

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

05.0001.0110

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 8-6-86
DATE FOR REVIEW 8-15
DATE DUE 8-20

Adopted w/a hearing ____
Adopted w/o hearing X
Temporary rule ____

Approved aug 1586-mjc Disapproved ____ Returned to Agency ____

Resubmitted ____ Due ____
Approved ____ Disapproved ____ Returned to Agency ____

Date filed w/Secretary of State 8-18-86 Revisor approved 8-7-86 disapproved ____

✓ Rule as Adopted

✓ Rule as Proposed sees. R.

✓ Order Adopting 7-28-86 Date Combined w/FF

✓ Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
NA date of Hearing

NA Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency small biz stmt.

✓ Affidavit of Mailing Notice or rulemaking
5-28-86 At least 30 days prior to ~~hearing~~/adoption

✓ Mailing list Certificate

✓ Publication in State Register
6-9-86 At least ~~30~~/20 days prior to ~~hearing~~/adoption

NA Hearing Examiner's Report

✓ Chief Hearing Examiner's Report(s)
____ Approving H.E.'s Report
____ Approving agency action

✓ Agency's Findings of Fact Combined w/order Adopt.

NA LCRAR Report or agency Affidavit

____ Certificate of Board's Resolution Adopting Rules

✓ Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

NA Petition for Adoption of a Rule

✓ Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

✓ Affidavit of ~~Mailing~~ Notice ~~of~~ RS Submission to Attorney General

____ Notice of Submission to the Attorney General

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

MICHAEL A. HATCH, COMMISSIONER
Department of Commerce

TO:
ATTN: JOHN C. BJORK
Special Assistant Attorney General

DATE: 8/18/86

FROM: MARTHA J. CASSERLY MJC
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Proposed Adoption of Rules Relating to Real Estate Licensing and Education

The above-referenced rule has been approved as to its legality by the Attorney General on August 15, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

MJC:pmf

Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR1300

AG Copy

Department of Commerce

Adopted Rules Relating to Real Estate Broker Licensing and Education

Rules as Adopted

2800.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, the terms defined in this part have the meanings given them.

Subp. 2. to 12. [Unchanged.]

Subp. 13. **Sponsor.** "Sponsor" means a person offering or providing real estate education.

Subp. 14. [Unchanged.]

2800.1300 LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Cancellation of salesperson's or broker's license.** A salesperson's or broker's license that has been canceled for failure of a licensee to complete postlicensing education requirements must be returned to the commissioner by the licensee's broker within ten days of receipt of notice of cancellation. The license shall be reinstated without reexamination by completing the required instruction, filing an application, and paying the fee for a salesperson's or broker's license within two years of the cancellation date.

Subp. 3. [Unchanged.]

2800.1600 NOTICE TO COMMISSIONER.

Subpart 1. [See Repealer.]

Subp. 2. **Change of application information.** The commissioner must be notified in writing of a change of information contained in the license application on file with the commissioner within ten days of the change.

Subp. 3. to 5. [See Repealer.]

2800.1700 AUTOMATIC TRANSFER OF SALESPERSON'S LICENSE.

Subpart 1. **Scope.** A salesperson may utilize the automatic

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license transfer provisions of Minnesota Statutes, section 82.20, subdivision 9, clause (b) if the salesperson commences association with the broker to whom the salesperson is transferring, as evidenced by the dates of the signatures of both brokers on the form prescribed by the commissioner, within five days after terminating the salesperson's association with the broker from whom the salesperson is transferring, provided the salesperson's educational requirements are not past due.

A salesperson may not utilize the automatic license transfer provisions of Minnesota Statutes, section 82.20, subdivision 9, clause (b) if the salesperson has failed to notify the commissioner within ten days of any change of information contained in the salesperson's license application on file with the commissioner or of a civil judgment, disciplinary action, or criminal offense, which notice is required pursuant to part 2800.1600.

Subp. 2. **Procedure.** An application for automatic transfer shall be made only on the form prescribed by the commissioner. The transfer is ineffective if the form is not completed in its entirety.

The form shall be accompanied by a $10 transfer fee, and the license renewal fee, if applicable, plus an additional $10 if the salesperson holds a subdivided land license. Cash will not be accepted. If the licensee holds a subdivided land license it must be transferred at the same time as the salesperson's license. In order for the transfer of the subdivided land license to be effective the broker to whom the salesperson is transferring must also hold a subdivided land license.

The signature of the broker from whom the salesperson is transferring must predate the signature of the broker to whom the salesperson is transferring. The salesperson is unlicensed for the period of time between the times and dates of both signatures. The broker from whom the salesperson is transferring shall sign and date the transfer application upon the request of the salesperson and shall destroy the

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salesperson's license immediately.

Subp. 3. **Effective date.**

A. The transfer is effective when the broker to whom the salesperson is transferring signs and dates the transfer application form, provided the commissioner receives the form and fee within 72 hours after the date and time of the new broker's signature, either by certified mail or personal delivery to the commissioner's office. In the event of a delay in mail delivery, an application postmarked within 24 hours of the date of the signature of the new broker shall be deemed timely received. The properly executed automatic transfer form serves as a temporary real estate license for no more than 45 days.

B. and C. [Unchanged.]

2800.1750 REAL ESTATE SALESPERSON AUTOMATIC TRANSFER.

The real estate salesperson automatic transfer shall be in the form prescribed by the commissioner.

2800.1751 INDIVIDUAL APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
LICENSING UNIT
5th Floor, Metro Square Bldg.
Seventh and Robert Streets
St. Paul, Minnesota 55101

INDIVIDUAL APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS

KNOW ALL PERSONS BY THESE PRESENTS:

That in compliance with the Laws of the State of Minnesota,

_____ a

non-resident, does hereby appoint the Commissioner of Commerce of the State of Minnesota, his/her successor or successors as his/her true and lawful attorney upon whom may be served all legal process in any action or proceeding in which he/she may be a party and which relates to or involves any transaction covered by Chapter 82, Minnesota Statutes, and does hereby expressly

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consent and agree that service upon such attorney shall be as valid and binding as if due and personal service had been made upon him/her and that such appointment shall be irrevocable.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 19___.

_____

_____

STATE OF _____)
) SS.
COUNTY OF _____)

On this _____ day of _____, 19____, personally appeared before me, a notary public in and for said County and State, _____, to me known to be the person described in and who executed the foregoing instrument and who, being by me first sworn, acknowledged that he/she executed the same as his/her free act and deed.

_____

Notary Public, _____ County _____

(NOTARIAL SEAL) My Commission expires _____

2800.1900 FAILURE TO RENEW LICENSE.

If a license lapses or becomes ineffective due to the licensee's failure to file a timely renewal application or otherwise, the commissioner may institute a revocation or suspension proceeding within two years after the license was last effective and enter a revocation or suspension order as of the last date on which the license was in effect.

2800.2100 COURSE COMPLETION CERTIFICATES FOR SALESPERSON'S LICENSE.

Applicants for a salesperson's license shall submit to the commissioner, along with their application for licensure, a copy of the course completion certificate for courses I, II, and III.

Students are responsible for maintaining copies of course completion certificates.

2800.2150 COURSE COMPLETION CERTIFICATE.

The real estate education course completion certificate

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shall be in the form set forth by the commissioner.

2800.4200 NEGOTIATIONS.

Subpart 1. to 5. [Unchanged.]

Subp. 6. **Exclusive agency agreements.** A licensee shall not negotiate the sale, exchange, lease, or listing of any real property directly with the owner or lessor knowing that the owner or lessor has executed a written contract granting exclusive agency in connection with the property to another real estate broker, buyer, or lessee nor shall a licensee negotiate the purchase, lease, or exchange knowing that the buyer or lessee has executed a written contract granting an exclusive agency for the purchase, lease, or exchange of real property to another real estate broker. The licensee must inquire of the owner, lessor, buyer, or lessee whether such a contract exists.

Subp. 7. **Prohibition against interference with contractual relationships of others.** Licensees shall not induce any party to a contract of sale, purchase, or lease, option, or exclusive listing agreement or buyer's agreement, to breach the contract, option, or agreement.

Subp. 8. [Unchanged.]

2800.5100 PRELICENSE EDUCATION.

An approved course of prelicense education shall consist of three 30-classroom-hour courses to be designated as course I, course II, and course III. Pursuant to Minnesota Statutes, section 82.22, subdivision 6, each applicant for a salesperson's license or salesperson is required to complete all courses successfully. Courses I, II, and III must be taken in sequence and may not be taken concurrently.

2800.5200 SALESPERSON'S EXAMINATION.

Applicants must successfully complete all portions of the salesperson's examination within one year after the successful completion of course I. After this date, credit for course I will expire and successful completion of the first 30-hour course must be repeated before taking the salesperson's

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examination.

An exception will be made for students pursuing a full-time course of study in either a two-year or four-year real estate education program. The burden of demonstrating full-time status is on the student. Applicants must successfully complete the salesperson's examination within one year after the successful completion of the two-year or four-year course of study.

2800.5300 APPLICATION FOR SALESPERSON'S LICENSE.

Applicants must apply for a salesperson's license within one year of successful completion of all portions of the licensing examination. Courses II and III must be completed prior to application. Applicants who fail to apply for a license within the one-year period must retake course I and successfully complete the examination.

2800.5400 POSTLICENSING EDUCATION.

Thirty hours of approved continuing education must be completed within one year after obtaining a salesperson's license.

2800.5600 LIMITATIONS ON COURSE SUBSTITUTIONS.

No course may be substituted for course I. Written requests for substitutions for courses II and III shall be granted if the request is submitted no later than 30 days prior to the date upon which that education is due to be completed, if:

A. [Unchanged.]

B. the salesperson demonstrates successful completion of a course that is substantially similar to course II or III.

2800.5900 COMPLETION OF INITIAL EDUCATION.

Successful completion of courses I, II, and III includes full-time classroom attendance throughout the course, completion of required assignments or reading materials if applicable, and passage of an examination designed by the sponsor that is sufficiently comprehensive to measure the student's knowledge of all aspects of the course.

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2800.6500 COURSE III CURRICULUM.

Subpart 1. to 9. [Unchanged.]

Subp. 10. **Combination course.** A combination course shall consist of no more than three of the preceding nine subparts and shall devote at least ten hours to each subject. A sponsor that proposes to offer a combination course III shall submit to the commissioner, as part of the application for approval, an outline setting forth the subjects to be addressed and the number of hours proposed to be devoted to each topic.

2800.6800 CONTINUING EDUCATION.

Subpart 1. [Unchanged.]

Subp. 2. and 3. [See Repealer.]

Subp. 4. **Examinations.** Course examinations will not be required for continuing education courses unless they are required by the sponsor or the licensee elects to take course III for continuing education credit.

Subp. 5. and 6. [Unchanged.]

Subp. 7. **Nonapproved courses for continuing education.** The following are not approved courses:

A. a course which is approved for prelicense training;

B. courses designed to prepare students for a license examination;

C. courses in mechanical office or business skills, including typing, speed reading, or use of calculators or other machines or equipment;

D. courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

E. courses in motivation, salesmanship, psychology, time management, or communication; or

F. courses related to office management or intended to improve the operation of the licensee's business.

Subp. 8. **Continuing education credit for course III.** Licensees may attend or teach course III for continuing education credit. Credit will be given for less than the entire course III only for combination courses offered pursuant to part

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2800.6400, subpart 10. Credit will be given only for attendance at segments of the combination course III which completely cover a subject. An examination will be required only if the licensee takes the entire combination course or if the sponsor requires a separate examination for each subject covered.

Subp. 9. [Unchanged.]

Subp. 10. **Professional designations.** Courses leading to the following professional designations shall automatically qualify for continuing education credit:

A. Certified Property Manager (CPM) offered by the Institute of Real Estate Management.

B. Member, Appraisal Institute (MAI) offered by the American Institute of Real Estate Appraisers.

C. Certified Commercial Investment Member (CCIM) offered by the Realtors National Marketing Insitute.

D. Society of Industrial Realtors (SIR) offered by the Society of Industrial Realtors.

E. Certified Mortgage Banker (CMB) offered by the Mortgage Bankers Association.

F. Senior Real Property Appraiser (SRPA) offered by the Society of Real Estate Appraisers.

G. Accredited Farm and Land Member (AFLM) offered by the Realtors Land Institute.

H. Certified Real Estate Broker (CRB) offered by the National Association of Realtors.

I. Certified Residential Specialist (CRS) offered by the National Association of Realtors.

2800.7150 APPLICATION FOR COURSE APPROVAL FOR COURSES I, II, AND III.

The real estate education application for course approval for courses I, II, and III shall be in the form prescribed by the commissioner.

2800.7175 APPLICATION FOR COURSE APPROVAL FOR CONTINUING EDUCATION.

The real estate education application for course approval

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for continuing education shall be in the form prescribed by the commissioner.

2800.7200 COURSE APPROVAL.

Subpart 1. [Unchanged.]

Subp. 2. **Permitted course offerings.** Courses complying with Minnesota Statutes, chapter 82 and the rules adopted thereunder may be offered or sponsored by sponsors.

Coordinators must immediately notify the commissioner of any material change in an application for approval or in the exhibits attached to it.

Subp. 3. [See Repealer.]

Subp. 4. **Applications.** Applications for course approval will be accepted on forms prescribed by the commissioner no later than 30 days prior to the course offering.

Subp. 5. [See Repealer.]

Subp. 6. **Subsequent offerings of courses.** Approval shall be granted for subsequent offerings of identical continuing education courses without requiring a new application if a notice of subsequent offerings, on the form prescribed by the commissioner, is filed with the commissioner at least 30 days in advance of the date the course is to be held.

Subsequent offerings of identical courses I, II, and III do not require the approval of or notice to the commissioner.

2800.7250 NOTICE OF SUBSEQUENT OFFERINGS OF CONTINUING EDUCATION COURSES.

The real estate education notice of subsequent offerings of continuing education courses shall be in the form prescribed by the commissioner.

2800.7400 COURSE COORDINATOR.

Subpart 1. **Mandatory.** Each course of study shall have one coordinator, approved by the commissioner, who is responsible for supervising the program and assuring compliance with Minnesota Statutes, chapter 82 and the rules adopted thereunder. Sponsors may engage an additional approved

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

Subp. 2. [Unchanged.]

Subp. 3. **Form for coordinator approval.** Application for approval must be submitted on the form prescribed by the commissioner.

Subp. 4. **Responsibilities.** A coordinator shall be responsible for:

A. to E. [Unchanged.]

F. maintaining records relating to course offerings, instructors, and student attendance for a period of three years from the date on which the course was completed; these records shall be made available to the commissioner upon request (In the event that a sponsor should cease operation for any reason, the coordinator shall be responsible for maintaining the records or providing a custodian for the records acceptable to the commissioner. Under no circumstances will the commissioner act as custodian of the records. In order to be acceptable to the commissioner, custodians must agree to make copies of acknowledgements available to students at a reasonable fee);

G. [Unchanged.]

H. attending workshops or instructional programs as reasonably required by the commissioner; and

I. providing students with course completion certificates for courses I, II, and III, and continuing education courses.

2800.7450 APPLICATION FOR COORDINATOR APPROVAL.

The real estate education application for coordinator approval shall be in the form prescribed by the commissioner.

2800.7500 INSTRUCTORS.

Subpart 1. [Unchanged.]

Subp. 2. **Qualifications.** The following provisions relate to the approval and qualification of instructors:

A. Applicants shall submit requests for instructor

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approval on the form prescribed by the commissioner for courses I, II, and III and the form prescribed by the commissioner for continuing education courses. Requests must be submitted at least 30 days prior to instruction in an approved course.

B. Applicants for Courses I, II and III shall be approved if they have the education and/or experience requirements set forth in part 2800.9905.

C. and D. [Unchanged.]

Subp. 3. [Unchanged.]

2800.7550 APPLICATION FOR INSTRUCTOR APPROVAL FOR COURSES I, II, III.

The real estate education application for instructor approval for courses I, II, and III shall be in the form prescribed by the commissioner.

2800.7575 APPLICATION FOR INSTRUCTOR APPROVAL FOR CONTINUING EDUCATION.

The real estate education application for instructor approval for continuing education shall be in the form prescribed by the commissioner.

2800.7600 PROHIBITED PRACTICES FOR COORDINATORS AND INSTRUCTORS.

Subpart 1. **Prohibitions.** In connection with an approved course, coordinators and instructors shall not:

A. recommend or promote the services or practices of any particular real estate brokerage, franchise, coordinator, instructor, or sponsor;

B. and C. [Unchanged.]

D. require students to participate in other programs or services offered by the sponsor, coordinator, or instructor;

E. to G. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

2800.7900 FEES.

Fees for approved courses and related materials shall be reasonable and clearly identified to students. In the event that a course is canceled for any reason, all fees shall be

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returned promptly. In the event that a course is postponed for any reason, students shall be given the choice of attending the course at a later date or of having their fees refunded in full. If a student is unable to attend a course or cancels his or her registration in a course, sponsor policies regarding refunds shall govern.

2800.8100 CONFLICT OF INTEREST.

A course will not be approved if it is sponsored by a person who derives substantial income from the real estate brokerage business.

2800.8300 ADVERTISING COURSES.

Subpart 1. [Unchanged.]

Subp. 2. **Approval statement.** No advertisement, pamphlet, circular, or other similar materials pertaining to an approved offering may be circulated or distributed in this state unless one of the following statements is prominently displayed:

For prelicense education courses, "This course has been approved by the Minnesota commissioner of commerce for real estate prelicense education."

For continuing education courses, "This course has been approved by the Minnesota commissioner of commerce for real estate continuing education."

The preceding language need not be displayed on the cover of any out-of-state offering advertisement; however, it is the responsibility of the sponsor to provide students with evidence that the course has been approved.

Subp. 3. [Unchanged.]

Subp. 4. **Limitation on advertising.** Courses may not be advertised prior to approval, unless the course is described in the advertising as "approval pending" and that is in fact the case.

2800.8400 NOTICE TO STUDENTS.

At the beginning of each approved offering, the following notice shall be handed out in printed form or shall be read to

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students: "This real estate educational offering is recognized by the commissioner of commerce as satisfying _____ hours of credit toward _____ (choose one, or more, of the following as is appropriate: prelicensing, postlicensing, or continuing) real estate education requirements pursuant to Minnesota Statutes, section 82.22. If you have any comments about this real estate offering, please mail them to the Commissioner of Commerce, 500 Metro Square Building, Saint Paul, Minnesota 55101."

2800.8500 AUDITS.

The commissioner reserves the right to audit subject offerings with or without notice to the sponsor.

2800.8700 REPORTS TO COMMISSIONER.

Continuing education credits shall be reported by the licensee on the form prescribed by the commissioner.

Forms will not be accepted unless they reflect all the required hours. Incomplete forms will be returned to the licensee.

Forms must be received by the commissioner no later than June 30 of the year due. Forms that are postmarked no later than June 15 shall be deemed timely received if addressed to: Licensing Unit, 500 Metro Square Building, Saint Paul, Minnesota 55101 . Licensees are encouraged to submit the form as soon as they have completed the required hours of continuing education credit.

2800.8750 CONTINUING EDUCATION COURSE VERIFICATION.

The real estate education continuing education course verification shall be in the form prescribed by the commissioner.

2800.9905 QUALIFICATIONS FOR INSTRUCTORS.

Applicants seeking approval as instructors of courses I, II, and III must possess the following qualifications:

A. a four-year real estate degree;

B. a four-year degree with three years full-time experience in the real estate industry;

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C. a four-year degree with three years full-time experience in the business or profession relating to the subject being taught;

D. a post-graduate degree and completion of 45 hours of continuing real estate education;

E. a two-year real estate degree and completion of 45 hours of continuing real estate education;

F. a two-year degree or certificate with five years full-time experience in the real estate industry;

G. a degree or certificate with five years full-time experience in the business or profession relating to the subject being taught; or

H. eight years of recent experience in the subject area being taught.

2805.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, the terms defined in this part have the meanings given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subp. 3. **Licensee.** "Licensee" means a person duly licensed under Minnesota Statutes, chapter 82.

Subp. 4. **Loan broker.** "Loan broker" means a licensed real estate broker or salesperson who, for another and for a commission, fee, or other valuable consideration or with the intention or expectation of receiving the same, directly or indirectly negotiates or offers or attempts to negotiate a loan secured or to be secured by a mortgage or other encumbrance on real estate, or represents himself or herself or otherwise holds himself or herself out as a licensed real estate broker or salesperson, either in connection with any transaction in which he or she directly or indirectly negotiates or offers or attempts to negotiate a loan, or in connection with the conduct of his or her ordinary business activities as a loan broker.

"Loan broker" does not include a licensed real estate broker or salesperson who, in the course of representing a

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purchaser or seller of real estate, incidentally assists the purchaser or seller in obtaining financing for the real property in question if the licensee does not receive a separate commission, fee, or other valuable consideration for this service.

Subp. 5. **Overpayment.** "Overpayment" means any payment of money in excess of a statutory fee or for a license for which a person does not qualify.

Subp. 6. **Override clause.** "Override clause" means a provision in a listing agreement or similar instrument allowing the broker to receive a commission when, after the listing agreement has expired, the property is sold to persons with whom a broker or salesperson had negotiated or exhibited the property prior to the expiration of the listing agreement.

Subp. 7. **Person.** "Person" means a natural person, firm, institution, partnership, corporation, or association.

Subp. 8. **Primary broker.** "Primary broker" means the broker on whose behalf salespersons are licensed to act pursuant to Minnesota Statutes, section 82.20, subdivision 6. In the case of a corporation licensed as a broker, "primary broker" means each officer of the corporation who is individually licensed to act as a broker for the corporation. In the case of a partnership, "primary broker" means each partner licensed to act as a broker for the partnership.

Subp. 9. **Property.** "Property" means real property or other property within the scope of Minnesota Statutes, chapter 82, unless the context clearly indicates otherwise.

Subp. 10. **Protective list.** "Protective list" means the written list of names and addresses of prospective purchasers with whom a licensee has negotiated the sale or rental of the property or to whom a licensee has exhibited the property prior to the expiration of the listing agreement. For the purposes of this subpart, "property" means the property that is the subject of the listing agreement in question.

Subp. 11. **Real estate broker or broker.** "Real estate broker" or "broker" as set forth in Minnesota Statutes, section

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82.17, subdivision 4, clause (b) shall not apply to the originating, making, processing, selling, or servicing of a loan in connection with ordinary business activities by a mortgagee, lender, or servicer approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association.

Subp. 12. **Rental service.** "Rental service" means a person who gathers and catalogs information concerning apartments or other units of real estate available for rent, and who, for a fee, provides information intended to meet the individual needs of specifically identified lessors or prospective lessees. This term shall not apply to newspapers or other periodicals with a general circulation or individual listing contracts between an owner or lessor of property and a licensee.

Subp. 13. **Sponsor.** "Sponsor" means a person offering or providing real estate education.

Subp. 14. **Business of financial planning.** "Business of financial planning" means providing, or offering to provide, financial planning services or financial counseling or advice, on a group or individual basis. A person who, on advertisements, cards, signs, circulars, letterheads, or in any other manner, indicates that he or she is a "financial planner," "financial counselor," financial advisor," "investment counselor," "estate planner," "investment advisor," "financial consultant," or any other similar designation or title or combination thereof, is considered to be representing himself or herself to be engaged in the business of financial planning.

2805.0200 SCOPE OF APPLICATION.

Prior rules exclusively govern all suits, actions, prosecutions, or proceedings that are pending or may be initiated on the basis of facts or circumstances occurring

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before the effective date of these rules. Judicial review of all administrative orders issued prior to the effective date of these rules as to which review proceedings have not been instituted by the effective date of these rules is governed by prior rules.

2805.0300 COMPUTATION OF TIME.

Subpart 1. **Days.** Where the performance or doing of any act, duty, matter, payment, or thing is ordered or directed, and the period of time or duration for the performance or doing thereof is prescribed and fixed by law, rule, or order, such time, except as otherwise provided in subpart 2, shall be computed so as to exclude the first and include the last day of any such prescribed or fixed period or duration of time. When the last day of such period falls on Sunday or on any day made a legal holiday, by the laws of this state or of the United States, such day shall be omitted from the computation.

Subp. 2. **Months.** When the lapse of a number of months before or after a certain day is required by law, rule, or order, the number of months shall be computed by counting the months from such day, excluding the calendar month in which such day occurs, and including the day of the month in the last month so counted having the same numerical order as the day of the month from which the computation is made, unless there be not so many days in the last month so counted, in which case the period computed shall expire with the last day of the month so counted.

2805.0400 NOTICE TO COMMISSIONER.

Subpart 1. **Mandatory.** Licensees shall notify the commissioner of the facts in subparts 2 to 4.

Subp. 2. **Civil judgment.** Licensees must notify the commissioner in writing within ten days of a final adverse decision or order of a court, whether or not the decision or order is appealed, regarding any proceeding in which the licensee was named as a defendant, and which alleged fraud, misrepresentation, or the conversion of funds, if the final adverse decision relates to the allegations of fraud,

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misrepresentation, or the conversion of funds.

Subp. 3. **Disciplinary action.** The licensee must notify the commissioner in writing within ten days of the suspension or revocation of the licensee's real estate or other occupational license issued by this state or another jurisdiction.

Subp. 4. **Criminal offense.** The licensee must notify the commissioner in writing within ten days if the licensee is charged with, adjudged guilty of, or enters a plea of guilty or nolo contendere to a charge of any felony, or of any gross misdemeanor alleging fraud, misrepresentation, conversion of funds, or a similar violation of any real estate licensing law.

RENUMBERING. Renumber the parts in column A as the parts in column B.

Column A	Column B
2800.3100	2805.0500
2800.3200	2805.0600
2800.3300	2805.0700
2800.3400	2805.0800
2800.3500	2805.0900
2800.3600	2805.1000
2800.3700	2805.1100
2800.3800	2805.1200
2800.3900	2805.1300
2800.4000	2805.1400
2800.4100	2805.1500
2800.4200	2805.1600
2800.4300	2805.1700
2800.4400	2805.1800
2800.4500	2805.1900
2800.4600	2805.2000

REPEALER. Minnesota Rules, parts 2800.1600, subparts 1, 3, 4, and 5; 2800.2175; 2800.5500; 2800.6800, subparts 2 and 3; 2800.7200, subparts 3 and 5; 2800.9910; 2800.9915; 2800.9920; 2800.9925; 2800.9930; 2800.9935; 2800.9940; 2800.9945;

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

2800.9950; and 2800.9955 are repealed.

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
AUG 18 1986
Joan Anderson Growe
Secretary of State
10:19AM

APPROVED AS TO FORM AND LEGALITY
August 15 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY M J Cassel
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Rules Relating to Real Estate Licensing and Education

FINDINGS OF FACT AND CONCLUSIONS AND ORDER ADOPTING RULE

Notice of intent to adopt the above captioned rules without a public hearing was published in the State Register on Monday June 9, 1986 and was sent by United States mail on May 28, 1986 to all persons on the list maintained by the agency pursuant to Minnesota Statutes, Section 14.14, subd. 1, paragraph (a) and 14.22 .

All persons were given the opportunity to submit comments on the rule for 30 days after notice of proposed rulemaking. Fewer than 25 requests for hearing within the 30 day comment were received.

During the comment period it was brought to the attention of the Department that as to Rule 2800.6800 subpart 10, Professional Designations, certain courses were omitted that met the same criteria as the courses specified in the rule. The omitted courses were similar in nature to the courses specified in that subpart. They are the Certified Real Estate Broker (CRB) offered by the National Association of Realtors and the Certified Residential Specialist (CRS) offered by the National Association of Realtors. Accordingly I find that it would be appropriate to amend the rule to include these two courses and that because the criteria and the nature of the courses are similar to those already in the rules this change is not substantial. I further find that these rules, as modified, are reasonable, appropriate and necessary and should be adopted.

NOW, THEREFORE IT IS ORDERED that these rules identified as Rules Relating to Real Estate Education and Licensing are adopted as modified this 28th day of July 1986 pursuant to the authority vested in me by Minnesota Statutes Sections 45.023 and 61A.03.

MICHAEL A. HATCH
Commissioner of Commerce

DEPARTMENT OF COMMERCE

Outside Opinion Sought Regarding Proposed Amendments to Rules Relating to Real Estate Education and Licensing (Chapter 2800 Minnesota Rules) Including the Impact of the Rules on Small Business

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate new rules governing Real Estate Education. Promulgation of these rules is authorized by Minnesota Statutes, section 82.22 and 82.28. Many of the proposed amendments are for the purposes of changing current rules to reflect recent statutory changes.

Outside opinion is also being solicited as to how these rules will affect small businesses as defined by Minnesota Statutes § 14.115, subdivision 1. Most Real Estate licensees would be defined as small businesses.

The Department of Commerce requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing to: Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101, (612) 296-5689.

All statements of information and comment shall be accepted until November 15, 1985. Any written material received by the Department of Commerce shall become part of the record in the event that the rules are promulgated.



MICHAEL A. HATCH
Commissioner of Commerce

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Rules Relating to Real Estate Broker Licensing and Education	ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT PUBLIC HEARING

IT IS ORDERED this 23rd day of May 1986 that Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Department of Commerce for that purpose and be published in the State Register.

Michael A. Hatch
Commissioner of Commerce

State of Minnesota
Department of Commerce

In the Matter of the Proposed Adoption of Rules Relating to Real Estate Broker Licensing and Education

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, Section 14.21.

Persons interested in these rules shall have 30 days to submit comments in support of or in opposition to the rules. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and does not result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30 day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, Section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 telephone (612) 296-5689. Any person requesting a public hearing should state her or his name and address and is encouraged to identify the portion of the proposed rule addressed, the reason for the request and any change proposed and send this information to the above address.

Authority for the adoption of these rules is contained in Minnesota Statutes, Sections 45.023 and 61A.03. Additionally a Statement of Need and Reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Pursuant to Minnesota Laws 1983, chapter 188 codified as Minnesota Statute Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonablenss, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch
Commissioner of Commerce

In the Matter of the Proposed Rules Relating to Real Estate Broker Licensing and Education

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

AFFIDAVIT OF MAILING

Jane Schaub, being first duly sworn, deposes and says:

That on the 28th day of May 1986, at the City of St. Paul, County of Ramsey, State of Minnesota, the attached Notice of Hearing was served by depositing in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, a copy properly prepared with first-class postage prepaid, on all persons and associations who have requested that their names be placed on file with the Minnesota Department of Commerce for the purpose of receiving notice of the proposed adoption of rules by the department.

Jane Schaub

Jane Schaub

Subscribed and sworn to before me
this 29th day of May 1986.

Richard G. Gomsrud

Notary Public

RICHARD G. GOMSRUD
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Commission Expires Dec. 3 1988

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE
500 METRO SQUARE BUILDING
ST. PAUL, MN 55101

ATTENTION:
RULE RELATED MATERIAL

FIRST CLASS MAIL

State of Minnesota
Department of Commerce

In the Matter of the Proposed Adoption of Rules Relating to Cancellation, Nonrenewal and Renewal With Altered Terms of Commercial Insurance Policies

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, Section 14.21.

Persons interested in these rules shall have 30 days to submit comments in support of or in opposition to the rules. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and does not result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30 day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, Section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 telephone (612) 296-5689. Any person requesting a public hearing should state her or his name and address and is encouraged to identify the portion of the proposed rule addressed, the reason for the request and any change proposed and send this information to the above address.

Authority for the adoption of these rules is contained in Minnesota Statutes, Sections 45.023 and 61A.03. Additionally a Statement of Need and Reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Pursuant to Minnesota Laws 1983, chapter 188 codified as Minnesota Statute Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonablenss, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch
Commissioner of Commerce

Department of Commerce

Proposed Rules Relating to Cancellation of Commercial Policies

Rules as Proposed

2700.2400 SCOPE.

Except as specifically limited in part 2700.2430, parts 2700.2400 to ~~2700.2450~~ 2700.2440 apply to all commercial liability and/or property insurance policies issued by companies licensed to do business in this state except ~~workers' compensation insurance, employers' liability,~~ ocean marine insurance, accident and health insurance, excess insurance, surplus line insurance, and reinsurance.

2700.2410 MIDTERM CANCELLATION.

Subpart 1. **Reason for cancellation.** No insurer may cancel a policy of commercial liability and/or property insurance during the term of the policy, except for one or more of the following reasons:

A. to H. [Unchanged.]

Subp. 2. to 4. [Unchanged.]

2700.2420 NONRENEWAL.

Subpart 1. **Notice required.** ~~An insurer shall renew the policy, unless~~ At least 30 days prior to the date of expiration provided in the policy, a notice of intention not to renew the policy beyond the agreed expiration date ~~is~~ must be made to the policyholder by the insurer. If the notice is not given at least 30 days prior to the date of expiration provided in the policy, the policy shall continue in force until 30 days after a notice of intent not to renew is received by the policyholder.

Subp. 2. [Unchanged.]

2700.2430 RENEWAL WITH ALTERED RATES.

Subpart 1. **General.** ~~Subject to subpart 2, if the insurer offers or purports to renew the policy at less favorable terms as to the dollar amount of coverage or deductibles, higher~~

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~~rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least 30 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within the 30-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata.~~

If an insurance company licensed to do business in this state offers or purports to offer to renew any commercial liability and/or property insurance policy at less favorable terms as to the dollar amount of coverage or deductibles, higher rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date of the policy if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least 30 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within the 30-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata upon the prior rate. This subdivision does not apply to ocean marine insurance, accident and health insurance, and reinsurance.

Subp. 2. [Unchanged.]

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

State of Minnesota
Department of Commerce

In the Matter of the Proposed Adoption of Rules Relating to Real Estate Broker Licensing and Education

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, Section 14.21.

Persons interested in these rules shall have 30 days to submit comments in support of or in opposition to the rules. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and does not result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30 day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, Section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 telephone (612) 296-5689. Any person requesting a public hearing should state her or his name and address and is encouraged to identify the portion of the proposed rule addressed, the reason for the request and any change proposed and send this information to the above address.

Authority for the adoption of these rules is contained in Minnesota Statutes, Sections 45.023 and 61A.03. Additionally a Statement of Need and Reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Pursuant to Minnesota Laws 1983, chapter 188 codified as Minnesota Statute Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonablenss, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch
Commissioner of Commerce

Department of Commerce

Proposed Rules Relating to Real Estate Broker Licensing and Education

Rules as Proposed

2800.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of ~~parts 2800.0100 to 2800.1700, 2800.1800 to 2800.2100, 2800.2300, 2800.3100 to 2800.7100, 2800.7200, 2800.7300, 2800.7400, 2800.7500, 2800.7600 to 2800.8700, and 2800.9905~~ this chapter, the terms defined in this part have the meanings given them.

Subp. 2. to 12. [Unchanged.]

Subp. 13. ~~**School**~~ **Sponsor**. ~~"School"~~ "Sponsor" means a person offering or providing real estate education.

Subp. 14. [Unchanged.]

2800.1300 LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Cancellation of salesperson's or broker's license.** A salesperson's or broker's license that has been canceled for failure of a licensee to complete postlicensing education requirements must be returned to the commissioner by the licensee's broker within ten days of receipt of notice of cancellation. The license shall be reinstated without reexamination by completing the required instruction, filing an application, and paying the fee for a salesperson's or broker's license within ~~one year~~ two years of the cancellation date.

Subp. 3. [Unchanged.]

2800.1600 NOTICE TO ~~THE~~ COMMISSIONER.

Subpart 1. [See Repealer.]

Subp. 2. **Change of application information.** The commissioner ~~shall~~ must be notified in writing of a change of information contained in the license application on file with the commissioner within ten days of the change.

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Subp. 3. to 5. [See Repealer.]

2800.1700 AUTOMATIC TRANSFER OF SALESPERSON'S LICENSE.

Subpart 1. **Scope.** A salesperson may utilize the automatic license transfer provisions of ~~laws of Minnesota 1982, chapter 478~~ Minnesota Statutes, section ~~1~~ 82.20, subdivision 9, clause (b) if the salesperson commences ~~his or her~~ association with the broker to whom ~~he or she~~ the salesperson is transferring, as evidenced by the dates of the signatures of both brokers on the form ~~in part 2800.9955~~ prescribed by the commissioner, within five days after terminating ~~his or her~~ the salesperson's association with the broker from whom ~~he or she~~ the salesperson is transferring, provided the salesperson's educational requirements are not past due.

A salesperson may not utilize the automatic license transfer provisions of ~~laws of Minnesota 1982, chapter 478~~ Minnesota Statutes, section ~~1~~ 82.20, subdivision 9, clause (b) if ~~he or she~~ the salesperson has failed to notify the commissioner within ten days of any change of information contained in ~~his or her~~ the salesperson's license application on file with the commissioner or of a civil judgment, disciplinary action, or criminal offense, which notice is required pursuant to part 2800.1600.

Subp. 2. **Procedure.** An application for automatic transfer shall be made only on the form ~~in part 2800.9955~~ prescribed by the commissioner. The transfer is ineffective if the form is not completed in its entirety.

The form ~~in part 2800.9955~~ shall be accompanied by a $10 transfer fee, and the license renewal fee, if applicable, plus an additional $10 if the salesperson holds a subdivided land license. Cash will not be accepted. If the licensee holds a subdivided land license it must be transferred at the same time as the salesperson's license. In order for the transfer of the subdivided land license to be effective the broker to whom the salesperson is transferring must also hold a subdivided land license.

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

The signature ~~on the form in part 2800.9955~~ of the broker from whom the salesperson is transferring must predate the signature of the broker to whom the salesperson is transferring. The salesperson is unlicensed for the period of time between the times and dates of both signatures. The broker from whom the salesperson is transferring shall sign and date the transfer application upon the request of the salesperson and shall destroy the salesperson's license immediately.

Subp. 3. Effective date. ~~Effective date.~~

A. The transfer is effective when the broker to whom the salesperson is transferring signs and dates the transfer application form ~~in part 2800.9955~~, provided the commissioner receives the form and fee within 72 hours after the date and time of the new broker's signature, either by certified mail or personal delivery to the commissioner's office. In the event of a delay in mail delivery, an application postmarked within 24 hours of the date of the signature of the new broker shall be deemed timely received. The properly executed automatic transfer form serves as a temporary real estate license for no more than 45 days.

B. and C. [Unchanged.]

2800.1750 REAL ESTATE SALESPERSON AUTOMATIC TRANSFER.

The real estate salesperson automatic transfer shall be in the form ~~set forth in part 2800.9955~~ prescribed by the commissioner.

2800.1751 INDIVIDUAL APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
~~CENTRAL~~ LICENSING ~~SECTION----REAL ESTATE~~ UNIT
5th Floor, Metro Square Bldg.
Seventh and Robert Streets
St. Paul, Minnesota 55101

INDIVIDUAL APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS

KNOW ALL PERSONS BY THESE PRESENTS:

OFFICE OF REVISOR OF STATUTES

That in compliance with the Laws of the State of Minnesota, _____ a non-resident, does hereby appoint the Commissioner of ~~Securities~~ Commerce of the State of Minnesota, his/her successor or successors as his/her true and lawful attorney upon whom may be served all legal process in any action or proceeding in which he/she may be a party and which relates to or involves any transaction covered by Chapter 82, Minnesota Statutes, and does hereby expressly consent and agree that service upon such attorney shall be as valid and binding as if due and personal service had been made upon him/her and that such appointment shall be irrevocable.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 19___.

_____

_____

STATE OF _____)
) SS.
COUNTY OF _____)

On this _____ day of _____, 19____, personally appeared before me, a notary public in and for said County and State, _____, to me known to be the person described in and who executed the foregoing instrument and who, being by me first sworn, acknowledged that he/she executed the same as his/her free act and deed.

_____

Notary Public, _____ County _____

(NOTARIAL SEAL) My Commission expires _____

2800.1900 FAILURE TO RENEW LICENSE.

If a license lapses or becomes ineffective due to the licensee's failure to file a timely renewal application or otherwise, the commissioner may institute a revocation or suspension proceeding within ~~one-year~~ two years after the license was last effective and enter a revocation or suspension order as of the last date on which the license was in effect.

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2800.2100 COURSE COMPLETION CERTIFICATES FOR SALESPERSON'S LICENSE.

Applicants for a salesperson's license shall submit to the commissioner, along with their application for licensure, a copy of the course completion certificate ~~in part 2800.9910~~ for ~~course~~ courses I, ~~and for courses~~ II, and III ~~if completed prior to being licensed~~.

Students are responsible for maintaining copies of course completion certificates.

2800.2150 COURSE COMPLETION CERTIFICATE.

The real estate education course completion certificate shall be in the form ~~in part 2800.9910~~ set forth by the commissioner.

2800.4200 NEGOTIATIONS.

Subpart 1. to 5. [Unchanged.]

Subp. 6. **Exclusive agency agreements.** A licensee shall not negotiate the sale, exchange, lease, or listing of any real property directly with the owner or lessor knowing that the owner or lessor has executed a written contract granting exclusive agency in connection with the property to another real estate broker, buyer, or lessee nor shall a licensee negotiate the purchase, lease, or exchange knowing that the buyer or lessee has executed a written contract granting an exclusive agency for the purchase, lease, or exchange of real property to another real estate broker. The licensee ~~shall~~ must inquire of the owner or, lessor, buyer, or lessee whether such a contract exists.

Subp. 7. **Prohibition against interference with contractual relationships of others.** Licensees shall not induce any party to a contract of sale, purchase, or lease, option, or exclusive listing agreement or buyer's agreement, to breach the contract, option, or agreement.

Subp. 8. [Unchanged.]

2800.5100 ~~NINETY-HOUR INITIAL~~ PRELICENSE EDUCATION.

APPROVED BY THE REVISOR OF STATUTES

An approved ~~90-hour~~ course of ~~initial~~ prelicense education shall consist of three 30-classroom-hour courses to be designated as course I, course II, and course III. Pursuant to Minnesota Statutes, section 82.22, subdivision 6, each applicant for a salesperson's license or salesperson is required to complete all courses successfully. Courses I, II, and III must be taken in sequence and may not be taken concurrently.

2800.5200 SALESPERSON'S EXAMINATION.

Applicants must successfully complete all portions of the salesperson's examination within one year after the successful completion of course I. After this date, credit for course I will expire and successful completion of the first 30-hour course must be repeated before taking the salesperson's examination.

An exception will be made for students pursuing a full-time course of study in either a two-year or four-year real estate education program. The burden of demonstrating full-time status is on the student. Applicants must successfully complete the salesperson's examination within one year after the successful completion of the two-year or four-year course of study.

2800.5300 APPLICATION FOR SALESPERSON'S LICENSE.

Applicants must apply for a salesperson's license within one year ~~after~~ of successful completion of all portions of the licensing examination. Courses II and III must be completed prior to application. Applicants who fail to apply for a license within the one-year period must retake course I and successfully complete the examination.

2800.5400 POSTLICENSING EDUCATION ~~COURSE~~.

~~Courses II and III~~ Thirty hours of approved continuing education must be completed within one year after obtaining a salesperson's license.

2800.5600 LIMITATIONS ON COURSE SUBSTITUTIONS.

No course may be substituted for course I. Written requests for substitutions for courses II and III shall be

granted if the request is submitted no later than ~~six-months~~ 30 days prior to the date upon which that education is due to be completed, if:

A. [Unchanged.]

B. the salesperson demonstrates successful completion of a course ~~in-another-jurisdiction~~ that is substantially similar to course II or III.

2800.5900 COMPLETION OF INITIAL EDUCATION.

Successful completion of courses I, II, and III includes full-time classroom attendance throughout the course, completion of required assignments or reading materials if applicable, and passage of an examination designed by the ~~school~~ sponsor that is sufficiently comprehensive to measure the student's knowledge of all aspects of the course.

2800.6500 COURSE III CURRICULUM.

Subpart 1. to 9. [Unchanged.]

Subp. 10. **Combination course.** A combination course shall consist of no more than three of the preceding nine subparts and shall devote at least ten hours to each subject. A ~~school~~ sponsor that proposes to offer a combination course III shall submit to the commissioner, as part of the application for approval, an outline setting forth the subjects to be addressed and the number of hours proposed to be devoted to each topic.

2800.6800 CONTINUING EDUCATION.

Subpart 1. [Unchanged.]

Subp. 2. and 3. [See Repealer.]

Subp. 4. **Examinations.** Course examinations will not be required for continuing education courses unless they are required by the ~~school~~ sponsor or the licensee elects to take course III for continuing education credit.

Subp. 5. and 6. [Unchanged.]

Subp. 7. ~~**Disapproved courses.--Approval will not be granted for courses designed to prepare students for passing any licensing examinations, in mechanical office or business skills,**~~

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OF STATUTES

~~including typing, speed reading, use of calculators, or other machines or equipment, in sales promotion, including meetings held in conjunction with the general business of the licensee's broker, or in motivation, salesmanship, psychology, or time management.~~ Nonapproved courses for continuing education. The following are not approved courses:

A. a course which is approved for prelicense training;

B. courses designed to prepare students for a license examination;

C. courses in mechanical office or business skills, including typing, speed reading, or use of calculators or other machines or equipment;

D. courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

E. courses in motivation, salesmanship, psychology, time management, or communication; or

F. courses related to office management or intended to improve the operation of the licensee's business.

Subp. 8. **Continuing education credit for course III.** Licensees may attend or teach course III for continuing education credit. Credit will be given for less than the entire course III only for combination courses offered pursuant to part 2800.6400, subpart 10. Credit will be given only for attendance at segments of the combination course III which completely cover a subject. An examination will be required only if the licensee takes the entire combination course or if the ~~school~~ sponsor requires a separate examination for each subject covered.

Subp. 9. [Unchanged.]

Subp. 10. **Professional designations.** Courses leading to the following professional designations shall automatically qualify for continuing education credit:

A. Certified Property Manager (CPM) offered by the Institute of Real Estate Management.

B. Member, Appraisal Institute (MAI) offered by the American Institute of Real Estate Appraisers.

C. Certified Commercial Investment Member (CCIM)

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F[illegible] STATUTES
C[illegible]

offered by the Realtors National Marketing Insitute.

D. Society of Industrial Realtors (SIR) offered by the Society of Industrial Realtors.

E. Certified Mortgage Banker (CMB) offered by the Mortgage Bankers Association.

F. Senior Real Property Appraiser (SRPA) offered by the Society of Real Estate Appraisers.

G. Accredited Farm and Land Member (AFLM) offered by the Realtors Land Institute.

2800.7150 APPLICATION FOR COURSE APPROVAL FOR COURSES I, II, AND III.

The real estate education application for course approval for courses I, II, and III shall be in the form ~~in part 2800.9920~~ prescribed by the commissioner.

2800.7175 APPLICATION FOR COURSE APPROVAL FOR CONTINUING EDUCATION.

The real estate education application for course approval for continuing education shall be in the form ~~in part 2800.9935~~ prescribed by the commissioner.

2800.7200 COURSE APPROVAL.

Subpart 1. [Unchanged.]

Subp. 2. **Permitted course offerings.** Courses complying with Minnesota Statutes, chapter 82 and the rules adopted thereunder may be offered or sponsored by ~~schools~~ sponsors.

Coordinators must immediately notify the commissioner of any material change in an application for approval or in the exhibits attached to it.

Subp. 3. [See Repealer.]

Subp. 4. **Applications.** Applications for course approval will be accepted on forms prescribed by the commissioner no later than 30 days prior to the course offering ~~and shall include the following:~~

~~A. the course title;~~

~~B. the date, time, and place of the course offering;~~

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~~C. the name, address, and telephone number of the sponsoring entity;~~

~~D. the name, address, and telephone number of the course coordinator;~~

~~E. the name, address, and telephone number of the instructor;~~

~~F. the name, edition, and date of publication of the text to be used, if applicable;~~

~~G. a detailed outline of the course offering, or a statement of compliance with the prescribed outlines for course I, II, or III; and~~

~~H. compliance with the service of process provisions of Minnesota Statutes, section 82.31, if applicable.~~

Subp. 5. [See Repealer.]

Subp. 6. **Subsequent offerings of courses.** Approval shall be granted for subsequent offerings of identical continuing education courses without requiring a new application if a notice of subsequent offerings, ~~as in part 2800.9945~~ on the form prescribed by the commissioner, is filed with the commissioner at least 30 days in advance of the date the course is to be held.

Subsequent offerings of identical courses I, II, and III do not require the approval of or notice to the commissioner.

2800.7250 NOTICE OF SUBSEQUENT OFFERINGS OF CONTINUING EDUCATION COURSES.

The real estate education notice of subsequent offerings of continuing education courses shall be in the form ~~in part 2800.9945~~ prescribed by the commissioner.

2800.7400 COURSE COORDINATOR.

Subpart 1. **Mandatory.** Each course of study shall have one coordinator, approved by the commissioner, who is responsible for supervising the program and assuring compliance with Minnesota Statutes, chapter 82 and the rules adopted thereunder. ~~Schools~~ Sponsors may engage an additional approved coordinator in order to assist the coordinator or to act as a substitute for the coordinator in the event of an emergency or

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illness.

Subp. 2. [Unchanged.]

Subp. 3. **Form for coordinator approval.** Application for approval must be submitted on the form ~~in part 2800.9915~~ prescribed by the commissioner.

Subp. 4. **Responsibilities.** A coordinator shall be responsible for:

A. to E. [Unchanged.]

F. maintaining records relating to course offerings, instructors, and student attendance for a period of three years from the date on which the course was completed; these records shall be made available to the commissioner upon request (In the event that a ~~school~~ sponsor should cease operation for any reason, the coordinator shall be responsible for maintaining the records or providing a custodian for the records acceptable to the commissioner. Under no circumstances will the commissioner act as custodian of the records. In order to be acceptable to the commissioner, custodians must agree to make copies of acknowledgements available to students at a reasonable fee);

G. [Unchanged.]

H. attending workshops or instructional programs as reasonably required by the commissioner; and

I. ~~reporting on the form in part 2800.9930 the attendance of licensed students in courses II and III to the commissioner within 14 days of their completion of the course; and~~

~~J.~~ providing students with course completion certificates ~~as in part 2800.9910~~, for courses I, II, and III, and continuing education courses.

2800.7450 APPLICATION FOR COORDINATOR APPROVAL.

The real estate education application for coordinator approval shall be in the form ~~in part 2800.9915~~ prescribed by the commissioner.

2800.7500 INSTRUCTORS.

Subpart 1. [Unchanged.]

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Subp. 2. **Qualifications.** The following provisions relate to the approval and qualification of instructors:

A. Applicants shall submit requests for instructor approval on the form ~~in part 2800.9925~~ prescribed by the commissioner for courses I, II, and III and the form ~~in part 2800.9940~~ prescribed by the commissioner for continuing education courses. Requests must be submitted at least 30 days prior to instruction in an approved course.

B. Applicants for Courses I, II and III shall be approved if they ~~achieve a rating of 70 points or higher based upon the scale~~ have the education and/or experience requirements set forth in part 2800.9905.

C. and D. [Unchanged.]

Subp. 3. [Unchanged.]

2800.7550 APPLICATION FOR INSTRUCTOR APPROVAL FOR COURSES I, II, III.

The real estate education application for instructor approval for courses I, II, and III shall be in the form ~~in part 2800.9925~~ prescribed by the commissioner.

2800.7575 APPLICATION FOR INSTRUCTOR APPROVAL FOR CONTINUING EDUCATION.

The real estate education application for instructor approval for continuing education shall be in the form ~~in part 2800.9940~~ prescribed by the commissioner.

2800.7600 PROHIBITED PRACTICES FOR COORDINATORS AND INSTRUCTORS.

Subpart 1. **Prohibitions.** In connection with an approved course, coordinators and instructors shall not:

A. recommend or promote the services or practices of any particular real estate brokerage, franchise, coordinator, instructor, or ~~school~~ sponsor;

B. and C. [Unchanged.]

D. require students to participate in other programs or services offered by the ~~school~~ sponsor, coordinator, or instructor;

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E. to G. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

2800.7900 FEES.

Fees for approved courses and related materials shall be reasonable and clearly identified to students. In the event that a course is canceled for any reason, all fees shall be returned promptly. In the event that a course is postponed for any reason, students shall be given the choice of attending the course at a later date or of having their fees refunded in full. If a student is unable to attend a course or cancels his or her registration in a course, ~~school~~ sponsor policies regarding refunds shall govern.

2800.8100 CONFLICT OF INTEREST.

A course will not be approved if it is ~~offered~~ sponsored by a person who derives substantial income from the real estate brokerage business.

2800.8300 ADVERTISING COURSES.

Subpart 1. [Unchanged.]

Subp. 2. **Approval statement.** No advertisement, pamphlet, circular, or other similar materials pertaining to an approved offering may be circulated or distributed in this state unless one of the following ~~statement~~ statements is prominently displayed ~~on-the-cover-of-it~~:

For ~~initial~~ prelicense education courses, "This course has been approved by the Minnesota commissioner of commerce ~~pursuant to Minnesota Statutes, section 82.22, subdivision 6 for initial education courses,"~~ or for real estate prelicense education."

For continuing education courses, "This course has been approved by the Minnesota commissioner of commerce ~~pursuant to Minnesota Statutes, section 82.22, subdivision 13, relating to continuing real estate education~~ for real estate continuing education."

The preceding language need not be displayed on the cover of any out-of-state offering advertisement; however, it is the

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responsibility of the ~~school~~ sponsor to provide students with evidence that the course has been approved.

Subp. 3. [Unchanged.]

Subp. 4. Limitation on advertising. Courses may not be advertised prior to approval, unless the course is described in the advertising as "approval pending" and that is in fact the case.

2800.8400 NOTICE TO STUDENTS.

At the beginning of each approved offering, the following notice shall be handed out in printed form or shall be read to students: "This real estate educational offering is recognized by the commissioner of commerce as satisfying _____ hours of credit toward _____ (choose one, or more, of the following as is appropriate: prelicensing, postlicensing, or continuing) real estate education requirements pursuant to Minnesota Statutes, section 82.22. If you have any comments about this real estate offering, please mail them to the Commissioner of Commerce, 500 Metro Square Building, Saint Paul, Minnesota 55101."

2800.8500 AUDITS.

The commissioner reserves the right to audit subject offerings with or without notice to the ~~school~~ sponsor.

2800.8700 REPORTS TO COMMISSIONER.

Continuing education credits shall be reported by the licensee on the form ~~in part 2800.9950~~ prescribed by the commissioner.

Forms will not be accepted unless they reflect all the ~~entire 45~~ required hours. Incomplete forms will be returned to the licensee.

Forms must be received by the commissioner no later than June ~~15~~ 30 of the year ~~in which the credits are~~ due. Forms ~~which~~ that are ~~mailed~~ postmarked no later than June 15 shall be deemed timely received if addressed to: ~~Real Estate~~ Licensing Unit, 500 Metro Square Building, Saint Paul, Minnesota 55101.

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and-postmarked-prior-to-12:01-a.m.-on-June-14. Licensees are encouraged to submit the form as soon as they have completed the 45 required hours of continuing education credit.

2800.8750 CONTINUING EDUCATION COURSE VERIFICATION.

The real estate education continuing education course verification shall be in the form in-part-2800.9950 prescribed by the commissioner.

2800.9905 RATING-SCALE QUALIFICATIONS FOR INSTRUCTORS.

Ratings-for Applicants seeking approval as instructors of courses I, II, and III must possess the following qualifications:

Points	Criteria
20	2-year-degree-or-certificate;
40	4-year-degree;
50	post-graduate-degree;
60	2-year-real-estate-degree-or-certificate;
70	4-year-real-estate-degree-or-certificate; -Points-may-not-be-accumulated-in -the-case-of-individuals-holding -more-than-one-degree-or-certificate;
10	Each-45-hours-of-continuing-real -estate-education-attended-or-taught; -No-points-will-be-allowed-for-periods -of-less-than-45-hours;
30	First-three-year-period-in-which-engaged -full-time-in-the-real-estate-industry -as-a-licensed-broker-or-salesperson-or; -in-the-case-of-applicants-for-Course -III;-the-first-three-year-period-in -which-engaged-full-time-in-a-business -or-profession-relating-to-the-subject -being-taught;--No-points-will-be-allowed -for-an-applicant-who-has-been-licensed -for-less-than-three-years-or-who-has -been-engaged-in-a-related-business-or -profession-for-less-than-three-years;
10	Each-full-year;-after-the-first-full -three-years;-in-which-engaged-full-time -in-the-real-estate-industry-as-a-licensed -broker-or-salesperson-or;-in-the-case-of -applicants-for-Course-III;-each-full-year; -after-the-first-full-three-years;-in -which-engaged-full-time-in-a-business -or-profession-relating-to-the-subject -being-taught;

A. a four-year real estate degree;

B. a four-year degree with three years full-time experience in the real estate industry;

C. a four-year degree with three years full-time experience in the business or profession relating to the subject being taught;

D. a post-graduate degree and completion of 45 hours

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of continuing real estate education;

E. a two-year real estate degree and completion of 45 hours of continuing real estate education;

F. a two-year degree or certificate with five years full-time experience in the real estate industry;

G. a degree or certificate with five years full-time experience in the business or profession relating to the subject being taught; or

H. eight years of recent experience in the subject area being taught.

Rules as Proposed (all new material)

2805.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, the terms defined in this part have the meanings given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subp. 3. **Licensee.** "Licensee" means a person duly licensed under Minnesota Statutes, chapter 82.

Subp. 4. **Loan broker.** "Loan broker" means a licensed real estate broker or salesperson who, for another and for a commission, fee, or other valuable consideration or with the intention or expectation of receiving the same, directly or indirectly negotiates or offers or attempts to negotiate a loan secured or to be secured by a mortgage or other encumbrance on real estate, or represents himself or herself or otherwise holds himself or herself out as a licensed real estate broker or salesperson, either in connection with any transaction in which he or she directly or indirectly negotiates or offers or attempts to negotiate a loan, or in connection with the conduct of his or her ordinary business activities as a loan broker.

"Loan broker" does not include a licensed real estate broker or salesperson who, in the course of representing a purchaser or seller of real estate, incidentally assists the purchaser or seller in obtaining financing for the real property

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in question if the licensee does not receive a separate commission, fee, or other valuable consideration for this service.

Subp. 5. **Overpayment.** "Overpayment" means any payment of money in excess of a statutory fee or for a license for which a person does not qualify.

Subp. 6. **Override clause.** "Override clause" means a provision in a listing agreement or similar instrument allowing the broker to receive a commission when, after the listing agreement has expired, the property is sold to persons with whom a broker or salesperson had negotiated or exhibited the property prior to the expiration of the listing agreement.

Subp. 7. **Person.** "Person" means a natural person, firm, institution, partnership, corporation, or association.

Subp. 8. **Primary broker.** "Primary broker" means the broker on whose behalf salespersons are licensed to act pursuant to Minnesota Statutes, section 82.20, subdivision 6. In the case of a corporation licensed as a broker, "primary broker" means each officer of the corporation who is individually licensed to act as a broker for the corporation. In the case of a partnership, "primary broker" means each partner licensed to act as a broker for the partnership.

Subp. 9. **Property.** "Property" means real property or other property within the scope of Minnesota Statutes, chapter 82, unless the context clearly indicates otherwise.

Subp. 10. **Protective list.** "Protective list" means the written list of names and addresses of prospective purchasers with whom a licensee has negotiated the sale or rental of the property or to whom a licensee has exhibited the property prior to the expiration of the listing agreement. For the purposes of this subpart, "property" means the property that is the subject of the listing agreement in question.

Subp. 11. **Real estate broker or broker.** "Real estate broker" or "broker" as set forth in Minnesota Statutes, section 82.17, subdivision 4, clause (b) shall not apply to the originating, making, processing, selling, or servicing of a loan

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in connection with ordinary business activities by a mortgagee, lender, or servicer approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association.

Subp. 12. **Rental service.** "Rental service" means a person who gathers and catalogs information concerning apartments or other units of real estate available for rent, and who, for a fee, provides information intended to meet the individual needs of specifically identified lessors or prospective lessees. This term shall not apply to newspapers or other periodicals with a general circulation or individual listing contracts between an owner or lessor of property and a licensee.

Subp. 13. **Sponsor.** "Sponsor" means a person offering or providing real estate education.

Subp. 14. **Business of financial planning.** "Business of financial planning" means providing, or offering to provide, financial planning services or financial counseling or advice, on a group or individual basis. A person who, on advertisements, cards, signs, circulars, letterheads, or in any other manner, indicates that he or she is a "financial planner," "financial counselor," financial advisor," "investment counselor," "estate planner," "investment advisor," "financial consultant," or any other similar designation or title or combination thereof, is considered to be representing himself or herself to be engaged in the business of financial planning.

2805.0200 SCOPE OF APPLICATION.

Prior rules exclusively govern all suits, actions, prosecutions, or proceedings that are pending or may be initiated on the basis of facts or circumstances occurring before the effective date of these rules. Judicial review of all administrative orders issued prior to the effective date of

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these rules as to which review proceedings have not been instituted by the effective date of these rules is governed by prior rules.

2805.0300 COMPUTATION OF TIME.

Subpart 1. **Days.** Where the performance or doing of any act, duty, matter, payment, or thing is ordered or directed, and the period of time or duration for the performance or doing thereof is prescribed and fixed by law, rule, or order, such time, except as otherwise provided in subpart 2, shall be computed so as to exclude the first and include the last day of any such prescribed or fixed period or duration of time. When the last day of such period falls on Sunday or on any day made a legal holiday, by the laws of this state or of the United States, such day shall be omitted from the computation.

Subp. 2. **Months.** When the lapse of a number of months before or after a certain day is required by law, rule, or order, the number of months shall be computed by counting the months from such day, excluding the calendar month in which such day occurs, and including the day of the month in the last month so counted having the same numerical order as the day of the month from which the computation is made, unless there be not so many days in the last month so counted, in which case the period computed shall expire with the last day of the month so counted.

2805.0400 NOTICE TO COMMISSIONER.

Subpart 1. **Mandatory.** Licensees shall notify the commissioner of the facts in subparts 2 to 4.

Subp. 2. **Civil judgment.** Licensees must notify the commissioner in writing within ten days of a final adverse decision or order of a court, whether or not the decision or order is appealed, regarding any proceeding in which the licensee was named as a defendant, and which alleged fraud, misrepresentation, or the conversion of funds, if the final adverse decision relates to the allegations of fraud, misrepresentation, or the conversion of funds.

Subp. 3. **Disciplinary action.** The licensee must notify

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the commissioner in writing within ten days of the suspension or revocation of the licensee's real estate or other occupational license issued by this state or another jurisdiction.

Subp. 4. **Criminal offense.** The licensee must notify the commissioner in writing within ten days if the licensee is charged with, adjudged guilty of, or enters a plea of guilty or nolo contendere to a charge of any felony, or of any gross misdemeanor alleging fraud, misrepresentation, conversion of funds, or a similar violation of any real estate licensing law.

RENUMBERING. Renumber the parts in column A as the parts in column B.

Column A	Column B
2800.3100	2805.0500
2800.3200	2805.0600
2800.3300	2805.0700
2800.3400	2805.0800
2800.3500	2805.0900
2800.3600	2805.1000
2800.3700	2805.1100
2800.3800	2805.1200
2800.3900	2805.1300
2800.4000	2805.1400
2800.4100	2805.1500
2800.4200	2805.1600
2800.4300	2805.1700
2800.4400	2805.1800
2800.4500	2805.1900
2800.4600	2805.2000

REPEALER. Minnesota Rules, parts 2800.1600, subparts 1, 3, 4, and 5; 2800.2175; 2800.5500; 2800.6800, subparts 2 and 3; 2800.7200, subparts 3 and 5; 2800.9910; 2800.9915; 2800.9920; 2800.9925; 2800.9930; 2800.9935; 2800.9940; 2800.9945; 2800.9950; and 2800.9955 are repealed.

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STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Rules Relating to Real Estate Broker Licensing and Education

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minnesota Statutes, section 14.14, subd. 1a, that their names be placed on file with and maintained by the Department of Commerce for the purpose of receiving notice of the proposed adoption of rules is accurate and complete as of 12:00 P.M., this 28th day of May 1986.

Jane Schaub

Jane Schaub

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STATE REGISTER

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A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch
Commissioner of Commerce

Rules as Proposed

2700.2400 SCOPE.

Except as specifically limited in part 2700.2430, parts 2700.2400 to ~~2700.2450~~ 2700.2440 apply to all commercial liability and/or property insurance policies issued by companies licensed to do business in this state except ~~workers' compensation insurance, employers' liability,~~ ocean marine insurance, accident and health insurance, excess insurance, surplus line insurance, and reinsurance.

2700.2410 MIDTERM CANCELLATION.

Subpart 1. **Reason for cancellation.** No insurer may cancel a policy of commercial liability and/or property insurance during the term of the policy, except for one or more of the following reasons:

A. to H. [Unchanged.]

Subp. 2. to 4. [Unchanged.]

2700.2420 NONRENEWAL.

Subpart 1. **Notice required.** ~~An insurer shall renew the policy, unless~~ At least 30 days prior to the date of expiration provided in the policy, a notice of intention not to renew the policy beyond the agreed expiration date ~~is~~ must be made to the policyholder by the insurer. If the notice is not given at least 30 days prior to the date of expiration provided in the policy, the policy shall continue in force until 30 days after a notice of intent not to renew is received by the policyholder.

Subp. 2. [Unchanged.]

2700.2430 RENEWAL WITH ALTERED RATES.

Subpart 1. **General.** ~~Subject to subpart 2, if the insurer offers or purports to renew the policy at less favorable terms as to the dollar amount of coverage or deductibles, higher rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least 30 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within the 30-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata.~~

If an insurance company licensed to do business in this state offers or purports to offer to renew any commercial liability and/or property insurance policy at less favorable terms as to the dollar amount of coverage or deductibles, higher rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date of the policy if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least 30 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within the 30-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata upon the prior rate. This subdivision does not apply to ocean marine insurance, accident and health insurance, and reinsurance.

Subp. 2. [Unchanged.]

Department of Commerce

Proposed Rules Relating to Real Estate Broker Licensing and Education

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Commerce has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, Section 14.21.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Persons interested ~~in these~~ rules shall have 30 days to submit comments in support of or in opposition to the rules. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and does not result in a substantial change.

No public hearing will be held unless twenty-five (25) or more persons make a written request for a hearing within the 30 day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, Section 14.14, subd. 1.

Persons who wish to submit comments or a written request for a public hearing should submit them to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Building, St. Paul, MN 55101 telephone (612) 296-5689. Any person requesting a public hearing should state her or his name and address and is encouraged to identify the portion of the proposed rule addressed, the reason for the request and any change proposed and send this information to the above address.

Authority for the adoption of these rules is contained in Minnesota Statutes, Sections 45.023 and 61A.03. Additionally a Statement of Need and Reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Pursuant to Minnesota Laws 1983, chapter 188 codified as Minnesota Statute Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch
Commissioner of Commerce

Rules as Proposed

2800.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of ~~parts~~ ~~2800.0100~~ ~~to~~ ~~2800.1700,~~ ~~2800.1800~~ ~~to~~ ~~2800.2100,~~ ~~2800.3100~~ ~~to~~ ~~2800.7100,~~ ~~2800.7200,~~ ~~2800.7300,~~ ~~2800.7400,~~ ~~2800.7500,~~ ~~2800.7600~~ ~~to~~ ~~2800.8700,~~ ~~and~~ ~~2800.9905~~ this chapter, the terms defined in this part have the meanings given them.

Subp. 2. to 12. [Unchanged.]

Subp. 13. ~~**School**~~ **Sponsor.** ~~"School"~~ "Sponsor" means a person offering or providing real estate education.

Subp. 14. [Unchanged.]

2800.1300 LICENSE.

Subpart 1. [Unchanged.]

Subp. 2. **Cancellation of salesperson's or broker's license.** A salesperson's or broker's license that has been canceled for failure of a licensee to complete postlicensing education requirements must be returned to the commissioner by the licensee's broker within ten days of receipt of notice of cancellation. The license shall be reinstated without reexamination by completing the required instruction, filing an application, and paying the fee for a salesperson's or broker's license within ~~one year~~ two years of the cancellation date.

Subp. 3. [Unchanged.]

2800.1600 NOTICE TO ~~THE~~ COMMISSIONER.

Subpart 1. [See Repealer.]

Subp. 2. **Change of application information.** The commissioner ~~shall~~ must be notified in writing of a change of information contained in the license application on file with the commissioner within ten days of the change.

Subp. 3. to 5. [See Repealer.]

2800.1700 AUTOMATIC TRANSFER OF SALESPERSON'S LICENSE.

Subpart 1. **Scope.** A salesperson may utilize the automatic license transfer provisions of Laws of Minnesota 1982, chapter 478 Minnesota Statutes, section 82.20, subdivision 9, clause (b) if the salesperson commences his or her association with the broker to whom he or she the salesperson is transferring, as evidenced by the dates of the signatures of both brokers on the form in part 2800.9955 prescribed by the commissioner, within five days after terminating his or her the salesperson's association with the broker from whom he or she the salesperson is transferring, provided the salesperson's educational requirements are not past due.

A salesperson may not utilize the automatic license transfer provisions of Laws of Minnesota 1982, chapter 478 Minnesota Statutes, section 82.20, subdivision 9, clause (b) if he or she the salesperson has failed to notify the commissioner within ten days of any change of information contained in his or her the salesperson's license application on file with the commissioner or of a civil judgment, disciplinary action, or criminal offense, which notice is required pursuant to part 2800.1600.

Subp. 2. **Procedure.** An application for automatic transfer shall be made only on the form in part 2800.9955 prescribed by the commissioner. The transfer is ineffective if the form is not completed in its entirety.

The form in part 2800.9955 shall be accompanied by a $10 transfer fee, and the license renewal fee, if applicable, plus an additional $10 if the salesperson holds a subdivided land license. Cash will not be accepted. If the licensee holds a subdivided land license it must be transferred at the same time as the salesperson's license. In order for the transfer of the subdivided land license to be effective the broker to whom the salesperson is transferring must also hold a subdivided land license.

The signature on the form in part 2800.9955 of the broker from whom the salesperson is transferring must predate the signature of the broker to whom the salesperson is transferring. The salesperson is unlicensed for the period of time between the times and dates of both signatures. The broker from whom the salesperson is transferring shall sign and date the transfer application upon the request of the salesperson and shall destroy the salesperson's license immediately.

Subp. 3. **Effective date.** Effective date:

A. The transfer is effective when the broker to whom the salesperson is transferring signs and dates the transfer application form in part 2800.9955, provided the commissioner receives the form and fee within 72 hours after the date and time of the new broker's signature, either by certified mail or personal delivery to the commissioner's office. In the event of a delay in mail delivery, an application postmarked within 24 hours of the date of the signature of the new broker shall be deemed timely received. The properly executed automatic transfer form serves as a temporary real estate license for no more than 45 days.

B. and C. [Unchanged.]

2800.1750 REAL ESTATE SALESPERSON AUTOMATIC TRANSFER.

The real estate salesperson automatic transfer shall be in the form set forth in part 2800.9955 prescribed by the commissioner.

2800.1751 INDIVIDUAL APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS.

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

CENTRAL LICENSING SECTION — REAL ESTATE UNIT

5th Floor, Metro Square Bldg.

Seventh and Robert Streets

St. Paul, Minnesota 55101

INDIVIDUAL APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS

KNOW ALL PERSONS BY THESE PRESENTS:

That in compliance with the Laws of the State of Minnesota, _____ a non-resident, does hereby appoint the Commissioner of Securities Commerce of the State of Minnesota, his/her successor or successors as his/her true and lawful attorney upon whom may be served all legal process in any action or proceeding in which he/she may be a party and which relates to or involves any transaction covered by Chapter 82, Minnesota Statutes, and does hereby expressly consent and agree that service upon such attorney shall be as valid and binding as if due and personal service had been made upon him/her and that such appointment shall be irrevocable.

KEY: **PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. Strike outs indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. Strike outs indicate deletions from proposed rule language.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 19__.

_____

_____

STATE OF _____)
) SS.
COUNTY OF _____)

On this _____ day of _____, 19____, personally appeared before me, a notary public in and for said County and State, _____, to me known to be the person described in and who executed the foregoing instrument and who, being by me first sworn, acknowledged that he/she executed the same as his/her free act and deed.

_____

Notary Public, _____ County _____

(NOTARIAL SEAL) My Commission expires _____

2800.1900 FAILURE TO RENEW LICENSE.

If a license lapses or becomes ineffective due to the licensee's failure to file a timely renewal application or otherwise, the commissioner may institute a revocation or suspension proceeding within ~~one year~~ two years after the license was last effective and enter a revocation or suspension order as of the last date on which the license was in effect.

2800.2100 COURSE COMPLETION CERTIFICATES FOR SALESPERSON'S LICENSE.

Applicants for a salesperson's license shall submit to the commissioner, along with their application for licensure, a copy of the course completion certificate ~~in part 2800.9910~~ for ~~course~~ courses I, ~~and for courses~~ II, and III ~~if completed prior to being licensed~~.

Students are responsible for maintaining copies of course completion certificates.

2800.2150 COURSE COMPLETION CERTIFICATE.

The real estate education course completion certificate shall be in the form ~~in part 2800.9910~~ set forth by the commissioner.

2800.4200 NEGOTIATIONS.

Subpart 1. to 5. [Unchanged.]

Subp. 6. **Exclusive agency agreements.** A licensee shall not negotiate the sale, exchange, lease, or listing of any real property directly with the owner or lessor knowing that the owner or lessor has executed a written contract granting exclusive agency in connection with the property to another real estate broker, buyer, or lessee nor shall a licensee negotiate the purchase, lease, or exchange knowing that the buyer or lessee has executed a written contract granting an exclusive agency for the purchase, lease, or exchange of real property to another real estate broker. The licensee ~~shall~~ must inquire of the owner ~~or~~, lessor, buyer, or lessee whether such a contract exists.

Subp. 7. **Prohibition against interference with contractual relationships of others.** Licensees shall not induce any party to a contract of sale, purchase, or lease, option, or exclusive listing agreement or buyer's agreement, to breach the contract, option, or agreement.

Subp. 8. [Unchanged.]

2800.5100 ~~NINETY-HOUR INITIAL~~ PRELICENSE EDUCATION.

An approved ~~90-hour~~ course of ~~initial~~ prelicense education shall consist of three 30-classroom-hour courses to be designated as course I, course II, and course III. Pursuant to Minnesota Statutes, section 82.22, subdivision 6, each applicant for a salesperson's license or salesperson is required to complete all courses successfully. Courses I, II, and III must be taken in sequence and may not be taken concurrently.

2800.5200 SALESPERSON'S EXAMINATION.

Applicants must successfully complete all portions of the salesperson's examination within one year after the successful completion of course I. After this date, credit for course I will expire and successful completion of the first 30-hour course must be repeated before taking the salesperson's examination.

An exception will be made for students pursuing a full-time course of study in either a two-year or four-year real estate education

program. The burden ~~of de~~monstrating full-time status is on the student. Applicants must successfully complete the salesperson's examination within one year after the successful completion of the two-year or four-year course of study.

2800.5300 APPLICATION FOR SALESPERSON'S LICENSE.

Applicants must apply for a salesperson's license within one year ~~after~~ of successful completion of all portions of the licensing examination. Courses II and III must be completed prior to application. Applicants who fail to apply for a license within the one-year period must retake course I and successfully complete the examination.

2800.5400 POSTLICENSING EDUCATION ~~COURSE~~.

~~Courses II and III~~ Thirty hours of approved continuing education must be completed within one year after obtaining a salesperson's license.

2800.5600 LIMITATIONS ON COURSE SUBSTITUTIONS.

No course may be substituted for course I. Written requests for substitutions for courses II and III shall be granted if the request is submitted no later than ~~six months~~ 30 days prior to the date upon which that education is due to be completed, if:

A. [Unchanged.]

B. the salesperson demonstrates successful completion of a course ~~in another jurisdiction~~ that is substantially similar to course II or III.

2800.5900 COMPLETION OF INITIAL EDUCATION.

Successful completion of courses I, II, and III includes full-time classroom attendance throughout the course, completion of required assignments or reading materials if applicable, and passage of an examination designed by the ~~school~~ sponsor that is sufficiently comprehensive to measure the student's knowledge of all aspects of the course.

2800.6500 COURSE III CURRICULUM.

Subpart 1. to 9. [Unchanged.]

Subp. 10. **Combination course.** A combination course shall consist of no more than three of the preceding nine subparts and shall devote at least ten hours to each subject. A ~~school~~ sponsor that proposes to offer a combination course III shall submit to the commissioner, as part of the application for approval, an outline setting forth the subjects to be addressed and the number of hours proposed to be devoted to each topic.

2800.6800 CONTINUING EDUCATION.

Subpart 1. [Unchanged.]

Subp. 2. and 3. [See Repealer.]

Subp. 4. **Examinations.** Course examinations will not be required for continuing education courses unless they are required by the ~~school~~ sponsor or the licensee elects to take course III for continuing education credit.

Subp. 5. and 6. [Unchanged.]

Subp. 7. ~~**Disapproved courses.** Approval will not be granted for courses designed to prepare students for passing any licensing examinations; in mechanical office or business skills, including typing, speed reading, use of calculators, or other machines or equipment; in sales promotion, including meetings held in conjunction with the general business of the licensee's broker; or in motivation, salesmanship, psychology, or time management.~~ **Nonapproved courses for continuing education.** The following are not approved courses:

A. a course which is approved for prelicense training;

B. courses designed to prepare students for a license examination;

C. courses in mechanical office or business skills, including typing, speed reading, or use of calculators or other machines or equipment;

D. courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

E. courses in motivation, salesmanship, psychology, time management, or communication; or

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F. courses related to office management or intended to improve the operation of the licensee's business.

Subp. 8. **Continuing education credit for course III.** Licensees may attend or teach course III for continuing education credit. Credit will be given for less than the entire course III only for combination courses offered pursuant to part 2800.6400, subpart 10. Credit will be given only for attendance at segments of the combination course III which completely cover a subject. An examination will be required only if the licensee takes the entire combination course or if the ~~school~~ sponsor requires a separate examination for each subject covered.

Subp. 9. [Unchanged.]

Subp. 10. **Professional designations.** Courses leading to the following professional designations shall automatically qualify for continuing education credit:

A. Certified Property Manager (CPM) offered by the Institute of Real Estate Management.

B. Member, Appraisal Institute (MAI) offered by the American Institute of Real Estate Appraisers.

C. Certified Commercial Investment Member (CCIM) offered by the Realtors National Marketing Insitute.

D. Society of Industrial Realtors (SIR) offered by the Society of Industrial Realtors.

E. Certified Mortgage Banker (CMB) offered by the Mortgage Bankers Association.

F. Senior Real Property Appraiser (SRPA) offered by the Society of Real Estate Appraisers.

G. Accredited Farm and Land Member (AFLM) offered by the Realtors Land Institute.

2800.7150 APPLICATION FOR COURSE APPROVAL FOR COURSES I, II, AND III.

The real estate education application for course approval for courses I, II, and III shall be in the form ~~in part 2800.9920~~ prescribed by the commissioner.

2800.7175 APPLICATION FOR COURSE APPROVAL FOR CONTINUING EDUCATION.

The real estate education application for course approval for continuing education shall be in the form ~~in part 2800.9935~~ prescribed by the commissioner.

2800.7200 COURSE APPROVAL.

Subpart 1. [Unchanged.]

Subp. 2. **Permitted course offerings.** Courses complying with Minnesota Statutes, chapter 82 and the rules adopted thereunder may be offered or sponsored by ~~schools~~ sponsors.

Coordinators must immediately notify the commissioner of any material change in an application for approval or in the exhibits attached to it.

Subp. 3. [See Repealer.]

Subp. 4. **Applications.** Applications for course approval will be accepted on forms prescribed by the commissioner no later than 30 days prior to the course offering ~~and shall include the following:~~

~~A. the course title;~~

~~B. the date, time, and place of the course offering;~~

~~C. the name, address, and telephone number of the sponsoring entity;~~

~~D. the name, address, and telephone number of the course coordinator;~~

~~E. the name, address, and telephone number of the instructor;~~

~~F. the name, edition, and date of publication of the text to be used, if applicable;~~

~~G. a detailed outline of the course offering, or a statement of compliance with the prescribed outlines for course I, II, or III; and~~

~~H. compliance with the service of process provisions of Minnesota Statutes, section 82.31, if applicable~~.

Subp. 5. [See Repealer.]

Subp. 6. **Subsequent offerings of courses.** Approval shall be granted for subsequent offerings of identical continuing education courses without requiring a new application if a notice of subsequent offerings, ~~as in part 2800.9945~~ on the form prescribed by the commissioner, is filed with the commissioner at least 30 days in advance of the date the course is to be held.

Subsequent offerings of identical courses I, II, and III do not require the approval of or notice to the commissioner.

2800.7250 NOTICE OF SUBSEQUENT OFFERINGS OF CONTINUING EDUCATION COURSES.

The real estate education notice of subsequent offerings of continuing education courses shall be in the form ~~in part 2800.9945~~ prescribed by the commissioner.

2800.7400 COURSE COORDINATOR.

Subpart 1. **Mandatory.** Each course of study shall have one coordinator, approved by the commissioner, who is responsible for supervising the program and assuring compliance with Minnesota Statutes, chapter 82 and the rules adopted thereunder. ~~Schools~~ Sponsors may engage an additional approved coordinator in order to assist the coordinator or to act as a substitute for the coordinator in the event of an emergency or illness.

Subp. 2. [Unchanged.]

Subp. 3. **Form for coordinator approval.** Application for approval must be submitted on the form ~~in part 2800.9915~~ prescribed by the commissioner.

Subp. 4. **Responsibilities.** A coordinator shall be responsible for:

A. to E. [Unchanged.]

F. maintaining records relating to course offerings, instructors, and student attendance for a period of three years from the date on which the course was completed; these records shall be made available to the commissioner upon request (In the event that a ~~school~~ sponsor should cease operation for any reason, the coordinator shall be responsible for maintaining the records or providing a custodian for the records acceptable to the commissioner. Under no circumstances will the commissioner act as custodian of the records. In order to be acceptable to the commissioner, custodians must agree to make copies of acknowledgements available to students at a reasonable fee);

G. [Unchanged.]

H. attending workshops or instructional programs as reasonably required by the commissioner; and

I. ~~reporting on the form in part 2800.9930 the attendance of licensed students in courses II and III to the commissioner within 14 days of their completion of the course; and~~

~~J.~~ providing students with course completion certificates ~~as in part 2800.9910.~~ for courses I, II, and III, and continuing education courses.

2800.7450 APPLICATION FOR COORDINATOR APPROVAL.

The real estate education application for coordinator approval shall be in the form ~~in part 2800.9915~~ prescribed by the commissioner.

2800.7500 INSTRUCTORS.

Subpart 1. [Unchanged.]

Subp. 2. **Qualifications.** The following provisions relate to the approval and qualification of instructors:

A. Applicants shall submit requests for instructor approval on the form ~~in part 2800.9925~~ prescribed by the commissioner for courses I, II, and III and the form ~~in part 2800.9940~~ prescribed by the commissioner for continuing education courses. Requests must be submitted at least 30 days prior to instruction in an approved course.

B. Applicants for Courses I, II and III shall be approved if they ~~achieve a rating of 70 points or higher based upon the scale~~ have the education and/or experience requirements set forth in part 2800.9905.

C. and D. [Unchanged.]

Subp. 3. [Unchanged.]

2800.7550 APPLICATION FOR INSTRUCTOR APPROVAL FOR COURSES I, II, III.

The real estate education application for instructor approval for courses I, II, and III shall be in the form ~~in part 2800.9925~~ prescribed by the commissioner.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

2800.7575 APPLICATION FOR INSTRUCTOR APPROVAL FOR CONTINUING EDUCATION.

The real estate education application for instructor approval for continuing education shall be in the form ~~in part 2800.9940~~ prescribed by the commissioner.

2800.7600 PROHIBITED PRACTICES FOR COORDINATORS AND INSTRUCTORS.

Subpart 1. **Prohibitions.** In connection with an approved course, coordinators and instructors shall not:

A. recommend or promote the services or practices of any particular real estate brokerage, franchise, coordinator, instructor, or ~~school~~ sponsor;

B. and C. [Unchanged.]

D. require students to participate in other programs or services offered by the ~~school~~ sponsor, coordinator, or instructor;

E. to G. [Unchanged.]

Subp. 2. and 3. [Unchanged.]

2800.7900 FEES.

Fees for approved courses and related materials shall be reasonable and clearly identified to students. In the event that a course is canceled for any reason, all fees shall be returned promptly. In the event that a course is postponed for any reason, students shall be given the choice of attending the course at a later date or of having their fees refunded in full. If a student is unable to attend a course or cancels his or her registration in a course, ~~school~~ sponsor policies regarding refunds shall govern.

2800.8100 CONFLICT OF INTEREST.

A course will not be approved if it is ~~offered~~ sponsored by a person who derives substantial income from the real estate brokerage business.

2800.8300 ADVERTISING COURSES.

Subpart 1. [Unchanged.]

Subp. 2. **Approval statement.** No advertisement, pamphlet, circular, or other similar materials pertaining to an approved offering may be circulated or distributed in this state unless one of the following ~~statement~~ statements is prominently displayed ~~on the cover of it~~:

For ~~initial~~ prelicense education courses, "This course has been approved by the Minnesota commissioner of commerce ~~pursuant to Minnesota Statutes, section 82.22, subdivision 6 for initial education courses.~~" ~~or~~ for real estate prelicense education."

For continuing education courses, "This course has been approved by the Minnesota commissioner of commerce ~~pursuant to Minnesota Statutes, section 82.22, subdivision 13, relating to continuing real estate education~~ for real estate continuing education."

The preceding language need not be displayed on the cover of any out-of-state offering advertisement; however, it is the responsibility of the ~~school~~ sponsor to provide students with evidence that the course has been approved.

Subp. 3. [Unchanged.]

Subp. 4. **Limitation on advertising.** Courses may not be advertised prior to approval, unless the course is described in the advertising as "approval pending" and that is in fact the case.

2800.8400 NOTICE TO STUDENTS.

At the beginning of each approved offering, the following notice shall be handed out in printed form or shall be read to students: "This real estate educational offering is recognized by the commissioner of commerce as satisfying ____ hours of credit toward _____ (choose one, or more, of the following as is appropriate: prelicensing, postlicensing, or continuing) real estate education requirements pursuant to Minnesota Statutes, section 82.22. If you have any comments about this real estate offering, please mail them to the Commissioner of Commerce, 500 Metro Square Building, Saint Paul, Minnesota 55101."

2800.8500 AUDITS.

The commissioner reserves the right to audit subject offerings with or without notice to the ~~school~~ sponsor.

2800.8700 REPORTS TO COMMISSIONER.

Continuing education credits shall be reported by the licensee on the form ~~in part 2800.9950~~ prescribed by the commissioner.

Forms will not be accepted unless they reflect all the ~~entire 15~~ required hours. Incomplete forms will be returned to the licensee.

Forms must be received by the commissioner no later than June ~~15~~ 30 of the year ~~in which the credits are~~ due. Forms ~~which~~ that are ~~mailed~~ postmarked no later than June 15 shall be deemed timely received if addressed to: ~~Real Estate~~ Licensing Unit, 500 Metro Square Building, Saint Paul, Minnesota 55101~~, and postmarked prior to 12:01 a.m. on June 14~~. Licensees are encouraged to submit

the form as soon as they have completed the ~~45~~ required hours of continuing education credit.

2800.8750 CONTINUING EDUCATION COURSE VERIFICATION.

The real estate education continuing education course verification shall be in the form ~~in part 2800.9950~~ prescribed by the commissioner.

2800.9905 ~~RATING SCALE~~ QUALIFICATIONS FOR INSTRUCTORS.

~~Ratings for~~ Applicants seeking approval as instructors of courses I, II, and III must possess the following qualifications:

~~Points~~	~~Criteria~~
~~20~~	~~2-year degree or certificate;~~
~~40~~	~~4-year degree;~~
~~50~~	~~post graduate degree;~~
~~60~~	~~2-year real estate degree or certificate;~~
~~70~~	~~4-year real estate degree or certificate. Points may not be accumulated in the case of individuals holding more than one degree or certificate;~~
~~10~~	~~Each 45 hours of continuing real estate education attended or taught. No points will be allowed for periods of less than 45 hours;~~
~~30~~	~~First three-year period in which engaged full-time in the real estate industry as a licensed broker or salesperson or, in the case of applicants for Course III, the first three-year period in which engaged full-time in a business or profession relating to the subject being taught. No points will be allowed for an applicant who has been licensed for less than three years or who has been engaged in a related business or profession for less than three years;~~
~~10~~	~~Each full year, after the first full three years, in which engaged full-time in the real estate industry as a licensed broker or salesperson or, in the case of applicants for Course III, each full year, after the first full three years, in which engaged full-time in a business or profession relating to the subject being taught.~~

A. a four-year real estate degree;

B. a four-year degree with three years full-time experience in the real estate industry;

C. a four-year degree with three years full-time experience in the business or profession relating to the subject being taught;

D. a post-graduate degree and completion of 45 hours of continuing real estate education;

E. a two-year real estate degree and completion of 45 hours of continuing real estate education;

F. a two-year degree or certificate with five years full-time experience in the real estate industry;

G. a degree or certificate with five years full-time experience in the business or profession relating to the subject being taught; or

H. eight years of recent experience in the subject area being taught.

Rules as Proposed (all new material)

2805.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, the terms defined in this part have the meanings given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subp. 3. **Licensee.** "Licensee" means a person duly licensed under Minnesota Statutes, chapter 82.

Subp. 4. **Loan broker.** "Loan broker" means a licensed real estate broker or salesperson who, for another and for a commission, fee, or other valuable consideration or with the intention or expectation of receiving the same, directly or indirectly negotiates or offers or attempts to negotiate a loan secured or to be secured by a mortgage or other encumbrance on real estate, or represents himself or herself or otherwise holds himself or herself out as a licensed real estate broker or salesperson, either in connection with any transaction in which he or she directly or indirectly negotiates or offers or attempts to negotiate a loan, or in connection with the conduct of his or her ordinary business activities as a loan broker.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

"Loan broker" does not include a licensed real estate broker or salesperson who, in the course of representing a purchaser or seller of real estate, incidentally assists the purchaser or seller in obtaining financing for the real property in question if the licensee does not receive a separate commission, fee, or other valuable consideration for this service.

Subp. 5. **Overpayment.** "Overpayment" means any payment of money in excess of a statutory fee or for a license for which a person does not qualify.

Subp. 6. **Override clause.** "Override clause" means a provision in a listing agreement or similar instrument allowing the broker to receive a commission when, after the listing agreement has expired, the property is sold to persons with whom a broker or salesperson had negotiated or exhibited the property prior to the expiration of the listing agreement.

Subp. 7. **Person.** "Person" means a natural person, firm, institution, partnership, corporation, or association.

Subp. 8. **Primary broker.** "Primary broker" means the broker on whose behalf salespersons are licensed to act pursuant to Minnesota Statutes, section 82.20, subdivision 6. In the case of a corporation licensed as a broker, "primary broker" means each officer of the corporation who is individually licensed to act as a broker for the corporation. In the case of a partnership, "primary broker" means each partner licensed to act as a broker for the partnership.

Subp. 9. **Property.** "Property" means real property or other property within the scope of Minnesota Statutes, chapter 82, unless the context clearly indicates otherwise.

Subp. 10. **Protective list.** "Protective list" means the written list of names and addresses of prospective purchasers with whom a licensee has negotiated the sale or rental of the property or to whom a licensee has exhibited the property prior to the expiration of the listing agreement. For the purposes of this subpart, "property" means the property that is the subject of the listing agreement in question.

Subp. 11. **Real estate broker or broker.** "Real estate broker" or "broker" as set forth in Minnesota Statutes, section 82.17, subdivision 4, clause (b) shall not apply to the originating, making, processing, selling, or servicing of a loan in connection with ordinary business activities by a mortgagee, lender, or servicer approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association.

Subp. 12. **Rental service.** "Rental service" means a person who gathers and catalogs information concerning apartments or other units of real estate available for rent, and who, for a fee, provides information intended to meet the individual needs of specifically identified lessors or prospective lessees. This term shall not apply to newspapers or other periodicals with a general circulation or individual listing contracts between an owner or lessor of property and a licensee.

Subp. 13. **Sponsor.** "Sponsor" means a person offering or providing real estate education.

Subp. 14. **Business of financial planning.** "Business of financial planning" means providing, or offering to provide, financial planning services or financial counseling or advice, on a group or individual basis. A person who, on advertisements, cards, signs, circulars, letterheads, or in any other manner, indicates that he or she is a "financial planner," "financial counselor," financial advisor," "investment counselor," "estate planner," "investment advisor," "financial consultant," or any other similar designation or title or combination thereof, is considered to be representing himself or herself to be engaged in the business of financial planning.

2805.0200 SCOPE OF APPLICATION.

Prior rules exclusively govern all suits, actions, prosecutions, or proceedings that are pending or may be initiated on the basis of facts or circumstances occurring before the effective date of these rules. Judicial review of all administrative orders issued prior to the effective date of these rules as to which review proceedings have not been instituted by the effective date of these rules is governed by prior rules.

2805.0300 COMPUTATION OF TIME.

Subpart 1. **Days.** Where the performance or doing of any act, duty, matter, payment, or thing is ordered or directed, and the period of time or duration for the performance or doing thereof is prescribed and fixed by law, rule, or order, such time, except as otherwise provided in subpart 2, shall be computed so as to exclude the first and include the last day of any such prescribed or fixed period or duration of time. When the last day of such period falls on Sunday or on any day made a legal holiday, by the laws of this state or of the United States, such day shall be omitted from the computation.

Subp. 2. **Months.** When the lapse of a number of months before or after a certain day is required by law, rule, or order, the number of months shall be computed by counting the months from such day, excluding the calendar month in which such day occurs, and including the day of the month in the last month so counted having the same numerical order as the day of the month from which the computation is made, unless there be not so many days in the last month so counted, in which case the period computed shall expire with the last day of the month so counted.

2805.0400 NOTICE TO COMMISSIONER.

Subpart 1. **Mandatory.** Licensees shall notify the commissioner of the facts in subparts 2 to 4.

Subp. 2. **Civil judgment.** Licensees must notify the commissioner in writing within ten days of a final adverse decision or order of a court, whether or not the decision or order is appealed, regarding any proceeding in which the licensee was named as a defendant, and which alleged fraud, misrepresentation, or the conversion of funds, if the final adverse decision relates to the allegations of fraud, misrepresentation, or the conversion of funds.

Subp. 3. **Disciplinary action.** The licensee must notify the commissioner in writing within ten days of the suspension or revocation of the licensee's real estate or other occupational license issued by this state or another jurisdiction.

Subp. 4. **Criminal offense.** The licensee must notify the commissioner in writing within ten days if the licensee is charged with, adjudged guilty of, or enters a plea of guilty or nolo contendere to a charge of any felony, or of any gross misdemeanor alleging fraud, misrepresentation, conversion of funds, or a similar violation of any real estate licensing law.

RENUMBERING. Renumber the parts in colume A as the parts in column B.

Column A	Column B
2800.3100	2805.0500
2800.3200	2805.0600
2800.3300	2805.0700
2800.3400	2805.0800
2800.3500	2805.0900
2800.3600	2805.1000
2800.3700	2805.1100
2800.3800	2805.1200
2800.3900	2805.1300
2800.4000	2805.1400
2800.4100	2805.1500
2800.4200	2805.1600
2800.4300	2805.1700
2800.4400	2805.1800
2800.4500	2805.1900
2800.4600	2805.2000

REPEALER. Minnesota Rules, parts 2800.1600, subparts 1, 3, 4, and 5; 2800.2175; 2800.5500; 2800.6800, subparts 2 and 3; 2800.7200, subparts 3 and 5; 2800.9910; 2800.9915; 2800.9920; 2800.9925; 2800.9930; 2800.9935; 2800.9940; 2800.9945; 2800.9950; and 2800.9955 are repealed.

Department of Energy and Economic Development Energy Finance Division

Proposed Rules Relating to the Agricultural Resource Loan Guaranty Program

Notice of Proposed Adoption of Rules without a Public Hearing

Notice is hereby given that the Agricultural Resource Loan Guaranty Board proposes to adopt the above-entitled rules without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The specific statutory authority to adopt the rules is Minnesota Statutes, section 41A.04, subdivision 4.

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

In the Matter of the Proposed Rules Governing Real Estate Licensing and Education

STATEMENT OF NEED AND REASONABLENESS OF PROPOSED RULES

STATEMENT OF AUTHORITY

Minnesota Statutes 82.28 permits the Commissioner of Commerce to adopt rules to carry out the purposes of Minnesota Statutes 82.17 through 82.34. These rules are proposed pursuant to that authority. The purpose of the rules is to provide direction and clarification to real estate applicants and licensees in the areas of conduct, license requirements, examinations and education. The proposed rules would place the agent conduct rules into a separate chapter. The proposed rules pertaining to license requirements, examinations and education would provide a basis upon which the Commissioner can approve those persons offering courses, the courses and the instructors for prelicense education and continuing education for real estate licensees.

Minnesota laws 1985, Chapter 251, Sections 6, 7, 8, 9 and 10, as well as Minnesota laws 1986, Chapter 358, Sections 7, 10 and 11, altered requirements for real estate applicants and licensees. A number of the changes to the rules being proposed are to assure that the real estate rules are consistent with the current real estate law. Minnesota Statutes §45.023 also gives the Commissioner rulemaking authority in this area.

FACTS ESTABLISHING NEED AND REASONABLENESS

As more specifically stated below, the proposed rules are necessary to set guidelines which will result in consistent license processing and quality education programs being available for real estate licensees. The proposed changes bring the established procedures into compliance with the changes in the law and current practice.

Part 2800.1300 explains the procedures for application, cancellation and waiver for real estate license applicants.

Subpart 2 Cancellation of salesperson's or broker's license.

This subpart sets the requirements for the handling of a license when the licensee has failed to complete their post-licensing education requirements. The only change to this subpart is the reinstatement period is changed to two years to be in compliance with Minnesota laws Chapter 358, Section 9, which amended the statute to provide for a two year reinstatement period.

Part 2800.1700 Automatic Transfer of Salesperson's License.

Subpart 1 Scope.

This subpart describes the uses of automatic transfer. The changes being proposed clarifies statutory reference to current statutes instead of Session Laws and simplifies the reference to the forms to be used. Due to the expense, time and complexity involved in amending rules it is no longer feasible to make rule forms part of the rules. To do so restricts the departments ability to respond promptly to legislative changes and administrative necessities. Additionally, as the Minnesota Rules are now being supplemented or republished on an annual basis long outdated and superceded forms may

remain part of the rules for more than a year after the rules are amended. Persons using the Minnesota Rules would presume that such forms were still valid. Attempted use of such forms would ultimately lead to confusion, delay and ultimately resentment by persons dealing with the Department. Notice in the rules of the existence of the forms is a satisfactory method of enabling those people dealing with the Department to be able to get the current form from the Department.

Subpart 2 Procedure.

As stated in regard to Subpart 1, the specific forms now reproduced in the rules would be replaced for the reasons ennumerated.

Subpart 3. Effective date.

The specific form reference is deleted because the form is being repealed and a reasonable time limitation (45 days) is placed on the usage of an automatic transfer.

Part 2800.1750 Real Estate Salesperson Automatic Transfer.

The reference to the specific form is replaced as noted in regard to part 2800.1700 subpart 1.

Part 2800.1751 Individual Appointment of Attorney for Service of Process.

The service of process form is corrected to refer to the Licensing Unit and the Commissioner of Commerce which are the correct titles.

Part 2800.1900 Failure to Renew License

To conform with Minnesota Laws of 1985, Chapter 251, Section 9, the reinstatement period following failure to renew is extended to a period of two years.

Part 2800.2100 Course Completion Certificates for Salesperson License.

To conform with Minnesota Laws 1986, Chapter 358, Section 10, the reference to completion of Courses I, II and III has been restated to note they must be taken prior to license application, not after.

Part 2800.2150 Course Completion Certificate.

The rule is amended to remove references to specific forms which will be repealed for the reasons set forth in regard to Part 2800.1700 subpart 1.

Part 2800.2175 Course II and III Record of Completion.

Minnesota Laws 1986, Chapter 358, Section 9, removed Courses II and III as prelicense requirements. The record of completion is no longer required.

Part 2800.4200 Negotiations.

The new language extends the protection to buyer agreements that is now afforded to seller agreements in accordance with Minnesota laws 1985, Chapter 251, Section 7, codified as Minnesota Stuates §82.19 which allows buyer or seller representation.

Subpart 7 Prohibition Against Interference With Contractual Relationships With Others.

This change will prohibit interference with buyer agreements on an equal basis with seller agreements in accordance with the representation of buyer or seller now allowed by Section 7 of Minnesota Laws 1985, Chapter 251, codified as Minnesota Statutes §82.19.

Part 2800.5100 Prelicense Education.

Minor grammatical changes are made for purposes of clarity. "Prelicense" is used instead of "Initial" because it is more descriptive and reflects the legislative changes.

Part 2800.5200 Salesperson's Examination.

The proposed change eliminates ambiguity regarding the time requirements for completing all portions of the examination prior to application.

Part 2800.5300 Application for Salesperson's License.

The proposed changed reduces ambiguity regarding the time requirement for completing all portions of the licensing examination and includes completion of Courses II and III in the prelicense requirements in accordance with Section 10 of Minnesota laws 1986, Chapter 358.

Part 2800.5400 Post Licensing Education.

In accordance with Minnesota laws 1986, Chapter 358, Section 10, the post license requirements are changed from Courses II and III to thirty hours of approved continuing education.

Part 2800.5500 Alternative Means of Completing Initial Education.

As Minnesota laws 1986, Chapter 358, Section 10 has required Courses II and III prior to application, this section no longer has relevance and is proposed for deletion.

Part 2800.5600 Limitations on Course Substitutions.

The six months prior submission requirement has proved unworkable and the proposed change would substitute a thirty day prior submission requirement.

There is no public protection function in requiring substitution courses can only be completed outside of Minnesota. The proposed change deletes this restriction.

Part 2800.6800 Continuing Education.

Subpart 2 Attendance.

The requirement for attendance for the entirety of a course has created undue hardship for schools and students where illness or other legitimate reason for partial attendance occurs. The change will allow partial credit for partial attendance.

Subpart 3 Credit Approved.

The requirement for whole hour segments was originally made for the convenience of computer entry. Since education is not reported in less than whole hour blocks, this requirement makes no sense and the change would allow fractional hour credit.

Subpart 10 Professional Designations.

This list of professional designations was recommended by the Real Estate Continuing Education Task Force as representing some of the more serious and scholarly coursework available to licensees.

Part 2800.7150 Application for Course Approval for Courses I, II and III.

The specific form referenced in the rules is replaced in the manner and for the reasons set forth in regard to Part 2800.1700 subpart 1.

Part 2800.7175 Application for Course Approval for Continuing Education.

The specific form referenced is replaced in the form as prescribed by the Commissioner.

Part 2800.7200 Course Approval.

Subpart 3 Limitation on Advertising.

The prohibition of prior advertising has proven unworkable given the short time frame in which many courses are developed and offered. This change would provide for disclosure of the pending status of unapproved courses which will adequately protect the public and not restrict course availability.

Subpart 5 Application Forms.

The specific forms referenced in the rules would be replaced in the form as prescribed by the Commissioner.

Subpart 6 Subsequent Offering of Courses.

The specific form referenced in the rule would be replaced in the form as prescribed by the Commissioner.

Part 2800.7250 Notice of Subsequent Offerings of Continuing Education Courses.

The specific form referenced in the rule would be replaced in the form as prescribed by the Commissioner.

Part 2800.7400 Course Coordinator.

Subpart 3 Form for Coordinator Approval.

The specific form printed in the rules would be replaced in the form as prescribed by the Commissioner.

Subpart 4 Responsibilities. I.

The changes of Minnesota laws 1986, Chapter 358, Section 10, removed the completion of Courses II and III from post license requirements and the reporting of these courses would be removed by the deletion of this paragraph. The specific form referenced in the rules would be replaced in the form as prescribed by the Commissioner.

Part 2800.7450 Application for Coordinator Approval.

The specific form in the rule would be replaced in the form as prescribed by the Commissioner.

Instructors.

Subpart 2 Qualifications. A.

The specific form printed in the rules would be replaced in the form as prescribed by the Commissioner.

Subpart 2 B.

The 70 point system used for qualifying Course I, II and III instructors has proved to be frustrating and time consuming for instructor applicants and Department staff. The change outlines specific education and/or experience combinations that formally added up to the 70 points previously required but in a more readily ascertainable manner. The suggested changes in 2800.9905 provide further specifics.

Part 2800.7550 Application for Instructor Approval for Courses I, II and III.

The specific forms printed in the rules are replaced in the form as prescribed by the Commissioner.

Part 2800.7575 Application for Instructor Approval for Continuing Education.

The specific form printed in the rules is replaced in the form as prescribed by the Commissioner.

Part 2800.8100 Conflict of Interest.

The Department has interpreted the word offered in this paragraph to mean sponsored and the change in wording will clarify the intent of the section.

Part 2800.8300 Advertising Courses.

Subpart 2 Approval Statement.

The rather long statement previously required has proven difficult for many sponsors to include in their often brief advertising copy. The abbreviated statement of approval by the Commissioner will still disclose what authority is used and provide for the protection of the interests of all parties.

Part 2800.8400 Notice to Students.

With the offering and completion of many real estate continuing education courses, the formal reading of the disclosure notice at every course has become burdensome. This alteration would allow the disclosure to be presented in written form.

Part 2800.8700 Reports to Commissioner.

The specific forms printed in the rules would be replaced in the manner and for the reasons set forth in regard to part 2800.1700 subpart 1. The continuing education requirements changed by Minnesota Laws 1986 Chapter 358, Section 11, are reflected by changing the forty-five (45) required hours for three years to fifteen hours annually. The correct identification of the Licensing Unit would be shown as well.

Part 2800.8750 Continuing Education Course Verification.

The form printed in the rules would be replaced in the manner and for the reasons set forth in regard to part 2800.1700 subpart 1.

Part 2800.9905 Qualifications for instructors.

The cumbersome seventy (70) point approval scheme would be replaced by equivalent education and/or experience combinations. The experience/education combinations are equivalent to seventy (70) points under the prior system but much more understandable.

Part 2805.0100 Definitions.

The real estate rules regarding licensing, conduct and education have been in a single chapter until now. Because the licensing and conduct apply to all licensees and the education rules apply to a select population of schools and instructors, it is proposed that the conduct rules be separated into a separate chapter (2805).

The definitions proposed in this section are extracted in their entirety from the definitions formerly contained in 2800.0100.

Part 2805.0300 Computation of time.

The proposed section is taken in its entirety from 2800.0300, computation of time section.

Part 2805.0400 Notice to Commissioner.

This section is reproduced in its entirety from 2800.0400 for the identical requirement to appear regarding educators.

2800.9910; 2800.9915; 2800.9920; 2800.9925; 2800.9930; 2800.9935; 2800.9940; 2800.9945; 2800.9950 and 2800.9955 are repealed.

The specific departmental forms reproduced in the rules are all subject to change on short notice. The provision for the Commissioner to prescribe the forms is more realistic and would avoid the technical violation of our own rules when a form must be altered. Forms are already subject to state law requirements as to form and content.

Small Business Consideration

Minnesota Statutes §14.115 requires that the impact of proposed rules on small businesses be considered in the development of those rules. Specifically, the statute, at subdivision 2, requires that less stringent compliance standards and reporting requirements for small businesses be considered. The statute also requires that methods designed to reduce the impact of the rules on small businesses be incorporated into the rules if they are feasible and consistent with the statutory objectives associated with the rules.

The Departemnt considered whether the provisions of the rule might be modified to accomodate the interests of small businesses.

Each of the methods described at Minnesota Statutes §14.115, subdivision 2 (a) - (e) was considered in proposing the rule. The provisions contained in the proposed rule are believed to be necessary to achieve the legislative purposes.

It was determined that in all likelihood everyone affected by these rules would be a small business; therefore, the impact on small businesses was part of the entire rulemaking process.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Adoption of Rules Relating to Real Esate Licensing and Education	CERTIFICATE OF COMPLIANCE WITH RULEMAKING PROCEDURES

I, John C. Bjork do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

John C. Bjork
Special Assistant Attorney General

Dated: August 4, 1986

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Rules Relating to Real Estate Licensing and Education

AFFIDAVIT RE NOTICE OF SUBMISSION TO THE ATTORNEY GENERAL

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Richard G. Gomsrud, being first duly sworn, deposes and says:

That he is Department Counsel for the Department of Commerce.

That part of his duties is the promulgation and adoption of departmental rules, including those captioned above.

That to date, no person has requested notice of submission of the rules in the above-entitled matter to the Attorney General.

Richard G. Gomsrud
Department Counsel, Department of Commerce

Subscribed and sworn to before me this
25th day of July 1986.

NANCY I. LINK
NOTARY PUBLIC-MINNESOTA
HENNEPIN COUNTY
MY COMMISSION EXPIRES DECEMBER 3, 1990

SF-00006-04

DEPARTMENT : of Commerce

STATE OF MINNESOTA

Office Memorandum

PHONE : 296-5689

DATE : 8/5/86

TO : Judith Wehrwein

FROM : Richard G. Gomsrud
Department Counsel

SUBJECT : Real Estate Rule

RECEIVED
AUG 06 1986
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

Enclosed are copies of the following materials regarding the above captioned rules (only those items with a circled number are enclosed):

(1.) Notice of Intent to Solicit Outside Opinion (2000.0400 subpart 1 B)

~~2.~~ Written material received as a result of Notice to Solicit Outside Opinion (2000.0400 subpart 1 B)

(3.) Mailing List Certificate (2000.0400 subpart 1 E)

(4.) Statement of Need & Reasonableness (2000.0400 subpart 1 G)

(5.) Order for Notice of Intent to Adopt Rule Without Public Hearing (2000.0400 subpart 1 C)

(6.) Notice of Intent to Adopt Rule Without Public Hearing (2000.0400 subpart 2)

(7.) Affidavit of Mailing Notice of Intent to Adopt Rule Without Public Hearing (2000.0400 subpart 3)

(8.) Copy of Notice of Intent to Adopt Rule Without Public Hearing and rules as published in the State Register (2000.0400 subpart 4)

~~9.~~ Written Comments on Rule (2000.0400 subpart 1 I)

(10.) Findings of Fact (if applicable) (2000.0400 subpart 1 F)

( ) Affidavit of Mailing Notice of Submission to Attorney General (2000.0400 subpart 1 K); or

12. Affidavit that no request for Notice of Submission to Attorney General were received

13. Original and three copies of Rule as adopted (2000.0400 subpart 5)

14. Two copies of the Order Adopting Rule (2000.0400 subpart 6)

15. Certificate of Compliance With Rulemaking Procedure (2000.0400 subpart 1 J).