

A bill for an act

relating to commerce; clarifying how laws regulating home solicitation sales apply to home improvement contracts; amending Minnesota Statutes 2008, sections 325G.06, subdivision 2; 325G.09, subdivision 6.

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

Section 1. Minnesota Statutes 2008, section 325G.06, subdivision 2, is amended to read:

Subd. 2. **Home solicitation sale.** "Home solicitation sale" means a sale of goods or services, by a seller who regularly engages in transactions of the same kind, purchased primarily for personal, family or household purposes, and not for agricultural purposes, with a purchase price of more than \$25, in which the seller or a person acting for the seller personally solicits the sale, and when the buyer's agreement or offer to purchase is made at a place other than the place of business of the seller, except as otherwise provided in this subdivision. It does not include:

(a) a sale made pursuant to prior negotiations in the course of a visit by the buyer to a retail business establishment having a fixed permanent location where the goods are exhibited or the services are offered for sale on a continuing basis; or

(b) a sale in which the buyer has initiated the contact and the goods or services are needed to meet a bona fide immediate personal emergency of the buyer and the buyer furnishes the seller with a separate dated and signed statement not furnished by the seller describing the situation requiring immediate remedy and expressly acknowledging and waiving the right to cancel the sale. This exclusion shall only apply where (i) the seller in good faith makes a substantial beginning of performance of the contract before the buyer

gives notice of cancellation, and, (ii) in the case of goods, the goods cannot be returned to the seller in substantially as good condition as when received by the buyer; or

(c) a sale in which the buyer has initiated the contact and specifically requested the seller to visit the buyer's home for the purpose of repairing or performing maintenance upon the buyer's property. If in the course of such a visit, the seller sells the buyer the right to receive additional services or goods other than replacement parts necessarily used in performing the maintenance or in making the repairs, the sale of those additional goods or services would not fall within this exclusion; or

(d) a sale in which the buyer has initiated the contact either by oral, telephone, or written request (other than on a form provided by the seller), and requested the seller to visit the buyer's home for the purpose of negotiating the purchase of the specific good or service requested. This exclusion shall only apply where the buyer furnishes the seller with a separate dated and signed statement in the buyer's handwriting expressly acknowledging and waiving the right to cancel the sale; or

(e) a sale of insurance, securities, or real property, provided that a home improvement contract is not a sale of real property; or a sale by public auction; or

(f) a sale of a motor vehicle, as defined in section 168.002, subdivision 18, when the buyer's agreement or offer to purchase is made at a place other than the buyer's place of residence.

Sec. 2. Minnesota Statutes 2008, section 325G.09, subdivision 6, is amended to read:

Subd. 6. **Right to compensation limited.** If the seller has performed any services, or provided and installed any building supplies, pursuant to a home solicitation sale prior to its cancellation, the seller is entitled to no compensation.