

1.1 A bill for an act
1.2 relating to commerce; regulating landscape application contracts; providing an
1.3 exclusion; amending Minnesota Statutes 2016, section 325F.245, subdivision 6;
1.4 proposing coding for new law in Minnesota Statutes, chapter 325G.

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

1.6 Section 1. Minnesota Statutes 2016, section 325F.245, subdivision 6, is amended to read:

1.7 Subd. 6. **Exclusions.** This section does not apply to:

1.8 (1) pesticide, fertilizer, or chemical applications for the purpose of producing agricultural
1.9 commodities or any commodity for sale;

1.10 (2) pesticide applications around or near the foundation of a building for the purpose of
1.11 structural or indoor pest control; ~~or~~

1.12 (3) any single or isolated landscape application where the property owner or its agent
1.13 verbally consents to the single or isolated application; or

1.14 (4) pesticide or fertilizer applications by a licensed, commercial application company
1.15 that provides customers with the ability to cancel or discontinue the agreement at any time,
1.16 for any reason, with full refund of any prepaid services that were not provided and without
1.17 any cancellation or discontinuance penalty. Prior to the first application of the season, the
1.18 commercial application company must provide annual written notice to the customer of the
1.19 customer's ability to cancel or discontinue the agreement at any time. The customer must
1.20 be allowed to cancel or discontinue the agreement at any time by communication to the
1.21 company in writing, electronically, verbally by telephone, or in person to company
1.22 representatives or on-site service personnel.

2.1 Sec. 2. **[325G.56] AUTOMATIC RENEWAL OF CONSUMER CONTRACTS.**

2.2 **Subdivision 1. Definitions.** For purposes of this section:

2.3 (1) "automatic renewal clause" means a provision of a contract that extends the term of
2.4 or renews a contract if the consumer does not take a specified action, provided the original
2.5 contract term is for one year or more and the contract automatically renews for more than
2.6 one month;

2.7 (2) "consumer" means a person who acquires goods or services for personal, family, or
2.8 household purposes; and

2.9 (3) "seller" means a person who provides a service or sells or leases goods to the
2.10 consumer.

2.11 **Subd. 2. Requirements for automatic renewal.** If a contract between a seller and a
2.12 consumer contains an automatic renewal clause, the seller shall:

2.13 (1) clearly and conspicuously disclose to the consumer the automatic renewal clause
2.14 and the procedure for canceling the contract at the time that the seller enters into the contract
2.15 with the consumer; and

2.16 (2) give the consumer written notice of the automatic renewal clause and the procedure
2.17 for canceling the contract no less than 30 days and no more than 60 days before the last
2.18 date on which the consumer may cancel the contract before it renews for another term.

2.19 **Subd. 3. Notice of automatic renewal.** (a) Written notice provided under this section
2.20 must clearly and conspicuously disclose:

2.21 (1) that the contract will automatically renew if the consumer does not cancel the contract;

2.22 (2) the cancellation procedure, which shall allow for cancellation by regular mail or
2.23 e-mail; and

2.24 (3) the dates during which the consumer may cancel the contract.

2.25 (b) Written notice under this section must be made in a stand-alone mailing using
2.26 boldfaced type.

2.27 **Subd. 4. Consumer's right to cancel.** (a) A consumer may cancel the automatic renewal
2.28 of a contract at any time before the date on which the contract renews for another term, at
2.29 no cost to the consumer, by following the procedure set out in the disclosure and notice
2.30 provided under this section or by standard mail or e-mail.

3.1 (b) If the seller fails to provide either the disclosure or the written notice required by
3.2 subdivision 2, the consumer may cancel the contract by any reasonable means at any time,
3.3 including by standard mail, e-mail, or telephone, at no cost to the consumer.

3.4 Subd. 5. **Right of first refusal.** A contract subject to this section must not require that
3.5 the consumer has to permit the seller to match any offer the consumer has received. A
3.6 provision in a contract that violates this subdivision is void and unenforceable.

3.7 Subd. 6. **Exemption.** (a) This section does not apply to a class of contracts governed by
3.8 other specific provisions related to automatic or guaranteed renewal in state or federal statute
3.9 or regulation.

3.10 (b) This section does not apply to contracts when the consumer may cancel at any time
3.11 and receive a refund for goods or services not yet provided, if notice of this cancellation
3.12 right is given in the manner provided in subdivision 3, and the consumer may cancel by any
3.13 reasonable means, including by standard mail, e-mail, or telephone.

3.14 Subd. 7. **Enforcement.** This section may be enforced by the attorney general under
3.15 section 8.31.

3.16 **EFFECTIVE DATE.** This section is effective January 1, 2018, for contracts entered
3.17 into, modified, or renewed on or after that date.

3.18 Sec. 3. **EFFECTIVE DATE.**

3.19 Section 1 is effective the day following final enactment and applies to agreements entered
3.20 into on or after that date.