Appraiser Qualifications  
31.3 Board.

31.4 Sec. 18. Minnesota Statutes 2012, section 216.17, subdivision 2, is amended to read:

31.5 Subd. 2. **Service of notice, order, or other document from commission.** Service of  
31.6 all notices, orders, and other documents by the commission may be made by mail, personal  
31.7 delivery, or electronic service upon any person or firm, or upon the president, general  
31.8 manager, or other proper executive officer of any corporation interested. If any party has  
31.9 appeared by attorney, such service must be made upon the attorney. Notwithstanding  
31.10 section 14.62, orders and decisions may be served by mail, by personal delivery, or by  
31.11 electronic service. The commission may provide electronic service to any person who has  
31.12 provided an electronic address to the commission for service purposes. For purposes of this  
31.13 section, the term "person" includes a natural person or an organization, whether for profit  
31.14 or not for profit. Regulated utilities and state agencies must provide an electronic address  
31.15 for electronic service purposes and must accept electronic service as official service.

31.16 Sec. 19. Minnesota Statutes 2012, section 216.17, subdivision 4, is amended to read:

31.17 Subd. 4. **Service by a party, participant, or other interested person.** When an  
31.18 applicable statute or commission rule requires service of a filing or other document by a  
31.19 party, participant, or other interested person upon persons on a service list maintained by the  
31.20 commission, service may be made by personal delivery, mail, or electronic service, except  
31.21 that electronic service may only be made upon persons on the official service list who have  
31.22 previously agreed in writing to accept electronic service at an electronic address provided  
31.23 to the commission for electronic service purposes. This section does not apply to the extent  
31.24 another provision of this chapter or chapter 216A requires a specific method of service.  
31.25 Regulated utilities and state agencies must provide an electronic address to the commission  
31.26 for electronic service purposes and agree to accept electronic service as official service.

31.27 Sec. 20. Minnesota Statutes 2012, section 216B.18, is amended to read:

31.28 **216B.18 SERVICE OF NOTICE.**

31.29 Service of notice of all hearings, investigations, and proceedings pending before  
31.30 the commission and of complaints, reports, orders, and other documents must be  
31.31 made personally, by electronic service as provided in section 216.17, or by mail as the  
31.32 commission may direct. Regulated utilities and state agencies must provide an electronic

32.1 address to the commission for electronic service purposes and agree to accept electronic  
32.2 service as official service.

32.3 Sec. 21. Minnesota Statutes 2012, section 299C.40, subdivision 1, is amended to read:

32.4 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
32.5 section.

32.6 (b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located  
32.7 in the Department of Public Safety and managed by the Bureau of Criminal Apprehension.  
32.8 A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

32.9 (c) "Law enforcement agency" means a Minnesota municipal police department,  
32.10 the Metropolitan Transit Police, the Metropolitan Airports Police, the University of  
32.11 Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit,  
32.12 a Minnesota county sheriff's department, the Enforcement Division of the Department of  
32.13 Natural Resources, the Commerce Fraud Bureau, the Bureau of Criminal Apprehension,  
32.14 or the Minnesota State Patrol.

32.15 Sec. 22. **REVISOR INSTRUCTION.**

32.16 Consistent with the name change in section 2, the revisor of statutes shall change  
32.17 the term "Division of Insurance Fraud Prevention" or similar term to "Commerce Fraud  
32.18 Bureau" or similar term wherever it appears in Minnesota Statutes and Minnesota Rules.

32.19 Sec. 23. **REPEALER.**

32.20 Subdivision 1. **Petroleum tank release cleanup; PVC piping at residential**  
32.21 **locations.** Minnesota Statutes 2012, section 115C.09, subdivision 3k, is repealed.

32.22 Subd. 2. **Agricultural storage tank removal.** Laws 2000, chapter 488, article  
32.23 3, section 37, is repealed.

32.24 Subd. 3. **Prior appraiser qualification requirements.** Minnesota Statutes 2012,  
32.25 section 82B.095, subdivision 1, is repealed.

APPENDIX  
Article locations in H1221-1

ARTICLE 1	MISCELLANEOUS TECHNICAL CHANGES .....	Page.Ln 1.28
ARTICLE 2	ADJUSTMENTS TO STATUTORY DOLLAR AMOUNTS .....	Page.Ln 7.19
ARTICLE 3	COMMERCE AND CONSUMER PROTECTION POLICY .....	Page.Ln 18.22

**82A.16 LICENSURE REQUIREMENT.**

Subdivision 1. **Salesperson or broker.** A salesperson or broker may not offer or sell a membership camping contract until duly licensed under this chapter.

Subd. 2. **Fee and contents.** A salesperson or broker may apply for a license by filing a fee of \$50 and an application with the commissioner which includes the following information:

(1) the applicant's name, age, residence address, and, in the case of a salesperson, the name and place of business of the membership camping operator or broker on whose behalf the salesperson will be acting;

(2) the applicant's date and place of birth;

(3) a statement whether or not the applicant within the past ten years has been convicted of a misdemeanor or felony involving theft, fraud, or dishonesty or whether or not the applicant within the past ten years has been enjoined from, had any civil penalty assessed for, or been found to have engaged in any violation of any securities, land sales, camping, or consumer protection statutes;

(4) a statement whether or not the applicant is named as a defendant in a pending criminal indictment or proceeding involving fraud, theft, or dishonesty or is a defendant in a pending lawsuit arising out of alleged violations of securities, land sales, camping, or consumer protection statutes. A copy of the charge, complaint, or lawsuit shall be provided to the commissioner;

(5) a statement describing the applicant's employment history for the past five years and whether or not any termination of employment during the last five years was occasioned by a theft, fraud, or act of dishonesty;

(6) an affidavit certifying that the applicant is knowledgeable concerning the provisions of this section and sections 82A.05, 82A.13, and 82A.14, and any rules adopted under those sections;

(7) a statement whether or not the applicant has ever been licensed by this state or its political subdivisions to engage in any other business or profession; whether any such license has been denied, suspended, or revoked and, if so, the circumstances of the denial, suspension, or revocation;

(8) such other information as the commissioner may reasonably deem necessary to administer the provisions of sections 82A.01 to 82A.26, by rule or order.

Subd. 3. **Amendments.** Each licensee shall, within 15 days after the occurrence of any material change in the information contained in the initial application for license, file with the commissioner an amendment to the application setting forth the facts of change. The following shall be material changes requiring amendment:

(1) any termination of employment with a membership camping operator or broker;

(2) any new employment with a different membership camping operator or broker;

(3) upon any occasion when the salesperson or broker is named as a defendant in any criminal indictment or proceeding involving fraud, theft, or dishonesty or is a defendant in any pending lawsuit arising out of alleged violations of this chapter or any securities, land sales, or consumer protection statutes. A copy of the complaint or lawsuit shall be provided to the commissioner; and

(4) a change of name or address.

Subd. 4. **Salespersons.** A salesperson must be licensed to act on behalf of a registered membership camping operator or licensed broker and may not be licensed to act on behalf of more than one membership camping operator or broker in this state during the same period of time. The license of each salesperson shall be mailed to and remain in the possession of the salesperson until canceled.

Subd. 5. **Expiration.** Every license issued pursuant to this chapter shall expire on the February 28 next following the issuance of the license.

Subd. 6. **Renewal.** The license of a salesperson and broker shall be renewed annually by the filing of a form prescribed by the commissioner and payment of a fee of \$25.

Subd. 7. **Alternative system.** Notwithstanding the provisions of subdivisions 5 and 6, the commissioner may institute a system by rule pursuant to chapter 14 to provide three-year licenses from the date of issuance for any license prescribed by this section.

Subd. 8. **Responsibility of operator.** Each membership camping operator or broker shall be responsible for any violations of section 82A.13 or 82A.14 by any and all of its salespersons while acting as its agents in connection with the offer or sale of membership camping contracts. Unless the broker is liable for such violations pursuant to section 82A.19, subdivision 2, the

## APPENDIX

### Repealed Minnesota Statutes: H1221-1

operator's or broker's liability under this subdivision shall be limited to rescission and refund of the purchaser's payments for the membership camping contract.

#### **82A.17 DENIAL; SUSPENSION; REVOCATION OF LICENSES.**

Subdivision 1. **Grounds.** The commissioner may by order deny a license application, suspend or revoke any license, or may censure a licensee on finding that the order is in the public interest, and that the applicant or licensee:

(1) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent or deceptive practice;

(3) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the membership camping contract business or any other statute designed to protect consumers; or

(4) has materially or intentionally violated or failed to comply with any provision of this chapter or any rule or order under this chapter.

Subd. 2. **Order to show cause.** The commissioner shall issue an order requiring a licensee or applicant for a license to show cause why the license should not be revoked or suspended, or the licensee censured, or the application denied. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. If the commissioner finds that there are reasonable grounds to believe that, unless an order is issued promptly, there is an immediate and significant risk of harm to purchasers, the commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which that person has been duly notified, the person shall be deemed in default, and the proceeding may be determined against that person upon consideration of the order to show cause, the allegations of which may be deemed to be true.

#### **82B.095 APPRAISER QUALIFICATION COMPONENTS.**

Subdivision 1. **Components before January 1, 2009.** The three components required for a real property appraiser license are education, experience, and examination. Applicants for a class of license must document that they have met at least the component criteria that were in effect at the time they completed that component, provided that at a minimum, the January 1, 2003, criteria has been met.

#### **115C.09 REIMBURSEMENT.**

Subd. 3k. **PVC piping at residential locations.** (a) This subdivision is to assist homeowners who have installed PVC fill piping as part of the heating oil system at their residences.

Replacement of the PVC piping with metal piping is intended to avoid the catastrophic release of heating oil, as well as the ensuing cleanup costs, that can occur at residences where the PVC piping fails.

(b) As used in this subdivision:

(1) "residential locations" means a storage tank and appurtenances for heating oil that are used to heat a single-family residence; and

(2) "qualified person" means someone who is registered as a contractor under section 115C.11 and, as part of the person's trade or business, installs or repairs nonpressure piping, heating systems, air conditioning systems, or storage tank systems.

(c) Notwithstanding any other provision of this chapter or any rules adopted under this chapter, the board shall reimburse a qualified person 90 percent of the cost for replacing PVC fill piping with metal piping at residential locations between May 1, 2008, and September 1, 2011, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$250 per residential location. The maximum expenditure from the fund may not exceed \$1,500,000.

(d) A heating oil vendor is not a responsible person for a heating oil spill inside a residential location if the spill was caused solely by the failure of a tank or appurtenance to a tank owned by the homeowner.

APPENDIX  
Repealed Minnesota Session Laws: H1221-1

***Laws 2000, chapter 488, article 3, section 37***

**Sec. 37. AGRICULTURAL STORAGE TANK REMOVAL; REIMBURSEMENT.**

Subdivision 1. **Definition.** As used in this section, "agricultural storage tank" means an underground petroleum storage tank with a capacity of more than 1,100 gallons that has been registered with the pollution control agency by January 1, 2000, and is located on a farm where the contents of the tank are used by the tank owner or operator predominantly for farming purposes and are not commercially distributed.

Subd. 2. **Reimbursement.** Notwithstanding Minnesota Statutes, section 115C.09, subdivision 1, paragraph (b), clause (1), and pursuant to the remaining provisions of Minnesota Statutes, chapter 115C, the petroleum tank release compensation board shall reimburse an owner or operator of an agricultural storage tank for 90 percent of the total reimbursable cost of removal project costs incurred for the tank prior to January 1, 2001, including, but not limited to, tank removal, closure in place, backfill, resurfacing, and utility restoration costs, regardless of whether a release has occurred at the site. Notwithstanding Minnesota Statutes, section 115C.09, subdivision 3, the board may not reimburse an eligible applicant under this section for more than \$7,500 of costs per tank.

APPENDIX  
Repealed Minnesota Rule: H1221-1

**2870.1500 LICENSE RENEWAL.**

Subpart 1. **Forms.** The division will supply license renewal forms.

Subp. 2. **Submission.** Completion of forms specified in subpart 1 and submission to the division must be made at least 45 days prior to expiration date on the license.