

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

S.F. No. 972

(SENATE AUTHORS: DAHMS)

DATE
02/11/2021

D-PG

Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to commerce; establishing the Governor's budget for Department of
1.3 Commerce and Public Utilities Commission activities; modifying various provisions
1.4 governing commerce and energy policy; appropriating money; amending Minnesota
1.5 Statutes 2020, sections 60A.14, subdivision 1; 115C.094; 216B.62, subdivision
1.6 3b; 332.31, subdivisions 3, 6, by adding subdivisions; 332.311; 332.32; 332.33,
1.7 subdivisions 1, 2, 5, 5a, 7, 8, by adding a subdivision; 332.34; 332.345; 332.355;
1.8 332.37; 332.385; 332.40, subdivision 3; 332.42, subdivisions 1, 2; repealing
1.9 Minnesota Statutes 2020, section 115C.13.

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

1.11 **ARTICLE 1**
1.12 **COMMERCE AND PUBLIC UTILITIES COMMISSION FINANCE**

1.13 Section 1. **APPROPRIATIONS.**

1.14 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.15 and for the purposes specified in this article. The appropriations are from the general fund,
1.16 or another named fund, and are available for the fiscal years indicated for each purpose.
1.17 The figures "2022" and "2023" used in this article mean that the appropriations listed under
1.18 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.
1.19 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"
1.20 is fiscal years 2022 and 2023.

1.21		<u>APPROPRIATIONS</u>	
1.22		<u>Available for the Year</u>	
1.23		<u>Ending June 30</u>	
1.24		<u>2022</u>	<u>2023</u>
1.25	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>		
1.26	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>32,168,000</u> <u>\$</u> <u>31,908,000</u>

<u>Appropriations by Fund</u>			
	<u>2022</u>	<u>2023</u>	
2.1			
2.2			
2.3	<u>27,541,000</u>	<u>27,281,000</u>	
2.4	<u>2,060,000</u>	<u>2,060,000</u>	
2.5	<u>1,056,000</u>	<u>1,056,000</u>	
2.6			
2.7	<u>761,000</u>	<u>761,000</u>	
2.8			
2.9	<u>750,000</u>	<u>750,000</u>	
2.10			
2.11			
2.12			
2.13		<u>1,669,000</u>	<u>1,687,000</u>
2.14			
2.15			
2.16			
2.17			
2.18			
2.19			
2.20			
2.21			
2.22			
2.23			
2.24			
2.25		<u>9,346,000</u>	<u>8,821,000</u>
2.26			
2.27			
2.28			
2.29			
2.30			
2.31			
2.32			
2.33			
2.34			
2.35			

3.1 cybersecurity upgrades for the unclaimed
3.2 property program.

3.3 (d) \$564,000 each year is for additional
3.4 operations of the unclaimed property program.

3.5 (e) \$832,000 in fiscal year 2022 and \$208,000
3.6 in fiscal year 2023 are for IT system
3.7 modernization. The base amount in fiscal year
3.8 2024 and beyond is \$0.

3.9 (f) On the day after final enactment of this act,
3.10 the commissioner of commerce must cancel
3.11 \$1,220,000 from the fiscal year 2021 general
3.12 fund appropriation for the administrative
3.13 services program under Laws 2019, First
3.14 Special Session chapter 7, article 1, section 6,
3.15 subdivision 3, to the general fund.

3.16 **Subd. 4. Telecommunications** 3,133,000 3,150,000

	<u>Appropriations by Fund</u>	
3.17		
3.18	<u>General</u>	<u>1,073,000</u> <u>1,090,000</u>
3.19	<u>Special Revenue</u>	<u>2,060,000</u> <u>2,060,000</u>

3.20 \$2,060,000 each year is from the
3.21 telecommunications access Minnesota fund
3.22 account in the special revenue fund for the
3.23 following transfers. This appropriation is
3.24 added to the department's base:

3.25 (1) \$1,620,000 each year is to the
3.26 commissioner of human services to
3.27 supplement the ongoing operational expenses
3.28 of the Commission of Deaf, DeafBlind, and
3.29 Hard-of-Hearing Minnesotans. This
3.30 appropriation is available until June 30, 2023,
3.31 and any unexpended amount on that date must
3.32 be returned to the telecommunications access
3.33 Minnesota fund account;

4.1 (2) \$290,000 each year is to the chief
 4.2 information officer for the purpose of
 4.3 coordinating technology accessibility and
 4.4 usability;

4.5 (3) \$100,000 each year is to the Legislative
 4.6 Coordinating Commission for captioning of
 4.7 legislative coverage. This transfer is subject
 4.8 to Minnesota Statutes, section 16A.281; and

4.9 (4) \$50,000 each year is to the Office of
 4.10 MN.IT Services for a consolidated access fund
 4.11 to provide grants or services to other state
 4.12 agencies related to accessibility of their
 4.13 web-based services.

4.14 **Subd. 5. Enforcement** 5,407,000 5,498,000

	<u>Appropriations by Fund</u>	
4.15		
4.16	<u>General</u>	<u>5,206,000</u> <u>5,297,000</u>
4.17	<u>Workers'</u>	
4.18	<u>Compensation</u>	<u>201,000</u> <u>201,000</u>

4.19 (a) \$279,000 each year is for health care
 4.20 enforcement.

4.21 (b) \$201,000 each year is from the workers'
 4.22 compensation fund.

4.23 **Subd. 6. Insurance** 6,463,000 6,529,000

	<u>Appropriations by Fund</u>	
4.24		
4.25	<u>General</u>	<u>5,903,000</u> <u>5,969,000</u>
4.26	<u>Workers'</u>	
4.27	<u>Compensation</u>	<u>560,000</u> <u>560,000</u>

4.28 (a) \$642,000 each year is for health insurance
 4.29 rate review staffing.

4.30 (b) \$412,000 each year is for actuarial work
 4.31 to prepare for implementation of
 4.32 principle-based reserves.

5.1 (c) \$30,000 in fiscal year 2022 is to pay for
 5.2 two years of membership dues for Minnesota
 5.3 to the National Conference of Insurance
 5.4 Legislators.

5.5 (d) \$425,000 each year is for licensing
 5.6 activities under Minnesota Statutes, chapter
 5.7 62W. Of this amount, \$246,000 each year
 5.8 must be used only for staff costs associated
 5.9 with two enforcement investigators to enforce
 5.10 Minnesota Statutes, chapter 62W.

5.11 (e) \$560,000 each year is from the workers'
 5.12 compensation fund.

5.13 Subd. 7. Energy Resources 5,094,000 5,167,000

5.14	<u>Appropriations by Fund</u>		
5.15	<u>General</u>	<u>4,344,000</u>	<u>4,417,000</u>
5.16	<u>Renewable</u>		
5.17	<u>Development</u>	<u>750,000</u>	<u>750,000</u>

5.18 (a) \$150,000 each year is from the renewable
 5.19 development account in the special revenue
 5.20 fund under Minnesota Statutes, section
 5.21 116C.779, subdivision 1, to remediate
 5.22 vermiculate insulation from households that
 5.23 are eligible for weatherization assistance under
 5.24 Minnesota's weatherization assistance program
 5.25 state plan under Minnesota Statutes, section
 5.26 216C.264. Remediation must be done in
 5.27 conjunction with federal weatherization
 5.28 assistance program services.

5.29 (b) \$832,000 each year is for energy regulation
 5.30 and planning unit staff.

5.31 (c) \$100,000 each year is from the renewable
 5.32 development account in the special revenue
 5.33 fund established in Minnesota Statutes, section
 5.34 116C.779, subdivision 1, to administer the

6.1 "Made in Minnesota" solar energy production
 6.2 incentive program in Minnesota Statutes,
 6.3 section 216C.417. Any remaining unspent
 6.4 money cancels to the renewable development
 6.5 account at the end of the biennium.

6.6 (d) \$500,000 each year is from the renewable
 6.7 development account in the special revenue
 6.8 fund established in Minnesota Statutes, section
 6.9 116C.779, subdivision 1, for costs associated
 6.10 with any third-party expert evaluation of a
 6.11 proposal submitted in response to a request
 6.12 for proposal to the renewable development
 6.13 advisory group under Minnesota Statutes,
 6.14 section 116C.779, subdivision 1, paragraph
 6.15 (l). No portion of this appropriation may be
 6.16 expended or retained by the commissioner of
 6.17 commerce. Any money appropriated under
 6.18 this paragraph that is unexpended at the end
 6.19 of a fiscal year cancels to the renewable
 6.20 development account.

6.21 **Subd. 8. Petroleum Tank Release Compensation**
 6.22 **Board**

1,056,000

1,056,000

6.23 **Sec. 3. PUBLIC UTILITIES COMMISSION** **\$**

7,923,000 **\$**

8,052,000

6.24 (a) \$21,000 each year is to process utility
 6.25 applications to install equipment crossing a
 6.26 railroad right-of-way.

6.27 (b) \$300,000 each year is to enhance the
 6.28 commission's decision-making capability.

7.1 **ARTICLE 2**

7.2 **COMMERCE AND ENERGY POLICY**

7.3 Section 1. Minnesota Statutes 2020, section 60A.14, subdivision 1, is amended to read:

7.4 Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges
7.5 provided for examinations, the following fees must be paid to the commissioner for deposit
7.6 in the general fund:

7.7 (a) by township mutual fire insurance companies:

7.8 (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

7.9 (2) for filing annual statements, \$15;

7.10 (3) for each annual certificate of authority, \$15;

7.11 (4) for filing bylaws \$25 and amendments thereto, \$10;

7.12 (b) by other domestic and foreign companies including fraternal and reciprocal
7.13 exchanges:

7.14 (1) for filing an application for an initial certification of authority to be admitted to
7.15 transact business in this state, \$1,500;

7.16 (2) for filing certified copy of certificate of articles of incorporation, \$100;

7.17 (3) for filing annual statement, ~~\$225~~ \$300;

7.18 (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

7.19 (5) for filing bylaws, \$75 or amendments thereto, \$75;

7.20 (6) for each company's certificate of authority, ~~\$575~~ \$750, annually;

7.21 (c) the following general fees apply:

7.22 (1) for each certificate, including certified copy of certificate of authority, renewal,
7.23 valuation of life policies, corporate condition or qualification, \$25;

7.24 (2) for each copy of paper on file in the commissioner's office 50 cents per page, and
7.25 \$2.50 for certifying the same;

7.26 (3) for license to procure insurance in unadmitted foreign companies, \$575;

7.27 (4) for valuing the policies of life insurance companies, ~~one cent~~ two cents per \$1,000
7.28 of insurance so valued, provided that the fee shall not exceed ~~\$13,000~~ \$26,000 per year for
7.29 any company. The commissioner may, in lieu of a valuation of the policies of any foreign
7.30 life insurance company admitted, or applying for admission, to do business in this state,

8.1 accept a certificate of valuation from the company's own actuary or from the commissioner
8.2 of insurance of the state or territory in which the company is domiciled;

8.3 (5) for receiving and filing certificates of policies by the company's actuary, or by the
8.4 commissioner of insurance of any other state or territory, \$50;

8.5 (6) for each appointment of an agent filed with the commissioner, \$30;

8.6 (7) for filing forms, rates, and compliance certifications under section 60A.315, \$140
8.7 per filing, or \$125 per filing when submitted via electronic filing system. Filing fees may
8.8 be paid on a quarterly basis in response to an invoice. Billing and payment may be made
8.9 electronically;

8.10 (8) for annual renewal of surplus lines insurer license, ~~\$300~~ \$400.

8.11 The commissioner shall adopt rules to define filings that are subject to a fee.

8.12 Sec. 2. Minnesota Statutes 2020, section 115C.094, is amended to read:

8.13 **115C.094 ABANDONED UNDERGROUND STORAGE TANKS.**

8.14 (a) As used in this section, an abandoned underground petroleum storage tank means
8.15 an underground petroleum storage tank that was:

8.16 (1) taken out of service prior to December 22, 1988; ~~or~~

8.17 (2) taken out of service on or after December 22, 1988, if the current property owner
8.18 did not know of the existence of the underground petroleum storage tank and could not have
8.19 reasonably been expected to have known of the tank's existence at the time the owner first
8.20 acquired right, title, or interest in the tank; or

8.21 (3) taken out of service and is located on property that is being held by the state in trust
8.22 for local taxing districts under section 281.25.

8.23 (b) The board may contract for:

8.24 (1) a statewide assessment in order to determine the quantity, location, cost, and feasibility
8.25 of removing abandoned underground petroleum storage tanks;

8.26 (2) the removal of an abandoned underground petroleum storage tank; and

8.27 (3) the removal and disposal of petroleum-contaminated soil if the removal is required
8.28 by the commissioner at the time of tank removal.

9.1 (c) Before the board may contract for removal of an abandoned petroleum storage tank,
 9.2 the tank owner must provide the board with written access to the property and release the
 9.3 board from any potential liability for the work performed.

9.4 (d) If at the time of the forfeiture of property identified under paragraph (a), clause (3),
 9.5 the property owner or the owner's heirs, devisees, or representatives, or any person to whom
 9.6 the right to pay taxes was granted by statute, mortgage, or other agreement, repurchases the
 9.7 property under section 282.241, the board's contracted costs for the underground storage
 9.8 tank removal project must be included as a special assessment included in the repurchase
 9.9 price, as provided under section 282.251, and must be returned to the board upon the sale
 9.10 of the property.

9.11 ~~(d)~~ (e) Money in the fund is appropriated to the board for the purposes of this section.

9.12 Sec. 3. Minnesota Statutes 2020, section 216B.62, subdivision 3b, is amended to read:

9.13 Subd. 3b. **Assessment for department regional and national duties.** In addition to
 9.14 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal
 9.15 year for performing its duties under section 216A.07, subdivision 3a. The amount in this
 9.16 subdivision shall be assessed to energy utilities in proportion to their respective gross
 9.17 operating revenues from retail sales of gas or electric service within the state during the last
 9.18 calendar year and shall be deposited into an account in the special revenue fund and is
 9.19 appropriated to the commissioner of commerce for the purposes of section 216A.07,
 9.20 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
 9.21 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
 9.22 an "energy utility" means public utilities, generation and transmission cooperative electric
 9.23 associations, and municipal power agencies providing natural gas or electric service in the
 9.24 state. ~~This subdivision expires June 30, 2021.~~

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

9.26 Sec. 4. Minnesota Statutes 2020, section 332.31, subdivision 3, is amended to read:

9.27 Subd. 3. **Collection agency.** "Collection agency" or "licensee" means ~~and includes any~~
 9.28 (1) a person engaged in the business of collection for others any account, bill, or other
 9.29 indebtedness, except as hereinafter provided; or (2) a debt buyer. It includes persons who
 9.30 furnish collection systems carrying a name which simulates the name of a collection agency
 9.31 and who supply forms or form letters to be used by the creditor, even though such forms
 9.32 direct the debtor to make payments directly to the creditor rather than to such fictitious
 9.33 agency.

10.1 Sec. 5. Minnesota Statutes 2020, section 332.31, subdivision 6, is amended to read:

10.2 Subd. 6. **Collector.** "Collector" is a person acting under the authority of a collection
 10.3 agency under subdivision 3 or a debt buyer under subdivision 8, and on its behalf in the
 10.4 business of collection for ~~others~~ an account, bill, or other indebtedness except as otherwise
 10.5 provided in this chapter.

10.6 Sec. 6. Minnesota Statutes 2020, section 332.31, is amended by adding a subdivision to
 10.7 read:

10.8 Subd. 8. **Debt buyer.** "Debt buyer" means a business engaged in the purchase of any
 10.9 charged-off account, bill, or other indebtedness for collection purposes, whether the business
 10.10 collects the account, bill, or other indebtedness, hires a third party for collection, or hires
 10.11 an attorney for litigation related to the collection.

10.12 Sec. 7. Minnesota Statutes 2020, section 332.31, is amended by adding a subdivision to
 10.13 read:

10.14 Subd. 9. **Affiliated company.** "Affiliated company" means a company that: (1) directly
 10.15 or indirectly controls, is controlled by, or is under common control with another company
 10.16 or companies; (2) has the same executive management team or owner that exerts control
 10.17 over the business operations of the company; (3) maintains a uniform network of corporate
 10.18 and compliance policies and procedures; and (4) does not engage in active collection of
 10.19 debts.

10.20 Sec. 8. Minnesota Statutes 2020, section 332.311, is amended to read:

10.21 **332.311 TRANSFER OF ADMINISTRATIVE FUNCTIONS.**

10.22 The powers, duties, and responsibilities of the consumer services section under sections
 10.23 332.31 to 332.44 relating to collection agencies and debt buyers are hereby transferred to
 10.24 and imposed upon the commissioner of commerce.

10.25 Sec. 9. Minnesota Statutes 2020, section 332.32, is amended to read:

10.26 **332.32 EXCLUSIONS.**

10.27 (a) The term "collection agency" ~~shall~~ does not include ~~persons whose collection activities~~
 10.28 ~~are confined to and are directly related to the operation of a business other than that of a~~
 10.29 ~~collection agency such as, but not limited to~~ banks when collecting accounts owed to the
 10.30 banks and when the bank will sustain any loss arising from uncollectible accounts, abstract
 10.31 companies doing an escrow business, real estate brokers, public officers, persons acting

11.1 under order of a court, lawyers, trust companies, insurance companies, credit unions, savings
11.2 associations, loan or finance companies unless they are engaged in asserting, enforcing or
11.3 prosecuting unsecured claims which have been purchased from any person, firm, or
11.4 association when there is recourse to the seller for all or part of the claim if the claim is not
11.5 collected.

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

11.10 Sec. 10. Minnesota Statutes 2020, section 332.33, subdivision 1, is amended to read:

11.11 Subdivision 1. **Requirement.** Except as otherwise provided in this chapter, no person
11.12 shall conduct ~~within this state a collection agency or engage within this state in the business~~
11.13 ~~of collecting claims for others~~ business in Minnesota as a collection agency or debt buyer,
11.14 as defined in sections 332.31 to 332.44, without having first applied for and obtained a
11.15 collection agency license. A person acting under the authority of a collection agency, debt
11.16 buyer, or as a collector, must first register with the commissioner under this section. A
11.17 registered collector may use one additional assumed name only if the assumed name is
11.18 registered with and approved by the commissioner. A business that operates as a debt buyer
11.19 must submit a completed license application no later than January 1, 2022. A debt buyer
11.20 who has filed an application with the commissioner for a collection agency license prior to
11.21 January 1, 2022, and whose application remains pending with the commissioner thereafter,
11.22 may continue to operate without a license until the commissioner approves or denies the
11.23 application.

11.24 Sec. 11. Minnesota Statutes 2020, section 332.33, subdivision 2, is amended to read:

11.25 Subd. 2. **Penalty.** A person who carries on business as a collection agency or debt buyer
11.26 without first having obtained a license or acts as a collector without first having registered
11.27 with the commissioner pursuant to sections 332.31 to 332.44, or who carries on this business
11.28 after the revocation, suspension, or expiration of a license or registration is guilty of a
11.29 misdemeanor.

11.30 Sec. 12. Minnesota Statutes 2020, section 332.33, subdivision 5, is amended to read:

11.31 Subd. 5. ~~Collection agency License rejection.~~ On finding that an applicant for a
11.32 ~~collection agency~~ license is not qualified under sections 332.31 to 332.44, the commissioner

12.1 shall reject the application and shall give the applicant written notice of the rejection and
12.2 the reasons for the rejection.

12.3 Sec. 13. Minnesota Statutes 2020, section 332.33, subdivision 5a, is amended to read:

12.4 Subd. 5a. **Individual collector registration.** A ~~licensed collection agency licensee~~, on
12.5 behalf of an individual collector, must register with the state all individuals in the ~~collection~~
12.6 ~~agency's licensee's~~ employ who are performing the duties of a collector as defined in sections
12.7 332.31 to 332.44. The ~~collection agency licensee~~ must apply for an individual collection
12.8 registration in a form prescribed by the commissioner. The ~~collection agency licensee~~ shall
12.9 verify on the form that the applicant has confirmed that the applicant meets the requirements
12.10 to perform the duties of a collector as defined in sections 332.31 to 332.44. Upon submission
12.11 of the application to the department, the individual may begin to perform the duties of a
12.12 collector and may continue to do so unless the ~~licensed collection agency licensee~~ is informed
12.13 by the commissioner that the individual is ineligible.

12.14 Sec. 14. Minnesota Statutes 2020, section 332.33, subdivision 7, is amended to read:

12.15 Subd. 7. **Changes; notice to commissioner.** (a) A ~~licensed collection agency licensee~~
12.16 must give the commissioner written notice of a change in company name, address, or
12.17 ownership not later than ten days after the change occurs. A registered individual collector
12.18 must give written notice of a change of address, name, or assumed name no later than ten
12.19 days after the change occurs.

12.20 (b) Upon the death of any ~~collection agency licensee~~, the license of the decedent may
12.21 be transferred to the executor or administrator of the estate for the unexpired term of the
12.22 license. The executor or administrator may be authorized to continue or discontinue the
12.23 collection business of the decedent under the direction of the court having jurisdiction of
12.24 the probate.

12.25 Sec. 15. Minnesota Statutes 2020, section 332.33, subdivision 8, is amended to read:

12.26 Subd. 8. **Screening process requirement.** (a) Each ~~licensed collection agency licensee~~
12.27 must establish procedures to follow when screening an individual collector applicant prior
12.28 to submitting an applicant to the commissioner for initial registration and at renewal.

12.29 (b) The screening process for initial registration must be done at the time of hiring. The
12.30 process must include a national criminal history record search, an attorney licensing search,
12.31 and a county criminal history search for all counties where the applicant has resided within
12.32 the five years immediately preceding the initial registration, to determine whether the

13.1 applicant is eligible to be registered under section 332.35. Each ~~licensed collection agency~~
13.2 licensee shall use a vendor that is a member of the National Association of Professional
13.3 Background Screeners, or an equivalent vendor, to conduct this background screening
13.4 process.

13.5 (c) Screening for renewal of individual collector registration must include a national
13.6 criminal history record search and a county criminal history search for all counties where
13.7 the individual has resided during the immediate preceding year. Screening for renewal of
13.8 individual collector registrations must take place no more than 60 days before the license
13.9 expiration or renewal date. A renewal screening is not required if an individual collector
13.10 has been subjected to an initial background screening within 12 months of the first registration
13.11 renewal date. A renewal screening is required for all subsequent annual registration renewals.

13.12 (d) The commissioner may review the procedures to ensure the integrity of the screening
13.13 process. Failure by a ~~licensed collection agency~~ licensee to establish these procedures is
13.14 subject to action under section 332.40.

13.15 Sec. 16. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to
13.16 read:

13.17 Subd. 9. **Affiliated companies.** The commissioner must permit affiliated companies to
13.18 operate under a single license and be subject to a single examination, provided that all of
13.19 the affiliated company names are listed on the license.

13.20 Sec. 17. Minnesota Statutes 2020, section 332.34, is amended to read:

13.21 **332.34 BOND.**

13.22 The commissioner of commerce shall require each ~~collection agency~~ licensee to file and
13.23 maintain in force a corporate surety bond, in a form to be prescribed by, and acceptable to,
13.24 the commissioner, and in a sum of at least \$50,000 plus an additional \$5,000 for each
13.25 \$100,000 received by the collection agency from debtors located in Minnesota during the
13.26 previous calendar year, less commissions earned by the collection agency on those collections
13.27 for the previous calendar year. The total amount of the bond shall not exceed \$100,000. A
13.28 ~~collection agency~~ licensee may deposit cash in and with a depository acceptable to the
13.29 commissioner in an amount and in the manner prescribed and approved by the commissioner
13.30 in lieu of a bond.

14.1 Sec. 18. Minnesota Statutes 2020, section 332.345, is amended to read:

14.2 **332.345 SEGREGATED ACCOUNTS.**

14.3 A payment collected by a collector or collection agency on behalf of a customer shall
14.4 be held by the collector or collection agency in a separate trust account clearly designated
14.5 for customer funds. The account must be in a bank or other depository institution authorized
14.6 or chartered under the laws of any state or of the United States. This section does not apply
14.7 to a debt buyer, except to the extent the debt buyer engages in third party debt collection
14.8 for others.

14.9 Sec. 19. Minnesota Statutes 2020, section 332.355, is amended to read:

14.10 **332.355 AGENCY RESPONSIBILITY FOR COLLECTORS.**

14.11 The commissioner may take action against a ~~collection agency~~ licensee for any violations
14.12 of debt collection laws by its debt collectors. The commissioner may also take action against
14.13 the debt collectors themselves for these same violations.

14.14 Sec. 20. Minnesota Statutes 2020, section 332.37, is amended to read:

14.15 **332.37 PROHIBITED PRACTICES.**

14.16 (a) No collection agency, debt buyer, or collector shall:

14.17 (1) in collection letters or publications, or in any communication, oral or written threaten
14.18 wage garnishment or legal suit by a particular lawyer, unless it has actually retained the
14.19 lawyer;

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

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

14.24 (4) furnish legal advice or otherwise engage in the practice of law or represent that it is
14.25 competent to do so;

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

14.29 (6) exercise authority on behalf of a ~~creditor~~ client to employ the services of lawyers
14.30 unless the ~~creditor~~ client has specifically authorized the agency in writing to do so and the

15.1 agency's course of conduct is at all times consistent with a true relationship of attorney and
15.2 client between the lawyer and the ~~creditor~~ client;

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

15.7 (8) refuse to return any claim or claims and all valuable papers deposited with a claim
15.8 or claims upon written request of the ~~creditor~~ client, claimant or forwarder after tender of
15.9 the amounts due and owing to ~~the~~ a collection agency within 30 days after the request;
15.10 refuse or intentionally fail to account to its clients for all money collected within 30 days
15.11 from the last day of the month in which the same is collected; or, refuse or fail to furnish
15.12 at intervals of not less than 90 days upon written request of the claimant or forwarder, a
15.13 written report upon claims received from the claimant or forwarder;

15.14 (9) operate under a name or in a manner which implies that the collection agency or debt
15.15 buyer is a branch of or associated with any department of federal, state, county or local
15.16 government or an agency thereof;

15.17 (10) commingle money collected for a customer with the collection agency's operating
15.18 funds or use any part of a customer's money in the conduct of the collection agency's
15.19 business;

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

15.25 (12) violate any of the provisions of the Fair Debt Collection Practices Act of 1977,
15.26 Public Law 95-109, while attempting to collect on any account, bill or other indebtedness;

15.27 (13) communicate with a debtor by use of a recorded message utilizing an automatic
15.28 dialing announcing device ~~unless the recorded message is immediately preceded by a live~~
15.29 ~~operator who discloses prior to the message the name of the collection agency and the fact~~
15.30 ~~the message intends to solicit payment and the operator obtains the consent of the debtor~~
15.31 ~~to hearing the message~~ after the debtor expressly informs the agency or collector to cease
15.32 communication utilizing an automatic dialing announcing device;

16.1 (14) in collection letters or publications, or in any communication, oral or written, imply
16.2 or suggest that health care services will be withheld in an emergency situation;

16.3 (15) when a debtor has a listed telephone number, enlist the aid of a neighbor or third
16.4 party to request that the debtor contact the licensee or collector, except a person who resides
16.5 with the debtor or a third party with whom the debtor has authorized the licensee or collector
16.6 to place the request. This clause does not apply to a call back message left at the debtor's
16.7 place of employment which is limited to the licensee's or collector's telephone number and
16.8 name;

16.9 (16) when attempting to collect a debt, fail to provide the debtor with the full name of
16.10 the collection agency or debt buyer as it appears on its license or as listed on any "doing
16.11 business as" or "d/b/a" registered with the Department of Commerce;

16.12 (17) collect any money from a debtor that is not reported to a ~~creditor or~~ client;

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

16.15 ~~(18)~~ (19) accept currency or coin as payment for a debt without issuing an original receipt
16.16 to the debtor and maintaining a duplicate receipt in the debtor's payment records;

16.17 ~~(19)~~ (20) attempt to collect any amount ~~of money~~, including any interest, fee, charge,
16.18 or expense incidental to the charge-off obligation, from a debtor ~~or~~ unless the amount is
16.19 expressly authorized by the agreement creating the debt or is otherwise permitted by law;

16.20 (21) charge a fee to a ~~creditor~~ client that is not authorized by agreement with the client;

16.21 ~~(20)~~ (22) falsify any collection agency documents with the intent to deceive a debtor,
16.22 creditor, or governmental agency;

16.23 ~~(21)~~ (23) when initially contacting a Minnesota debtor by mail, fail to include a disclosure
16.24 on the contact notice, in a type size or font which is equal to or larger than the largest other
16.25 type of type size or font used in the text of the notice. The disclosure must state: "This
16.26 collection agency is licensed by the Minnesota Department of Commerce" or "This debt
16.27 buyer is licensed by the Minnesota Department of Commerce" as applicable; or

16.28 ~~(22)~~ (24) commence legal action to collect a debt outside the limitations period set forth
16.29 in section 541.053.

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

17.1 Sec. 21. Minnesota Statutes 2020, section 332.385, is amended to read:

17.2 **332.385 NOTIFICATION TO COMMISSIONER.**

17.3 The collection agency or debt buyer licensee shall notify the commissioner of any
17.4 employee termination within ten days of the termination if ~~it~~ the termination is based in
17.5 whole or in part ~~based~~ on a violation of this chapter.

17.6 Sec. 22. Minnesota Statutes 2020, section 332.40, subdivision 3, is amended to read:

17.7 Subd. 3. **Commissioner's powers.** (a) For the purpose of any investigation or proceeding
17.8 under sections 332.31 to 332.44, the commissioner or any person designated by the
17.9 commissioner may administer oaths and affirmations, subpoena collection agencies, debt
17.10 buyers, or collectors and compel their attendance, take evidence and require the production
17.11 of any books, papers, correspondence, memoranda, agreements or other documents or
17.12 records which the commissioner deems relevant or material to the inquiry. The subpoena
17.13 shall contain a written statement setting forth the circumstances which have reasonably
17.14 caused the commissioner to believe that a violation of sections 332.31 to 332.44 may have
17.15 occurred.

17.16 (b) In the event that the collection agency, debt buyer, or collector refuses to obey the
17.17 subpoena, or should the commissioner, upon completion of the examination of the collection
17.18 agency, debt buyer, or collector, reasonably conclude that a violation has occurred, the
17.19 commissioner may examine additional witnesses, including third parties, as may be necessary
17.20 to complete the investigation.

17.21 (c) Any subpoena issued pursuant to this section shall be served by certified mail or by
17.22 personal service. Service shall be made at least 15 days prior to the date of appearance.

17.23 Sec. 23. Minnesota Statutes 2020, section 332.42, subdivision 1, is amended to read:

17.24 Subdivision 1. **Verified financial statement.** The commissioner of commerce may at
17.25 any time require a ~~collection agency~~ licensee to submit a verified financial statement for
17.26 examination by the commissioner to determine whether the ~~collection agency~~ licensee is
17.27 financially responsible to carry on a collection ~~agency~~ business within the intents and
17.28 purposes of sections 332.31 to 332.44.

17.29 Sec. 24. Minnesota Statutes 2020, section 332.42, subdivision 2, is amended to read:

17.30 Subd. 2. **Record keeping.** The commissioner shall require the collection agency or debt
17.31 buyer licensee to keep such books and records in the licensee's place of business in this

18.1 state as will enable the commissioner to determine whether there has been compliance with
18.2 the provisions of sections 332.31 to 332.44, unless the agency is a foreign corporation duly
18.3 authorized, admitted, and licensed to do business in this state and complies with all the
18.4 requirements of chapter 303 and with all other requirements of sections 332.31 to 332.44.
18.5 Every collection agency licensee shall preserve the records of final entry used in such
18.6 business for a period of five years after final remittance is made on any amount placed with
18.7 the licensee for collection or after any account has been returned to the claimant on which
18.8 one or more payments have been made. Every debt buyer licensee must preserve the records
18.9 of final entry used in such business for a period of five years after final collection of any
18.10 purchased account.

18.11 Sec. 25. **REPEALER.**

18.12 Minnesota Statutes 2020, section 115C.13, is repealed.

APPENDIX
Repealed Minnesota Statutes: 21-02267

115C.13 REPEALER.

Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05, 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11, 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, 2022.