

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

S.F. No. 4602

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DATE 03/04/2024 D-PG OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection

1.1 A bill for an act
1.2 relating to consumer protection; modifying various provisions governing debt
1.3 collection, garnishment, and consumer finance; providing for debtor protections;
1.4 requiring a review of certain statutory forms; amending Minnesota Statutes 2022,
1.5 sections 176.175, subdivision 2; 332.31, subdivision 3, by adding subdivisions;
1.6 332.32; 332.37; 332.39; 334.01, by adding a subdivision; 519.05; 541.04; 541.053;
1.7 548.09, subdivision 1; 550.37, subdivisions 2, 4, 6, 12a, 14, 20, 22, 23, by adding
1.8 subdivisions; 550.39; 563.01, subdivisions 3, 4, 8, 9, 10; 563.02, subdivision 2;
1.9 571.72, subdivisions 6, 9; 571.76; 571.911; 571.914, subdivision 1; 571.92;
1.10 571.921; 571.922; 571.924, subdivision 1; Minnesota Statutes 2023 Supplement,
1.11 section 270A.03, subdivision 2; proposing coding for new law in Minnesota
1.12 Statutes, chapters 62Q; 332; 550; 571.

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

1.14 Section 1. [62Q.491] OUT-OF-POCKET MAXIMUM OR COST-SHARING
1.15 REQUIREMENT; ENROLLEE CONTRIBUTION CALCULATION.

1.16 (a) To the extent permitted by federal law, a health plan company must include any
1.17 amounts paid by the enrollee or paid on behalf of the enrollee by another person when
1.18 calculating an enrollee's overall contribution toward any out-of-pocket maximum or
1.19 cost-sharing requirement under a health plan.

1.20 (b) For purposes of this section, "cost sharing" means a co-payment, coinsurance, or
1.21 deductible.

1.22 Sec. 2. Minnesota Statutes 2022, section 176.175, subdivision 2, is amended to read:

1.23 Subd. 2. **Nonassignability.** No claim for compensation or settlement of a claim for
1.24 compensation owned by an injured employee or dependents is assignable. Except as otherwise
1.25 provided in this chapter, any claim for compensation owned by an injured employee or

2.1 dependents is exempt from seizure or sale for the payment of any debt or liability, up to a
2.2 total amount of \$1,000,000 per claim and subsequent award.

2.3 Sec. 3. Minnesota Statutes 2023 Supplement, section 270A.03, subdivision 2, is amended
2.4 to read:

2.5 Subd. 2. **Claimant agency.** "Claimant agency" means any state agency, as defined by
2.6 section 14.02, subdivision 2, the regents of the University of Minnesota, any district court
2.7 of the state, any county, any statutory or home rule charter city, including a city that is
2.8 presenting a claim for ~~a municipal hospital or a public library or a municipal ambulance~~
2.9 ~~service, a hospital district, any ambulance service licensed under chapter 144E,~~ any public
2.10 agency responsible for child support enforcement, any public agency responsible for the
2.11 collection of court-ordered restitution, and any public agency established by general or
2.12 special law that is responsible for the administration of a low-income housing program.

2.13 Sec. 4. Minnesota Statutes 2022, section 332.31, is amended by adding a subdivision to
2.14 read:

2.15 Subd. 2a. **Collecting party.** "Collecting party" means a person who, in the ordinary
2.16 course of business, regularly engages in debt collection on behalf of the person or others.

2.17 Sec. 5. Minnesota Statutes 2022, section 332.31, subdivision 3, is amended to read:

2.18 Subd. 3. **Collection agency.** "Collection agency" or "licensee" means (1) a person
2.19 engaged in the business of collection for others any account, bill, or other indebtedness,
2.20 except as hereinafter provided; or (2) a debt buyer. ~~It~~ Collection agency or licensee includes
2.21 but is not limited to: (1) attorneys whose principal or exclusive practice involves debt
2.22 collection; or (2) persons who furnish collection systems carrying a name which simulates
2.23 the name of a collection agency and who supply forms or form letters to be used by the
2.24 creditor, even though such forms direct the debtor to make payments directly to the creditor
2.25 rather than to such fictitious agency.

2.26 Sec. 6. Minnesota Statutes 2022, section 332.31, is amended by adding a subdivision to
2.27 read:

2.28 Subd. 7a. **Debt.** "Debt" means any obligation or alleged obligation to pay money arising
2.29 out of a transaction in which the money, property, insurance, or services that are the subject
2.30 of the transaction are primarily for personal, family, or household purposes, whether or not
2.31 the obligation has been reduced to judgment. For purposes of this chapter, the term debt

3.1 also refers to any obligation or alleged obligation arising from owning and operating a small
3.2 business, as defined in section 645.445, regardless of the small business's purpose.

3.3 Sec. 7. Minnesota Statutes 2022, section 332.31, is amended by adding a subdivision to
3.4 read:

3.5 Subd. 8a. Debtor. "Debtor" means a natural person obligated or allegedly obligated to
3.6 pay any debt.

3.7 Sec. 8. Minnesota Statutes 2022, section 332.32, is amended to read:

3.8 **332.32 EXCLUSIONS.**

3.9 (a) The term "collection agency" does not include banks when collecting accounts owed
3.10 to the banks and when the bank will sustain any loss arising from uncollectible accounts,
3.11 abstract companies doing an escrow business, real estate brokers, public officers, persons
3.12 acting under order of a court, ~~lawyers~~, trust companies, insurance companies, credit unions,
3.13 savings associations, loan or finance companies unless they are engaged in asserting,
3.14 enforcing or prosecuting unsecured claims which have been purchased from any person,
3.15 firm, or association when there is recourse to the seller for all or part of the claim if the
3.16 claim is not collected.

3.17 (b) The term "collection agency" shall not include a trade association performing services
3.18 authorized by section 604.15, subdivision 4a, but the trade association in performing the
3.19 services may not engage in any conduct that would be prohibited for a collection agency
3.20 under section 332.37.

3.21 Sec. 9. Minnesota Statutes 2022, section 332.37, is amended to read:

3.22 **332.37 PROHIBITED PRACTICES.**

3.23 (a) ~~No collection agency, debt buyer, or collector~~ collecting party shall:

3.24 (1) in collection letters or publications, or in any communication, oral or written, threaten
3.25 wage garnishment or legal suit by a particular lawyer, unless ~~it~~ the collecting party has
3.26 actually retained the lawyer;

3.27 (2) use or employ sheriffs or any other officer authorized to serve legal papers in
3.28 connection with the collection of a claim, except when performing their legally authorized
3.29 duties;

3.30 (3) use or threaten to use methods of collection which violate Minnesota law;

4.1 (4) furnish legal advice to debtors or ~~otherwise engage in the practice of law~~ or represent
4.2 that ~~it~~ the collecting party is competent to do so;

4.3 (5) communicate with debtors in a misleading or deceptive manner by falsely using the
4.4 stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare,
4.5 or instruments which simulate the form and appearance of judicial process;

4.6 (6) if the collecting party is a collection agency, exercise authority on behalf of a client
4.7 to employ the services of lawyers unless the client has specifically authorized the agency
4.8 in writing to do so and the agency's course of conduct is at all times consistent with a true
4.9 relationship of attorney and client between the lawyer and the client;

4.10 (7) publish or cause to be published any list of debtors except for credit reporting
4.11 purposes, use shame cards or shame automobiles, advertise or threaten to advertise for sale
4.12 any claim as a means of forcing payment thereof, or use similar devices or methods of
4.13 intimidation;

4.14 (8) refuse to return any claim or claims and all valuable papers deposited with a claim
4.15 or claims upon written request of the client, claimant or forwarder after tender of the amounts
4.16 due and owing to a collection agency within 30 days after the request; refuse or intentionally
4.17 fail to account to its clients for all money collected within 30 days from the last day of the
4.18 month in which the same is collected; or, refuse or fail to furnish at intervals of not less
4.19 than 90 days upon written request of the claimant or forwarder, a written report upon claims
4.20 received from the claimant or forwarder;

4.21 (9) operate under a name or in a manner which implies ~~that the collection agency or debt~~
4.22 ~~buyer~~ collecting party is a branch of or associated with any department of federal, state,
4.23 county or local government or an agency thereof;

4.24 (10) if the collecting party is a collection agency, commingle money collected for a
4.25 customer with the collection agency's operating funds or use any part of a customer's money
4.26 in the conduct of the collection agency's business;

4.27 (11) transact business or hold itself out as a debt settlement company, debt management
4.28 company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates or
4.29 pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or
4.30 liquidation is done pursuant to court order or under the supervision of a creditor's committee;

4.31 (12) violate any of the provisions of the Fair Debt Collection Practices Act of 1977,
4.32 Public Law 95-109, or Code of Federal Regulations, title 12, part 1006, while attempting

5.1 to collect on any account, bill or other indebtedness. For purposes of this section, Public
5.2 Law 95-109 and Code of Federal Regulations, title 12, part 1006, apply to collecting parties;

5.3 (13) ~~communicate with a debtor by use of a recorded message utilizing an automatic~~
5.4 ~~dialing announcing device~~ an automatic telephone dialing system or an artificial or
5.5 prerecorded voice after the debtor expressly informs the ~~agency or collector~~ collecting party
5.6 to cease communication utilizing an ~~automatic dialing announcing device~~ automatic telephone
5.7 dialing system or an artificial or prerecorded voice. For purposes of this clause, an automatic
5.8 telephone dialing system or an artificial or prerecorded voice includes but is not limited to
5.9 (i) artificial intelligence chat bots, and (ii) the usage of the term under the Telephone
5.10 Consumer Protection Act, United States Code, title 47, section 227(b)(1)(A);

5.11 (14) in collection letters or publications, or in any communication, oral or written, imply
5.12 or suggest that health care ~~services~~ will be withheld ~~in an emergency situation~~ as a result
5.13 of a debt;

5.14 (15) when a debtor has a listed telephone number, enlist the aid of a neighbor or third
5.15 party to request that the debtor contact the ~~licensee or collector~~ collecting party, except a
5.16 person who resides with the debtor or a third party with whom the debtor has authorized
5.17 the ~~licensee or collector~~ collecting party to place the request. This clause does not apply to
5.18 a call back message left at the debtor's place of employment which is limited to the ~~licensee's~~
5.19 ~~or collector's~~ collecting party's telephone number and name;

5.20 (16) when attempting to collect a debt, fail to provide the debtor with: (i) the full name
5.21 of the ~~collection agency or debt buyer~~ collecting party as registered with the secretary of
5.22 state; (ii) the full name as it appears on its the collecting party's collection license, Federal
5.23 Deposit Insurance Corporation registration, National Credit Union Administration
5.24 registration, or in a similar registry; or (iii) the full name as listed on any "doing business
5.25 as" or "d/b/a" registered with the Department of Commerce, as applicable;

5.26 (17) if the collecting party is a collection agency, collect any money from a debtor that
5.27 is not reported to a client on whose behalf the collecting party is collecting the money;

5.28 (18) fail to return any amount of overpayment from a debtor to the debtor or to the state
5.29 of Minnesota pursuant to the requirements of chapter 345;

5.30 (19) accept currency or coin as payment for a debt without issuing an original receipt
5.31 to the debtor and maintaining a duplicate receipt in the debtor's payment records;

6.1 (20) attempt to collect any amount, including any interest, fee, charge, or expense
 6.2 incidental to the charge-off obligation, from a debtor unless the amount is expressly
 6.3 authorized by the agreement creating the debt or is otherwise permitted by law;

6.4 (21) if the collecting party is a collection agency, charge a fee to a client on whose behalf
 6.5 the collecting party is collecting the money that is not authorized by agreement with the
 6.6 client;

6.7 (22) falsify any ~~collection agency~~ documents with the intent to deceive a ~~debtor, creditor,~~
 6.8 ~~or governmental agency;~~

6.9 (23) when initially contacting a Minnesota debtor by mail, fail to include a disclosure
 6.10 on the contact notice, in a type size or font which is equal to or larger than the largest other
 6.11 type of type size or font used in the text of the notice. The disclosure must (i) include and
 6.12 identify the Office of the Minnesota Attorney General's general telephone number, and (ii)
 6.13 state: "You have the right to hire your own attorney to represent you in this matter." With
 6.14 respect to collection agencies, debt buyers, and collectors, the disclosure must also state:
 6.15 "This collection agency is licensed by the Minnesota Department of Commerce" or "This
 6.16 debt buyer is licensed by the Minnesota Department of Commerce" as applicable; ~~or~~

6.17 (24) commence legal action to collect a debt outside the limitations period set forth in
 6.18 section 541.053;

6.19 (25) report to a credit reporting agency an item of information which the collecting party
 6.20 knows or should know concerns medical information, or concerns any debt arising from
 6.21 the provision of medical care, treatment, services, devices, medicines, or procedures to
 6.22 maintain, diagnose, or treat a person's physical or mental health; or

6.23 (26) challenge a debtor's claim of exemption to garnishment or levy in a manner that is
 6.24 baseless, frivolous, or otherwise in bad faith.

6.25 (b) Paragraph (a), clauses (6), (8), (10), (17), and (21), do not apply to debt buyers except
 6.26 to the extent the debt buyer engages in third-party debt collection for others.

6.27 **Sec. 10. [332.371] MEDICAL DEBT CREDIT REPORTING PROHIBITED.**

6.28 (a) A consumer reporting agency is prohibited from making a consumer report containing
 6.29 an item of information that the consumer reporting agency knows or should know concerns
 6.30 (1) medical information; or (2) debt arising from: (i) the provision of medical care, treatment,
 6.31 services, devices, medicines; or (ii) procedures to maintain, diagnose, or treat a person's
 6.32 physical or mental health.

7.1 (b) For purposes of this section, "consumer report," "consumer reporting agency," and
7.2 "medical information" have the meanings given them in the Fair Credit Reporting Act,
7.3 United States Code, title 15, section 1681a.

7.4 Sec. 11. Minnesota Statutes 2022, section 332.39, is amended to read:

7.5 **332.39 INJUNCTIONS ENFORCEMENT.**

7.6 (a) The attorney general or the county attorney of any county may apply for an injunction
7.7 in district court to enjoin any violations of sections 332.31 to 332.44, or any practices
7.8 prohibited in section 332.37, and any such court may issue temporary or permanent
7.9 injunctions as the circumstances shall require. Such injunctive proceedings shall be in
7.10 addition to and not in lieu of penalties and remedies otherwise provided in sections 332.31
7.11 to 332.44.

7.12 (b) A collecting party that violates section 332.37 is strictly liable to the debtor in question
7.13 for the sum of:

7.14 (1) actual damage sustained by the debtor as a result of the violation;

7.15 (2) additional damages as the court may allow, but not exceeding \$1,000 per violation;

7.16 and

7.17 (3) in the case of any successful action to enforce the foregoing, the costs of the action,
7.18 together with a reasonable attorney fee as determined by the court.

7.19 (c) A collecting party that willfully and maliciously violates section 332.37 is strictly
7.20 liable to the debtor for three times the sums allowable under paragraph (b), clauses (1) and
7.21 (2).

7.22 (d) The dollar amount limit under paragraph (b), clause (2), changes on July 1 of each
7.23 even-numbered year to in an amount equal to changes made in the consumer price index,
7.24 compiled by the United States Bureau of Labor Statistics. The consumer price index for
7.25 December 2024 is the reference base index. If the consumer price index is revised, the
7.26 percentage of change made under this section must be calculated on the basis of the revised
7.27 consumer price index. If a consumer price index revision changes the reference base index,
7.28 a revised reference base index must be determined by multiplying the reference base index
7.29 that is effective at the time by the rebasing factor furnished by the Bureau of Labor Statistics.
7.30 If the consumer price index is superseded, the consumer price index referred to in this section
7.31 is the consumer price index represented by the Bureau of Labor Statistics as most accurately
7.32 reflecting changes in the prices paid by consumers for consumer goods and services.

8.1 (e) The commissioner of commerce must publish the base reference index under paragraph
8.2 (d) in the State Register no later than September 1, 2024. The commissioner must calculate
8.3 and then publish the revised consumer price index under paragraph (d) in the State Register
8.4 no later than September 1 each even-numbered year.

8.5 (f) An action brought under this section benefits the public.

8.6 **Sec. 12. [332.391] DEFENDING CONSUMER DEBT CASES.**

8.7 A debtor who successfully defends against a claim for debt payment that is alleged by
8.8 a collecting party must be awarded the debtor's costs, including a reasonable attorney fee,
8.9 incurred in defending against the collecting party's claim for debt payment.

8.10 Sec. 13. Minnesota Statutes 2022, section 334.01, is amended by adding a subdivision to
8.11 read:

8.12 Subd. 4. **Contracts for medical care.** Interest does not accrue on any debt to a health
8.13 care provider incurred in exchange for care, treatment, services, devices, medicines, or
8.14 procedures to maintain, diagnose, or treat a person's physical or mental health.

8.15 Sec. 14. Minnesota Statutes 2022, section 519.05, is amended to read:

8.16 **519.05 LIABILITY OF HUSBAND AND WIFE SPOUSES.**

8.17 (a) A spouse is not liable to a creditor for any debts of the other spouse. ~~Where husband~~
8.18 ~~and wife are living together, they shall be jointly and severally liable for necessary medical~~
8.19 ~~services that have been furnished to either spouse, including any claims arising under section~~
8.20 ~~246.53, 256B.15, 256D.16, or 261.04, and necessary household articles and supplies furnished~~
8.21 ~~to and used by the family.~~ Notwithstanding this paragraph, in a proceeding under chapter
8.22 518 the court may apportion such debt between the spouses.

8.23 (b) Either spouse may close a credit card account or other unsecured consumer line of
8.24 credit on which both spouses are contractually liable, by giving written notice to the creditor.

8.25 Sec. 15. Minnesota Statutes 2022, section 541.04, is amended to read:

8.26 **541.04 JUDGMENTS, TEN YEARS.**

8.27 (a) No action shall be maintained upon a judgment or decree of a court of the United
8.28 States, or of any state or territory thereof, unless begun within: (1) five years after the entry
8.29 of judgment for obligations arising out of a consumer debt incurred primarily for personal,

9.1 family, or household purposes, for judgments entered after July 1, 2024; or (2) ten years
 9.2 after the entry of such judgment for all other obligations.

9.3 (b) No action may be brought to renew a judgment arising out of any consumer debt
 9.4 incurred primarily for personal, family, or household purposes.

9.5 Sec. 16. Minnesota Statutes 2022, section 541.053, is amended to read:

9.6 **541.053 LIMITATION OF ACTIONS BASED ON CONSUMER DEBT.**

9.7 (a) Notwithstanding section 541.31, subdivision 1, actions upon an obligation arising
 9.8 out of a consumer debt primarily for personal, family, or household purposes shall that is
 9.9 incurred or originated on or after July 1, 2024, must be commenced within six three years.

9.10 (b) After its expiration, the statute of limitations is not revived by the collection of a
 9.11 payment on an account, a discharge in a bankruptcy proceeding, or an oral or written
 9.12 reaffirmation of the debt.

9.13 **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to actions
 9.14 arising from consumer debt primarily for personal, family, or household purposes incurred
 9.15 or originated on or after that date.

9.16 Sec. 17. Minnesota Statutes 2022, section 548.09, subdivision 1, is amended to read:

9.17 Subdivision 1. **Entry and docketing; survival of judgment.** (a) Except as provided in
 9.18 section 548.091, every judgment requiring the payment of money shall be entered by the
 9.19 court administrator when ordered by the court and will be docketed by the court administrator
 9.20 upon the filing of an affidavit as provided in subdivision 2. Upon a transcript of the docket
 9.21 being filed with the court administrator in any other county, the court administrator shall
 9.22 also docket it. From the time of docketing the judgment is a lien, in the amount unpaid,
 9.23 upon all real property in the county then or thereafter owned by the judgment debtor, but it
 9.24 is not a lien upon registered land unless it is also recorded pursuant to sections 508.63 and
 9.25 508A.63. The judgment survives, and the lien continues, for ten years after its entry. Child
 9.26 support judgments may be renewed pursuant to section 548.091. Except as provided in
 9.27 paragraph (b), an action may be brought to renew the judgment for the same period if the
 9.28 action to renew the judgment is commenced within ten years after entry of the judgment.

9.29 (b) No action may be brought to renew a judgment arising out of any consumer debt
 9.30 incurred primarily for personal, family, or household purposes.

9.31 (c) Child support judgments may be renewed as provided under section 548.091.

10.1 Sec. 18. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

10.2 Subd. 2. **Bible Sacred possessions, library, and musical instrument.** The ~~family~~ Bible,
10.3 Torah, Qur'an, prayer rug, other religions items, library, and musical instruments, not
10.4 exceeding \$10,000 per item.

10.5 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
10.6 of action commenced on or after that date.

10.7 Sec. 19. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

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

10.10 (b) Household furniture, household appliances, ~~phonographs, radio and television~~
10.11 ~~receivers~~ radios, computers, tablets, televisions, printers, cell phones, smart phones, and
10.12 other consumer electronics of the debtor and the debtor's family, not exceeding \$11,250 in
10.13 value.

10.14 (c) The debtor's aggregate interest, not exceeding \$3,062.50 in value, in ~~wedding rings~~
10.15 ~~or other religious or culturally recognized symbols of marriage exchanged between the~~
10.16 ~~debtor and spouse at the time of the marriage and in the debtor's possession~~ jewelry.

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

10.20 If a debtor has property of the type which would qualify for the exemption under clause
10.21 (b), of a value in excess of \$11,250 an itemized list of the exempt property, together with
10.22 the value of each item listed, shall be attached to the security agreement at the time a security
10.23 interest is taken, and a creditor may take a nonpurchase money security interest in the excess
10.24 over \$11,250 by requiring the debtor to select the exemption in writing at the time the loan
10.25 is made.

10.26 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
10.27 of action commenced on or after that date.

10.28 Sec. 20. Minnesota Statutes 2022, section 550.37, subdivision 6, is amended to read:

10.29 Subd. 6. **Tools of trade.** The tools, implements, machines, vehicles, instruments, office
10.30 furniture, stock in trade, and library reasonably necessary in the trade, business, or profession
10.31 of the debtor, not exceeding \$12,500 in value.

12.1 was exempt when the income was earned is also exempt under this subdivision. The
 12.2 exemption provisions contained in this subdivision also apply ~~for 60 days~~ after deposit in
 12.3 any financial institution, whether in a single or joint account. In tracing the funds, the first-in
 12.4 first-out method of accounting shall be used. The burden of establishing that funds are
 12.5 exempt rests upon the debtor. Agencies distributing government assistance and the
 12.6 correctional institutions shall, at the request of creditors, inform them whether or not any
 12.7 debtor has been an eligible recipient of government assistance based on need, or an inmate
 12.8 of a correctional institution, within the preceding six months.

12.9 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 12.10 of action commenced on or after that date.

12.11 Sec. 23. Minnesota Statutes 2022, section 550.37, subdivision 20, is amended to read:

12.12 Subd. 20. **Traceable funds.** The exemption of funds from creditors' claims, provided
 12.13 by subdivisions 9, 10, 11, 15, 22, and 24, shall not be affected by the subsequent deposit of
 12.14 the funds in a bank or any other financial institution, whether in a single or joint account,
 12.15 if the funds are traceable to ~~their~~ the funds' exempt source. In tracing the funds, the first-in
 12.16 first-out method of accounting shall be used. The burden of establishing that funds are
 12.17 exempt rests upon the debtor. No bank or other financial institution shall be liable for
 12.18 damages for complying with process duly issued out of any court for the collection of a
 12.19 debt even if the funds affected by the process are subsequently determined to have been
 12.20 exempt.

12.21 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 12.22 of action commenced on or after that date.

12.23 Sec. 24. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

12.24 Subd. 22. **Rights of action.** Rights of action or money received for injuries to the person
 12.25 of the debtor or of a relative whether or not resulting in death. Injuries to the person include
 12.26 physical, mental, and emotional injuries. The exemption under this subdivision applies to
 12.27 the right to receive, annuities being paid, and money already received.

12.28 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 12.29 of action commenced on or after that date.

12.30 Sec. 25. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

12.31 Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to
 12.32 exceed in value \$10,000 in any accrued ~~dividend~~ dividends or interest under or loan value

13.1 of any unmatured life insurance ~~contract~~ contracts owned by the debtor under which the
13.2 insured is the debtor or an individual of whom the debtor is a dependent.

13.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
13.4 of action commenced on or after that date.

13.5 Sec. 26. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
13.6 read:

13.7 Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to
13.8 exceed \$3,000, in household tools and equipment, including but not limited to hand and
13.9 power tools, snow removal equipment, and lawnmowers.

13.10 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
13.11 of action commenced on or after that date.

13.12 Sec. 27. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
13.13 read:

13.14 Subd. 28. **Property tax refunds.** Any refund due under chapter 290A, up to a present
13.15 value of \$3,000.

13.16 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
13.17 of action commenced on or after that date.

13.18 Sec. 28. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
13.19 read:

13.20 Subd. 29. **Bank accounts and other property.** An aggregate amount not exceeding
13.21 \$5,000, regardless of the sources of the funds, in bank accounts or financial institution
13.22 depository accounts in which the debtor is an account holder, is exempt from seizure under
13.23 sections 571.91 to 571.915. Any portion of the \$5,000 may, at the debtor's discretion, be
13.24 used to protect any property except earnings. This subdivision does not apply to the
13.25 exemption of wages.

13.26 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
13.27 of action commenced on or after that date.

14.1 Sec. 29. **[550.3711] MOTOR VEHICLE; BANKRUPTCY DEBTOR'S RIGHT TO**
 14.2 **RETAIN.**

14.3 Subdivision 1. **No default.** If a buyer does not default in performing the buyer's
 14.4 obligations under the contract, the seller or holder is prohibited from (1) accelerating the
 14.5 maturity of part or the entire amount due under the contract, or (2) repossessing the motor
 14.6 vehicle.

14.7 Subd. 2. **Bankruptcy.** (a) Neither of the following constitutes a default in the performance
 14.8 of the buyer's obligations under the contract: (1) the buyer or another individual liable under
 14.9 the contract files a petition commencing a case for bankruptcy under United States Code,
 14.10 title 11; or (2) the buyer or another individual liable under the contract is a debtor in
 14.11 bankruptcy.

14.12 (b) The act or status under paragraph (a), clauses (1) and (2), with respect to the buyer
 14.13 or another individual liable on the contract, must not be used by a seller or holder to: (1)
 14.14 accelerate the maturity of a portion of or the entire amount due under the contract; or (2)
 14.15 repossess the motor vehicle.

14.16 (c) A contract provision that states an act or status under paragraph (a), clauses (1) and
 14.17 (2), with respect to the buyer or another individual liable on the contract, constitutes a default
 14.18 is void and unenforceable.

14.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 14.20 of action commenced on or after that date.

14.21 Sec. 30. Minnesota Statutes 2022, section 550.39, is amended to read:

14.22 **550.39 EXEMPTION OF INSURANCE POLICIES.**

14.23 The net amount payable to any insured or to any beneficiary under any policy of accident
 14.24 or disability insurance or under accident or disability clauses attached to any policy of life
 14.25 insurance shall be exempt and free and clear from the claims of all creditors of such insured
 14.26 or such beneficiary and from all legal and judicial processes of execution, attachment,
 14.27 garnishment, or otherwise, up to a total amount of \$1,000,000 per claim and subsequent
 14.28 award.

14.29 Sec. 31. Minnesota Statutes 2022, section 563.01, subdivision 3, is amended to read:

14.30 Subd. 3. **Court fee waiver; authorization of in forma pauperis.** (a) Any court of the
 14.31 state of Minnesota or any political subdivision thereof may authorize the commencement
 14.32 or defense of any civil action, or appeal therein, without prepayment of fees, costs and

15.1 security for costs by a natural person who makes affidavit stating (a) the nature of the action,
15.2 defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is
15.3 financially unable to pay the fees, costs and security for costs.

15.4 (b) Upon a finding by the court that the action is not of a frivolous nature, the court shall
15.5 allow the person to proceed ~~in forma pauperis~~ with a court fee waiver if the affidavit is
15.6 substantially in the language required by this subdivision and is not found by the court to
15.7 be untrue. Persons meeting the requirements of this subdivision include, but are not limited
15.8 to, a person who is receiving public assistance described in section 550.37, subdivision 14,
15.9 who is represented by an attorney on behalf of a civil legal services program or a volunteer
15.10 attorney program based on indigency, or who has an annual income not greater than 125
15.11 percent of the poverty line established under United States Code, title 42, section 9902(2),
15.12 except as otherwise provided by section 563.02.

15.13 (c) If, at commencement of the action, the court finds that a party does not meet the
15.14 eligibility criteria under paragraph (b), but the court also finds that the party is not able to
15.15 pay all of the fees, costs, and security for costs, the court may order payment of a fee of \$75
15.16 or partial payment of the fees, costs, and security for costs, to be paid as directed by the
15.17 court.

15.18 The court administrator shall transmit any fees or payments to the commissioner of
15.19 management and budget for deposit in the state treasury and credit to the general fund.

15.20 Sec. 32. Minnesota Statutes 2022, section 563.01, subdivision 4, is amended to read:

15.21 Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the
15.22 sheriff of any Minnesota county shall perform their duties without charge to the person
15.23 proceeding ~~in forma pauperis~~ with a court fee waiver. The court shall direct payment of the
15.24 reasonable expense of service of process pursuant to subdivision 2 if served by a private
15.25 process server, if the sheriff is unavailable, or by publication.

15.26 Sec. 33. Minnesota Statutes 2022, section 563.01, subdivision 8, is amended to read:

15.27 Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting
15.28 permission to proceed ~~in forma pauperis~~ with a court fee waiver following application in
15.29 the manner provided in subdivision 3, direct payment of the reasonable expenses incurred
15.30 in obtaining the record and reproducing the appellate briefs.

16.1 Sec. 34. Minnesota Statutes 2022, section 563.01, subdivision 9, is amended to read:

16.2 Subd. 9. **Rescinding ~~in forma pauperis status~~ court fee waiver.** Upon motion, the
 16.3 court may rescind its permission to proceed ~~in forma pauperis~~ with a court fee waiver if ~~it~~
 16.4 the court finds the allegations of poverty contained in the affidavit are untrue, or if, following
 16.5 commencement of the action, the party becomes able to pay the fees, costs and security for
 16.6 the costs. In such cases, the court may direct the party to pay to the court administrator any
 16.7 costs allowing the action to proceed. The court administrator shall transmit the costs to the
 16.8 commissioner of management and budget for deposit in the state treasury and credit them
 16.9 to the general fund.

16.10 Sec. 35. Minnesota Statutes 2022, section 563.01, subdivision 10, is amended to read:

16.11 Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action
 16.12 as in other cases. In the event any person recovers moneys by either settlement or judgment
 16.13 as a result of commencing or defending an action ~~in forma pauperis~~ with a court fee waiver,
 16.14 the costs deferred and the expenses directed by the court to be paid under this section shall
 16.15 be included in such moneys and shall be paid directly to the court administrator by the
 16.16 opposing party. The court administrator shall transmit the costs to the commissioner of
 16.17 management and budget for deposit in the state treasury and credit them to the general fund.

16.18 Sec. 36. Minnesota Statutes 2022, section 563.02, subdivision 2, is amended to read:

16.19 Subd. 2. **Inmate request to ~~proceed in forma pauperis~~ waive court fees.** (a) An inmate
 16.20 who wishes to commence a civil action ~~by proceeding in forma pauperis~~ with court fee
 16.21 waived must meet the following requirements, in addition to the requirements of section
 16.22 563.01, subdivision 3:

16.23 (1) exhaust the inmate complaint procedure developed under the commissioner of
 16.24 corrections policy and procedure before commencing a civil action against the department,
 16.25 and state in the application to ~~proceed in forma pauperis~~ wave court fees that the inmate
 16.26 has done so; and

16.27 (2) include the following information in an affidavit submitted under section 563.01:

16.28 (i) a statement that the inmate's claim is not substantially similar to a previous claim
 16.29 brought by the inmate against the same party, arising from the same operative facts, and in
 16.30 which there was an action that operated as an adjudication on the merits;

17.1 (ii) complete information on the inmate's identity, the nature and amount of the inmate's
17.2 income, spouse's income, if available to the inmate, real property owned by the inmate, and
17.3 the inmate's bank accounts, debts, monthly expenses, and number of dependents; and

17.4 (iii) the most recent monthly statement provided by the commissioner of corrections
17.5 showing the balance in the inmate's inmate account.

17.6 (b) The inmate shall also attach a written authorization for the court to obtain at any
17.7 time during pendency of the present action, without further authorization from the inmate,
17.8 a current statement of the inmate's inmate account balance, if needed to determine eligibility
17.9 to proceed with bringing a civil action ~~in forma pauperis~~ with court fees waived. An inmate
17.10 who has no funds in an inmate account satisfies the requirement of section 563.01,
17.11 subdivision 3, clause (c).

17.12 (c) An inmate who seeks to proceed as a plaintiff ~~in forma pauperis~~ with court fees
17.13 waived must file with the court the complaint in the action and the affidavit under this
17.14 section before serving the complaint on an opposing party.

17.15 (d) An inmate who has funds in an inmate account may only proceed as a plaintiff in a
17.16 civil action by paying the lesser of:

17.17 (1) the applicable court filing fee; or

17.18 (2) 50 percent of the balance shown in the inmate's account according to the statement
17.19 filed with the court under this subdivision, consistent with the requirements of section
17.20 243.23, subdivision 3.

17.21 (e) If an inmate elects to proceed under paragraph (d), the court shall notify the
17.22 commissioner of corrections to withdraw from the inmate's account the amount required
17.23 under this section and forward the amount to the court administrator in the county where
17.24 the action was commenced. The court shall also notify the commissioner of corrections of
17.25 the amount of the filing fee remaining unpaid. The commissioner shall continue making
17.26 withdrawals from the inmate's account and forwarding the amounts withdrawn to the court
17.27 administrator, at intervals as the applicable funds in the inmate's account equal at least \$10,
17.28 until the entire filing fee and any costs have been paid in full.

17.29 Sec. 37. Minnesota Statutes 2022, section 571.72, subdivision 6, is amended to read:

17.30 Subd. 6. **Bad faith claim.** If, in a proceeding brought under subdivision 9, section 571.91,
17.31 or a similar proceeding under this chapter to determine a claim of exemption, the claim of
17.32 exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor
17.33 shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional

18.1 proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and
18.2 the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor
18.3 shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional
18.4 proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified
18.5 to reflect assessment of damages, costs, and attorney fees. However, if the party in whose
18.6 favor a penalty assessment is made is not actually indebted to that party's attorney for fees,
18.7 the attorney's fee award shall be made directly to the attorney and if not paid an appropriate
18.8 judgment in favor of the attorney shall be entered.

18.9 Sec. 38. Minnesota Statutes 2022, section 571.72, subdivision 9, is amended to read:

18.10 **Subd. 9. Motion to determine objections.** (a) This subdivision applies to all garnishment
18.11 proceedings governed by this chapter. An objection regarding a garnishment must be
18.12 interposed as provided in section 571.914, subdivision 1, in the form provided under section
18.13 571.914, subdivision 2.

18.14 (b) Upon motion of any party in interest, on notice, the court shall determine the validity
18.15 of any claim of exemption and may make any order necessary to protect the rights of those
18.16 interested.

18.17 (c) Upon receipt of a claim of exemption by the debtor, the creditor must comply with
18.18 the claim or interpose an objection within six business days of the date the exemption claim
18.19 was received. An objection must be interposed by:

18.20 (1) in the district court that issued the judgment, filing the Notice of Objection and
18.21 requesting a hearing; and

18.22 (2) mailing or delivering one copy of the Notice of Objection and Notice of Hearing to
18.23 the garnishee and one copy of the Notice of Objection and Notice of Hearing to the debtor.

18.24 (d) For the purposes of subdivision 6, there is a rebuttable presumption of bad faith if
18.25 the court finds that the creditor failed to comply with the requirements of this subdivision.

18.26 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
18.27 of action commenced on or after that date.

18.28 Sec. 39. Minnesota Statutes 2022, section 571.76, is amended to read:

18.29 **571.76 GARNISHEE FEES.**

18.30 ~~A garnishee shall be paid a \$15 fee by the creditor at the time of service of a garnishment~~
18.31 ~~summons. Failure to pay the fee renders the garnishment void, and the garnishee shall take~~

19.1 ~~no action.~~ If a garnishee is required to appear and submit to oral examination, the garnishee
 19.2 shall be tendered, in advance of the examination, fees and mileage for attendance at the rate
 19.3 allowed by law to a witness. These fees may be recovered by the creditor as an allowable
 19.4 disbursement. In extraordinary cases, the garnishee may be allowed additional sums the
 19.5 court considers reasonable for attorneys fees and other necessary expenses. The court shall
 19.6 then determine which party bears the burden of this expense. If specific articles of personal
 19.7 property are garnished, the garnishee is not required to deliver the property to any person
 19.8 until payment of the garnishee's reasonable charges for storage.

19.9 Sec. 40. **[571.761] GARNISHMENT AND LEVY FEES PROHIBITED.**

19.10 A garnishee, including but not limited to a financial institution, is prohibited from
 19.11 charging a debtor a fee or fine, or imposing any other penalty of any kind, whether monetary
 19.12 or nonmonetary, as a result of the garnishee receiving a garnishment summons or levy
 19.13 directed at the debtor's financial account, paycheck, or other asset of any kind.

19.14 Sec. 41. Minnesota Statutes 2022, section 571.911, is amended to read:

19.15 **571.911 EXEMPTION NOTICE; DUTY OF FINANCIAL INSTITUTION.**

19.16 (a) If the garnishment summons is used to garnish funds of a debtor who is a natural
 19.17 person and if the funds to be garnished are held on deposit at a financial institution, the
 19.18 creditor shall serve with the garnishee summons a notice, instructions, and two copies of
 19.19 an exemption notice. The notice, instructions, and exemption notices must be substantially
 19.20 in the forms set forth in section 571.912. Failure of the creditor to send the exemption notice
 19.21 renders the garnishment void, and the financial institution shall take no action.

19.22 (b) Unless the total amount in the depository accounts under the debtor's name is less
 19.23 than the amount specified under section 550.37, subdivision 29, upon receipt of the
 19.24 garnishment summons and exemption notices, the financial institution shall retain as much
 19.25 of the amount under section 571.73 as the financial institution has on deposit owing to the
 19.26 debtor, but not more than 110 percent of the creditor's claim. If the amount in the account
 19.27 does not exceed the amount specified under section 550.37, subdivision 29, the bank must
 19.28 notify the creditor that no funds are retained.

19.29 (c) If the creditor receives notice from the financial institution that no funds are retained,
 19.30 the creditor is prohibited from sending the notice under section 571.912.

19.31 (d) If the account that is subject to the garnishment summons is jointly owned, the
 19.32 financial institution, upon being served the summons, a garnishee, must immediately notify

20.1 the joint account holder who is not the debtor that the holder's personal funds in the joint
 20.2 account are protected from seizure and the proof the holder must provide to the financial
 20.3 institution to protect the funds. The notification must be sent at least ten days before any
 20.4 funds are released by the financial institution to the creditor. Upon receiving the requisite
 20.5 proof from the joint account holder, the financial institution must protect that portion of the
 20.6 funds from garnishment and immediately make the funds available to the account holder.

20.7 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 20.8 of action commenced on or after that date.

20.9 Sec. 42. Minnesota Statutes 2022, section 571.914, subdivision 1, is amended to read:

20.10 Subdivision 1. **Objections and request for hearing.** ~~An objection shall be interposed,~~
 20.11 ~~within six business days of receipt by the creditor of an exemption claim from the debtor,~~
 20.12 ~~by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the~~
 20.13 ~~financial institution and one copy of the Notice of Objection and Notice of Hearing to the~~
 20.14 ~~debtor.~~

20.15 (a) The Notice of Objection and Notice of Hearing form must be substantially in the
 20.16 form set out in subdivision 2.

20.17 (b) The court administrator may charge a fee of \$1 for the filing of a Notice of Objection
 20.18 and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the
 20.19 court administrator shall schedule the matter for hearing no sooner than five business days
 20.20 but no later than seven business days from the date of filing. A debtor may request
 20.21 continuance of the hearing by notifying the creditor and the court. The court shall schedule
 20.22 the continued hearing within seven days of the original hearing date.

20.23 (c) An order stating whether the debtor's funds are exempt shall be issued by the court
 20.24 within three days of the date of the hearing.

20.25 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 20.26 of action commenced on or after that date.

20.27 Sec. 43. Minnesota Statutes 2022, section 571.92, is amended to read:

20.28 **571.92 GARNISHMENT OF EARNINGS.**

20.29 Sections 571.921 to 571.926 relate to the garnishment of earnings. The exemptions
 20.30 available under section 550.37 apply to the garnishment of earnings if the debtor is a resident
 20.31 of Minnesota and the debtor's place of employment is in Minnesota, regardless of where
 20.32 the employer is domiciled.

21.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 21.2 of action commenced on or after that date.

21.3 Sec. 44. Minnesota Statutes 2022, section 571.921, is amended to read:

21.4 **571.921 DEFINITIONS.**

21.5 For purposes of sections 571.921 to 571.926, the following terms have the meanings
 21.6 given them:

21.7 (a) "Earnings" means:

21.8 (1) compensation paid or payable to an employee, independent contractor, or
 21.9 self-employed person for personal service whether denominated as wages, salary,
 21.10 commissions, bonus, payments, profit-sharing distribution, severance payment, fees, or
 21.11 otherwise, and includes periodic payments pursuant to a pension or retirement program;

21.12 (2) compensation paid or payable to the producer for the sale of agricultural products;
 21.13 livestock or livestock products; milk or milk products; or fruit or other horticultural products
 21.14 produced when the producer is operating a family farm, a family farm corporation, or an
 21.15 authorized farm corporation, as defined in section 500.24, subdivision 2; or

21.16 (3) maintenance as defined in section 518.003, subdivision 3a.

21.17 (b) "Disposable earnings" means that part of the earnings of an individual remaining
 21.18 after the deduction from those earnings of amounts required by law to be withheld.

21.19 (c) "Employee" means an individual ~~who performs services subject to the right of the~~
 21.20 ~~employer to control both what is done and how it is done.~~ whether currently or formerly
 21.21 employed, who is owed earnings and who:

21.22 (1) is treated by an employer as an employee for federal employment tax purposes; or

21.23 (2) receives earnings from an employer through periodic payments and is not treated by
 21.24 the employer as an employee for federal employment tax purposes.

21.25 (d) "Employer" means a person ~~for whom an individual performs services as an employee~~
 21.26 who owes or will owe earnings to an employee.

21.27 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
 21.28 of action commenced on or after that date.

22.1 Sec. 45. Minnesota Statutes 2022, section 571.922, is amended to read:

22.2 **571.922 LIMITATION ON WAGE GARNISHMENT.**

22.3 (a) Unless the judgment is for child support, the maximum part of the aggregate
22.4 disposable earnings of an individual for any pay period subjected to garnishment may not
22.5 exceed the lesser of:

22.6 (1) ~~25~~ 10 percent of the debtor's disposable earnings; or

22.7 (2) the amount by which the debtor's disposable earnings exceed the greater of:

22.8 (i) ~~40~~ 80 times the hourly wage described in section 177.24, subdivision 1, paragraph

22.9 (b), clause (1), item (iii); or

22.10 (ii) ~~40~~ 80 times the federal minimum hourly wages prescribed by section 6(a)(1) of the
22.11 Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The
22.12 calculation of the amount that is subject to garnishment must be based on the hourly wage
22.13 in effect at the time the earnings are payable, times the number of work weeks in the pay
22.14 period. When a pay period consists of other than a whole number of work weeks, each day
22.15 of that pay period in excess of the number of completed work weeks shall be counted as a
22.16 fraction of a work week equal to the number of excess workdays divided by the number of
22.17 days in the normal work week.

22.18 (b) If the judgment is for child support, the garnishment may not exceed:

22.19 (1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is
22.20 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
22.21 to be calculated to the beginning of the work week in which the execution levy is received);

22.22 (2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is
22.23 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
22.24 to be calculated to the beginning of the work week in which the garnishment summons is
22.25 received);

22.26 (3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not
22.27 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
22.28 to be calculated to the beginning of the work week in which the execution levy is received);

22.29 or

22.30 (4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not
22.31 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks

23.1 to be calculated to the beginning of the work week in which the garnishment summons is
23.2 received).

23.3 Wage garnishments on judgments for child support are effective until the judgments are
23.4 satisfied if the judgment creditor is a county and the employer is notified by the county
23.5 when the judgment is satisfied.

23.6 (c) No court may make, execute, or enforce an order or any process in violation of this
23.7 section.

23.8 Sec. 46. Minnesota Statutes 2022, section 571.924, subdivision 1, is amended to read:

23.9 Subdivision 1. **Requirement.** The creditor shall serve upon the debtor, no less than ten
23.10 days before the service of the garnishment summons, a notice that a summons may be issued.
23.11 The notice shall: (1) be substantially in the form set out in section 571.925; (2) be served
23.12 personally, in the manner of a summons and complaint, or by first class mail to the last
23.13 known address of the debtor; (3) inform the debtor that a garnishment summons may be
23.14 served on the debtor's employer after ten days, and that the debtor may, within that time,
23.15 cause to be served on the creditor a signed statement under penalties of perjury asserting
23.16 an entitlement to an exemption from garnishment; (4) inform the debtor of the earnings
23.17 garnishment exemptions contained in section 550.37, subdivision 14; ~~and~~ (5) advise the
23.18 debtor of the relief set forth in this chapter to which the debtor may be entitled if a creditor
23.19 in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed
23.20 against a debtor who in bad faith falsely claims an exemption or in bad faith takes action
23.21 to frustrate the garnishment process; and (6) provide in type that is at least two points larger
23.22 than the body of the notice: (i) the date upon which the notice is mailed; (ii) a mailing
23.23 address, a fax number, and an email address for delivery of an exemption claim; and (iii) a
23.24 telephone number for the creditor's attorney or the creditor.

23.25 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes
23.26 of action commenced on or after that date.

23.27 Sec. 47. **GARNISHMENT FORMS REVISION.**

23.28 (a) The commissioner of commerce must review and make recommendations to revise
23.29 into plain language the notices and forms found in Minnesota Statutes, sections 571.72,
23.30 subdivisions 8 and 10; 571.74; 571.75, subdivision 2; 571.912; and 571.925.

23.31 (b) The commissioner of commerce must review and determine whether the forms
23.32 contained in Minnesota Statutes, sections 571.711, subdivision 11; 571.914; 571.931,

24.1 subdivision 6; and 571.932, subdivision 2, should be revised into a more easily readable
24.2 and understandable format. If the commissioner of commerce determines the forms should
24.3 be revised, the commissioner of commerce must make recommendations for legislative
24.4 revisions to the forms.

24.5 (c) The recommendations made under paragraphs (a) and (b) must include proposals to
24.6 (1) explain in simple terms the meaning of garnishment in any form that uses the term
24.7 garnishment; and (2) prominently place on forms the name, telephone, fax number, and
24.8 email address of the creditor.

24.9 (d) When developing the recommendations, the commissioner must consult with the
24.10 Center for Plain Language and other plain language experts the commissioner may identify,
24.11 and must collaborate with the Office of the Attorney General and affected business and
24.12 consumer groups, including but not limited to:

24.13 (1) the Minnesota Creditors' Rights Association;

24.14 (2) the Great Lakes Credit and Collections Association;

24.15 (3) the Minnesota Bankers' Association;

24.16 (4) the Minnesota Credit Union Network;

24.17 (5) BankIn Minnesota;

24.18 (6) Mid-Minnesota Legal Aid;

24.19 (7) the Minnesota chapter of the National Association of Consumer Advocates;

24.20 (8) the Minnesota chapter of the National Association of Consumer Bankruptcy Attorneys;

24.21 (9) Lutheran Social Service; and

24.22 (10) Family Means.

24.23 (e) For the purposes of this section, "plain language" means (1) simplifying existing
24.24 language into more concise, easily readable, and understandable text; (2) using short
24.25 sentences, active voice, and words with common and everyday meanings; (3) keeping the
24.26 subject and verb close together; (4) avoiding jargon and legal language to the extent possible;
24.27 and (5) presenting text in a format that is well-organized, easy to navigate, and that is divided
24.28 into sections with clear, concise section headings and sufficient white space between sections.