

State of Minnesota

H. F. No. **3426**

2.1 "NOTICE

2.2 Even if you give us back (surrender) this car, you will still owe some or all of the rest
2.3 of the money on the loan if what we sell it for is less than you owe."

2.4 (c) The disclosure required under paragraph (b) must be given, in a separate document,
2.5 in 28-point type, on readable colored paper that is of a color different from any other
2.6 document. The disclosure must be given at least one day prior to the time the dealer enters
2.7 into a retail installment contract, as that term is defined under section 53C.01, subdivision
2.8 8, with the consumer and at the time a consumer offers to voluntarily surrender a used motor
2.9 vehicle.

2.10 (d) The disclosures required under this subdivision must be provided in, as applicable:

2.11 (1) Hmong, Somali, and Spanish;

2.12 (2) any other language in which the dealer advertises; or

2.13 (3) any other language in which the retail installment sale, as that term is defined under
2.14 section 53C.01, subdivision 9, was discussed, described, negotiated, or transacted.

2.15 Sec. 2. Minnesota Statutes 2016, section 325F.662, is amended by adding a subdivision
2.16 to read:

2.17 Subd. 8b. **Delivery of financed vehicle; sale or disposal of trade-in.** A dealer may not
2.18 deliver a used motor vehicle conditionally sold subject to the approval of financing and may
2.19 not accept a trade-in for a used motor vehicle conditionally sold subject to the approval of
2.20 financing until the dealer has delivered to the consumer written notice that the financing
2.21 applied for by the consumer has been granted final approval. For the purposes of this
2.22 subdivision, "final approval" means that the financing applied for has been approved, offered
2.23 unconditionally to the consumer, and the rate or terms may not be changed or rescinded by
2.24 the creditor or dealer.

2.25 Sec. 3. Minnesota Statutes 2016, section 325F.662, subdivision 9, is amended to read:

2.26 Subd. 9. **Civil remedies.** ~~Any dealer who is found to have violated this section is subject~~
2.27 ~~to the penalties and remedies, including~~ A consumer has a private right of action, as provided
2.28 ~~in section 8.31.~~ against any dealer for any violation of this section and is entitled to recover
2.29 damages, together with costs and disbursements, including costs of investigation and
2.30 reasonable attorney fees, and receive other equitable relief as determined by the court. The
2.31 remedies provided in this subdivision are not exclusive and are in addition to any other

3.1 remedies available at law or in equity. In addition, a violation of subdivision 7 is also a
3.2 violation of section 325F.69.

3.3 Sec. 4. Minnesota Statutes 2016, section 325F.69, is amended by adding a subdivision to
3.4 read:

3.5 Subd. 7. **Private action.** Any private action alleging a violation of this section is in the
3.6 public interest and benefits the public.

3.7 Sec. 5. **[325F.6931] TELEPHONE SERVICES; AUTOMATIC RENEWAL.**

3.8 Subdivision 1. **Definitions.** (a) The definitions contained in chapter 237 apply to this
3.9 section, and the terms used in this section have the meanings given them in this subdivision.

3.10 (b) "Service subscriber" means a person or entity that contracts with a telephone company
3.11 for telephone services or a telecommunications carrier for telecommunications services,
3.12 whether for commercial or consumer use.

3.13 Subd. 2. **Automatic renewals.** A contract for telephone or telecommunications services
3.14 must not contain an automatic renewal clause unless the contract also requires that the
3.15 telephone company or telecommunications carrier provide the service subscriber with written
3.16 notice of the automatic renewal clause. The written notice must be in bold ten-point font
3.17 and contain the last day the service subscriber may provide notice of nonrenewal. The
3.18 written notice must be provided to the service subscriber:

3.19 (1) in the initial bill; and

3.20 (2) in any other document that is provided no less than 30 days and no more than 90
3.21 days prior to the last day the service subscriber may provide notice of nonrenewal.

3.22 Subd. 3. **Remedy.** An automatic renewal clause for which written notice is required
3.23 under subdivision 2 is void and unenforceable if:

3.24 (1) the contract does not contain the requirement that the written notice be given; or

3.25 (2) written notice is not provided to the service subscriber in compliance with subdivision
3.26 2.

3.27 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to contracts
3.28 entered into or renewed on or after that date.

4.1 Sec. 6. Minnesota Statutes 2016, section 325G.06, is amended by adding a subdivision to
4.2 read:

4.3 Subd. 7. **Senior citizen.** “Senior citizen” means a person who is 62 years of age or older.

4.4 Sec. 7. Minnesota Statutes 2016, section 325G.06, is amended by adding a subdivision to
4.5 read:

4.6 Subd. 8. **Person with a disability.** “Person with a disability” has the meaning given in
4.7 section 326B.103, subdivision 10.

4.8 Sec. 8. Minnesota Statutes 2016, section 325G.06, is amended by adding a subdivision to
4.9 read:

4.10 Subd. 9. **Vulnerable adult.** “Vulnerable adult” has the meaning given in section
4.11 626.5572, subdivision 21.

4.12 Sec. 9. Minnesota Statutes 2016, section 325G.07, is amended to read:

4.13 **325G.07 BUYER'S RIGHT TO CANCEL.**

4.14 In addition to any other rights the buyer may have, the buyer has the right to cancel a
4.15 home solicitation sale until midnight of the ~~third~~ 30th business day after the day on which
4.16 the home solicitation sale occurs. Cancellation is evidenced by the buyer giving written
4.17 notice of cancellation to the seller at the address stated in the agreement or offer to purchase.
4.18 Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly
4.19 addressed to the seller and postage prepaid. Notice of cancellation need not take a particular
4.20 form and is sufficient if it indicates, by any form of written expression, the intention of the
4.21 buyer not to be bound by the home solicitation sale. No services may be provided until the
4.22 expiration of the cancellation period provided under this section. If services are provided
4.23 in violation of this section, and the buyer elects to cancel the sale within the cancellation
4.24 period, the buyer shall not be liable for the cost of any services provided, and is not obligated
4.25 to return the goods installed with those services.

4.26 Sec. 10. Minnesota Statutes 2016, section 325G.08, subdivision 1, is amended to read:

4.27 Subdivision 1. **Seller's obligations.** In a home solicitation sale, at the time the sale
4.28 occurs, the seller shall:

4.29 (a) inform the buyer orally of the right to cancel;

(b) furnish the buyer with a fully completed receipt or copy of a contract pertaining to the sale which shows the date of the transaction, contains the name, telephone number that an authorized representative of the company will answer, e-mail address, and address of the seller, which must be a physical location where the seller maintains a business office and in immediate proximity to the space reserved in the contract for the signature of the buyer or on the front page of the receipt if a contract is not used and in boldface type of a minimum size of ten points, a statement in substantially the following form:

"You, the buyer, may cancel this purchase at any time prior to midnight of the ~~third~~ 30th business day after the date of this purchase. See attached notice of cancellation form for an explanation of this right."; and

(c) furnish each buyer a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract or receipt and easily detachable, and which shall contain in boldface type of a minimum size of ten points the following information and statements:

"NOTICE OF CANCELLATION

(enter type of goods or services purchased)

.....

(goods or services)

(enter date of transaction)

.....

(date)

If you do not want the goods or services described above, you may cancel your purchase by mailing or delivering a signed and dated copy of this cancellation notice or any other written notice, or send ~~a telegram~~ an e-mail to (Name of seller), at (Address of Seller's E-mail Address or Mailing Address of the Seller's Place of Business) not later than midnight of (Date). If you cancel, any payments made by you under the contract or sale, any property traded in, and any instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the written instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If the seller does not pick up the goods within 20 days of the date of your notice of cancellation, you may retain or dispose of them without any further obligation.

6.1 I HEREBY CANCEL THIS TRANSACTION.

6.2

6.3 (Date)

6.4"

6.5 (Buyer's signature)

6.6 Sec. 11. Minnesota Statutes 2016, section 325G.08, is amended by adding a subdivision
6.7 to read:

6.8 Subd. 3. **Other languages.** The contract or receipt and notices required under this section
6.9 must be provided in the language in which the seller described, explained, discussed, or
6.10 negotiated the home solicitation sale or contract.

6.11 Sec. 12. **[325G.081] STANDARD OF CONDUCT.**

6.12 The act, use, or employment by a seller in connection with a home solicitation sale of
6.13 fraud, false pretense, false promise, misrepresentation, misleading statement, or deceptive
6.14 practice, whether or not any person has in fact been misled, deceived, or damaged thereby,
6.15 is prohibited.

6.16 Sec. 13. Minnesota Statutes 2016, section 325G.11, is amended to read:

6.17 **325G.11 DAMAGES REMEDIES.**

6.18 (a) Except as provided in paragraph (b), any person injured by a violation of sections
6.19 325G.06 to 325G.09 may recover the greater of actual damages or \$2,000, together with
6.20 costs and disbursements, including reasonable attorney's fees, and receive other equitable
6.21 relief as determined by the court.

6.22 (b) A person injured by a violation of sections 325G.06 to 325G.09 who is a senior
6.23 citizen, a person with a disability, or a vulnerable adult is entitled to treble damages if the
6.24 court finds that the defendant reasonably knew, should have known, or should have made
6.25 an inquiry whether the injured person was a senior citizen, person with a disability, or
6.26 vulnerable adult.

6.27 Sec. 14. Minnesota Statutes 2016, section 325G.22, subdivision 1, is amended to read:

6.28 Subdivision 1. **Personal liability of buyer limited.** If the seller or lender repossesses
6.29 or voluntarily accepts surrender of personal property in which the seller or lender has a
6.30 security interest arising out of a consumer credit transaction and the aggregate amount of

the credit extended in the transaction was ~~\$6,900~~ \$10,000 or less, the buyer is not personally liable to the seller or lender for the unpaid balance of the debt arising from the consumer credit transaction, and the seller or lender is not obligated to resell the collateral. For the purposes of this subdivision, the “amount of the credit extended” means the purchase price of the personal property only and does not include any additional products financed including, but not limited to, any insurance products or warranties.

Sec. 15. Minnesota Statutes 2016, section 514.972, subdivision 5, is amended to read:

Subd. 5. **Access to certain items.** (a) Upon demand to any of the persons listed in section 514.976, subdivision 1, the occupant may remove from the self-service storage facility:

(1) personal papers, letters, documents, financial records, and family photographs;

(2) health aids; and durable medical equipment;

(3) personal clothing of the occupant and the occupant's dependents; that has a market value of not more than \$200 per item; and

(4) personal property that is reasonably necessary for the livelihood, trade, business, or profession of the occupant, that has a market value of less than \$50 not more than \$500 per item, if demand is made to any of the persons listed in section 514.976, subdivision 1. The occupant shall present a list of the items, and may remove them during the facility's ordinary business hours prior to the sale authorized by section 514.973. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to an order allowing access to the storage unit for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements, and attorney fees ~~expended by the occupant~~ to obtain this order.

(b) The provisions of this subdivision may not be waived or modified.

Sec. 16. Minnesota Statutes 2016, section 514.973, subdivision 2, is amended to read:

Subd. 2. **Notice; to whom and how sent.** (a) The owner must notify the occupant and any person who has delivered to the owner a written notice of a claim of an interest in the contents in the storage space when rent and other charges are in default. The notice to the owner of a claim of an interest must comply with any requirements included in the rental agreement. If the property is a registered motor vehicle or watercraft, the notice also must be given to any lienholder or secured party appearing on the document of title or to any lienholder or secured party known to claim an interest in the motor vehicle or watercraft.

(b) Except as provided in paragraph (c), the notice must be delivered in person or sent by verified mail as provided under section 514.974. Notice sent by verified mail is presumed delivered when it is deposited with the United States Postal Service or private delivery service and properly addressed with postage prepaid.

(c) The owner may send notices exclusively via electronic mail with the informed, written consent of the occupant. An occupant may withdraw consent at any time. The owner may not notify the occupant of the default by electronic mail unless the rental agreement, or a written change to the rental agreement, contains a written notice in at least 12-point bold type, if printed, which states: "By choosing the option to receive e-mail communication in this agreement, the owner will provide you notices of default on payments on your storage unit and of the sale of your property, and other information regarding your account through the e-mail reflected in our records, or in a subsequent written change of e-mail address that has been given according to the facility's procedures. To indicate that you understand and accept the contents of this notice and agree to the option to receive electronic communication, you must check the box that appears next to this paragraph."

(d) The owner must verify that a notice sent by electronic mail has been delivered by obtaining an electronic receipt that establishes delivery of the notice to the occupant's e-mail address. If delivery of the electronic mail notice cannot be verified, the storage facility must deliver the notice in person or send the notice by verified mail. If the notice must be delivered in person or sent by verified mail after delivery by electronic mail has failed, the period specified in subdivision 3 does not begin until the date the notice is delivered in person or by verified mail.

Sec. 17. Minnesota Statutes 2016, section 514.973, is amended by adding a subdivision to read:

Subd. 3a. **Enforcement against vulnerable occupants.** (a) For purposes of this subdivision, "vulnerable occupant" means an occupant who is:

(1) a victim of domestic abuse, as defined in section 518B.01, subdivision 2;

(2) a victim of criminal sexual conduct, within the meaning of sections 609.342 to 609.3451; or

(3) a recipient of assistance from a public program.

(b) This subdivision applies to enforcement of a lien created under section 514.972, subdivision 1, against a vulnerable occupant.

(c) By operation of law, the sale of personal property of a vulnerable occupant stored in a self-service storage facility extinguishes the lien, deficiency, claim of deficiency, and personal liability of the occupant for amounts owed to the self-storage facility.

(d) An occupant demonstrates conclusively that the occupant is a vulnerable occupant if the occupant produces supporting documentation from the following, as applicable:

(1) a licensed health care professional operating within the scope of the license;

(2) a domestic abuse advocate, as defined in section 595.02, subdivision 1, paragraph (l);

(3) a sexual assault counselor, as defined in section 595.02, subdivision 1, paragraph (k);

(4) a legal services office; or

(5) a federal, state, or local government agency.

Sec. 18. Minnesota Statutes 2016, section 514.973, subdivision 9, is amended to read:

Subd. 9. **No effect on other rights.** The rights provided under this section are in addition to all other rights allowed by law to a creditor and a debtor, except as provided under section 514.973, subdivision 3a.

Sec. 19. Minnesota Statutes 2016, section 541.053, is amended to read:

**541.053 LIMITATION OF ACTIONS BASED ON CONSUMER DEBT;
REMEDIES FOR VIOLATION.**

(a) Notwithstanding section 541.31, subdivision 1, actions upon an obligation arising out of a consumer debt primarily for personal, family, or household purposes shall be commenced within six years.

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

(c) An action commenced after expiration of the limitations period in paragraph (a):

(1) extinguishes the debt and the action is dismissed with prejudice by operation of law;

(2) gives rise to a private right of action on behalf of the defendant for damages equal to three times the amount of the obligation or \$5,000, whichever is greater, reasonable attorney fees, and costs; and

10.1 (3) subjects the plaintiff to a civil penalty of \$2,500.

10.2 Sec. 20. Minnesota Statutes 2016, section 548.101, is amended to read:

10.3 **548.101 ASSIGNED CONSUMER DEBT ~~DEFAULT~~ JUDGMENTS.**

10.4 (a) A party ~~entitled to~~ must not be granted a judgment ~~by default~~ in a conciliation court
10.5 or district court action upon an assigned obligation arising out of any consumer debt that is
10.6 primarily for personal, family, or household purposes and in default at the time of assignment
10.7 ~~shall apply to the court and submit, in addition to the request, application, or motion for~~
10.8 ~~judgment~~ unless the party bringing the action provides to the court:

10.9 (1) a verified copy of the written contract between the debtor and original creditor or,
10.10 if no written contract exists, other admissible evidence establishing the terms of the account
10.11 relationship between the debtor and the original creditor, including the moving party's
10.12 entitlement to the amounts described in clause (4). If only the balance owed at the time the
10.13 debt was charged off or first assigned is claimed to be owed, evidence may include a monthly
10.14 or periodic billing statement;

10.15 (2) admissible evidence establishing that the defendant owes the debt;

10.16 (3) the last four numbers of the debtor's Social Security number, if known;

10.17 (4) admissible evidence from, and based on personal knowledge of, an employee of the
10.18 original creditor, establishing that the amount claimed to be owed is accurate, including the
10.19 balance owed at the time the debt was charged off or first assigned to another party by the
10.20 original creditor and, if included in the request, application, or motion for judgment, a
10.21 breakdown of any fees, interest, and charges added to that amount;

10.22 (5) a bill of sale of assignment and data file containing the name of the debtor and the
10.23 specific debt for which the party seeks judgment, and admissible evidence of assignment,
10.24 based on personal knowledge of an employee of the assignor, each establishing a valid and
10.25 complete chain of assignment of the debt from the original creditor to the party requesting
10.26 judgment, ~~including documentation or a bill of sale evidencing the assignment with evidence~~
10.27 ~~that the particular debt at issue was included in the assignment referenced in the~~
10.28 ~~documentation or bill of sale;~~

10.29 (6) in district court cases, proof that a summons and complaint were properly served on
10.30 the debtor and that the debtor did not serve a timely answer or, in conciliation court cases,
10.31 proof that the party seeking the judgment or the party's attorney used reasonable efforts to
10.32 provide the court administrator with the correct address for the debtor; ~~and~~

(7) proof that the action has not been commenced beyond the expiration of the period provided under section 541.05, subdivision 1; and

(8) in district court cases, proof that the party requesting the ~~default~~ judgment or the party's attorney mailed a notice of intent to apply for ~~default~~ judgment to the debtor. The notice must be mailed to the debtor at the debtor's last known address at least 14 days before the ~~request, application, or motion for default~~, and must be substantially in the following form:

Notice of Intent to Apply for
Default Judgment

STATE OF MINNESOTA

COUNTY OF

..... Plaintiff,

vs.

..... Defendant.

..... [Plaintiff] has sued you to collect the following consumer debt that you originally owed to [original creditor]:

..... [original creditor]

..... [last four digits of the debtor's account number]

..... [amount of debt]

..... [date of charge off or account closing date]

..... [Plaintiff] served this lawsuit on you on [date]. Under Minnesota law, a lawsuit may be started against you even though it has not yet been filed in court and the court has no record of this lawsuit or this paperwork. You are in default because you did not serve a written Answer on time. [Plaintiff] will ask the Court to enter seek a judgment against you ~~without any further court proceedings~~, unless you mail a written Answer or written response contesting the debt within 14 days from the date below. A judgment is a court order that you must pay a certain amount of money.

Dated:.....

Case Type - Consumer Credit Contract

DISTRICT COURT

.....JUDICIAL DISTRICT

NOTICE OF INTENT TO APPLY
FOR ~~DEFAULT~~ JUDGMENT

Court File No.

LAW FIRM, P.A.

.....

Attorney Name, ID#

Address

Phone

(b) If admissible, the same item of evidence or document may be provided to satisfy more than one requirement under paragraph (a), clauses (1) to (5). A court may permit the foundation for documents submitted under paragraph (a) to be established by an affidavit.

(c) Except in conciliation court cases or if a hearing is required under court rules, the court may either:

(1) hold a hearing before entry of a ~~default~~ judgment; or

12.1 (2) enter an administrative ~~default~~ judgment without a hearing if the court determines
12.2 that the evidence submitted satisfies the requirements of paragraph (a).

12.3 Sec. 21. Minnesota Statutes 2016, section 550.143, subdivision 1, is amended to read:

12.4 Subdivision 1. **Procedure.** When the sheriff is levying upon funds at a financial
12.5 institution, this section must be complied with, in addition to the general provisions set forth
12.6 in section 550.135, except that, as provided under section 550.37, the first \$3,000 of all
12.7 funds on deposit in one or more financial institutions is exempt from levy.

12.8 Sec. 22. Minnesota Statutes 2016, section 550.37, is amended by adding a subdivision to
12.9 read:

12.10 Subd. 26. **Funds at a financial institution.** The first \$3,000 of all funds on deposit in
12.11 one or more financial institutions. This monetary exemption does not alter the ability of a
12.12 debtor to assert an additional claim of exemption available to the debtor under state or
12.13 federal law for funds in excess of the first \$3,000 on deposit.

12.14 Sec. 23. Minnesota Statutes 2016, section 551.05, subdivision 1, is amended to read:

12.15 Subdivision 1. **Procedure.** When levying upon funds at a financial institution, this
12.16 section must be complied with, in addition to the general provisions specified in section
12.17 551.04, except that, as provided under section 550.37, the first \$3,000 of all funds on deposit
12.18 in one or more financial institutions is exempt from an attorney's summary execution.

12.19 Sec. 24. Minnesota Statutes 2016, section 571.91, is amended to read:

12.20 **571.91 GARNISHMENT OF FUNDS AT A FINANCIAL INSTITUTION.**

12.21 (a) Sections 571.911 to 571.915 relate to the garnishment of funds at a financial
12.22 institution.

12.23 (b) Notwithstanding any other provision of law, the first \$3,000 in a debtor's account is
12.24 exempt from garnishment and is not subject to any garnishment order served upon a financial
12.25 institution.

12.26 (c) The monetary exemption specified under paragraph (b) does not alter the ability of
12.27 a debtor to assert an additional claim of exemption available to the debtor under other state
12.28 or federal law for funds in excess of the first \$3,000 on deposit.

12.29 (d) If the debtor has funds in more than one financial institution, the aggregate amount
12.30 that is exempt under this section in any 30-day period is \$3,000.

13.1 Sec. 25. Minnesota Statutes 2016, section 571.922, is amended to read:

13.2 **571.922 LIMITATION ON WAGE GARNISHMENT.**

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

13.6 (1) 25 percent of the debtor's disposable earnings; or

13.7 (2) the amount by which the debtor's disposable earnings exceed the following product:
13.8 40 times the greater of the state or federal minimum hourly wages prescribed by section
13.9 177.24 or section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title
13.10 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of
13.11 work weeks in the pay period. When a pay period consists of other than a whole number of
13.12 work weeks, each day of that pay period in excess of the number of completed work weeks
13.13 shall be counted as a fraction of a work week equal to the number of excess workdays
13.14 divided by the number of days in the normal work week.

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

13.16 (1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is
13.17 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
13.18 to be calculated to the beginning of the work week in which the execution levy is received);

13.19 (2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is
13.20 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
13.21 to be calculated to the beginning of the work week in which the garnishment summons is
13.22 received);

13.23 (3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not
13.24 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
13.25 to be calculated to the beginning of the work week in which the execution levy is received);
13.26 or

13.27 (4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not
13.28 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
13.29 to be calculated to the beginning of the work week in which the garnishment summons is
13.30 received).

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

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