

(3) the amount of private funds raised to help support the council and its activities;

(4) a summary of its research and of the results of the investigating and monitoring services provided for it under contract by the commissioner of energy and economic development;

(5) recommendations for changes in state policies that could improve productivity and quality in the state; and

(6) a recommendation as to whether the state should continue to appropriate money for the council's activities.

Sec. 3. INITIAL APPOINTMENTS.

Notwithstanding section 1, the governor shall make initial appointments to the council as follows: two members to four-year terms and two members to two-year terms. If the position of one of the initial appointees becomes vacant, the governor shall appoint a replacement to serve the remainder of the term for that position.

Sec. 4. REPEALER.

Sections 1 to 3 are repealed June 30, 1989.

Approved May 28, 1987

CHAPTER 317—S.F.No. 830

An act relating to commerce; regulating terminations, cancellations, failures to renew, and transfers of franchises; amending Minnesota Statutes 1986, section 80C.14.

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

Section 1. Minnesota Statutes 1986, section 80C.14, is amended to read:

80C.14 UNFAIR PRACTICES.

Subdivision 1. **PROHIBITION.** No person, whether by means of a term or condition of a franchise or otherwise, shall engage in any unfair or inequitable practice in contravention of such rules as the commissioner may adopt defining as to franchises the words "unfair and inequitable." For the purpose of rules defining the words "unfair and inequitable", the commissioner may specifically recognize classifications of franchises including but not limited to the classifications of motor vehicle fuel franchises, motor vehicle franchises, hardware franchises, and franchises which require that the franchisee make an initial, unfinanced investment in excess of \$200,000. ~~Any~~ A violation of this section is enjoined by a court of competent jurisdiction.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

A temporary injunction may be granted under this section without requiring the posting of any bond or security. A bond or security ~~shall be~~ is required if a temporary restraining order is granted.

Subd. 2. **ACTS CONSTITUTING.** All franchise contracts or agreements, other than those classifications of franchises specifically recognized by the commissioner ~~pursuant to~~ under subdivision 1, and any other device or practice of a franchisor ~~shall must~~ conform to the following provisions subdivisions 3 and 4. It ~~shall be deemed is~~ an unfair and inequitable practice for ~~any a~~ person to: commit an act specified in subdivisions 3 to 5.

Subd. 3. **TERMINATION OR CANCELLATION.** (a) ~~terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the franchisee at least 60 days in advance of termination or cancellation; except that the notice shall be effective immediately upon receipt where the alleged grounds are: No person may terminate or cancel a franchise unless: (i) that person has given written notice setting forth all the reasons for the termination or cancellation at least 90 days in advance of termination or cancellation, and (ii) the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice; except that the notice is effective immediately upon receipt where the alleged grounds for termination or cancellation are:~~

(1) voluntary abandonment of the franchise relationship by the franchisee;

(2) the conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or

(3) failure to cure a default under the franchise agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logotype or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof;

(b) No person may terminate or cancel a franchise except for good cause. "Good cause" shall be means failure by the franchisee to substantially to comply with the material and reasonable franchise requirements imposed by the franchise franchisor including, but not limited to:

(1) the bankruptcy or insolvency of the franchisee;

(2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business;

(3) voluntary abandonment of the franchise business;

(4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or

(5) any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor's trademark, trade name, service mark, logotype or other commercial symbol; ~~or.~~

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(e) fail to renew a franchise unless the franchisee has been given written notice of the intention not to renew at least 90 days in advance thereof and has been given a sufficient opportunity to recover the franchisee's investment unless the failure to renew is for good cause as defined in clause (b).

Subd. 4. FAILURE TO RENEW. Unless the failure to renew a franchise is for good cause as defined in subdivision 3, paragraph (b), and the franchisee has failed to correct reasons for termination as required by subdivision 3, no person may fail to renew a franchise unless (1) the franchisee has been given written notice of the intention not to renew at least 180 days in advance of the expiration of the franchise; and (2) the franchisee has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern, as determined and measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.

Subd. 5. WITHHOLDING CONSENT TO TRANSFER. It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor.

Sec. 2. EFFECTIVE DATE.

This act is effective the day following final enactment.

Approved May 28, 1987

CHAPTER 318—S.F.No. 69

An act relating to natural resources; establishing a commercial fish raising program; amending Minnesota Statutes 1986, sections 97A.475, by adding a subdivision; 97C.211, subdivisions 1 and 2, and by adding a subdivision; and 97C.391; proposing coding for new law in Minnesota Statutes, chapters 17 and 97C.

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

Section 1. [17.49] PROGRAM ESTABLISHMENT.

The commissioner shall establish and promote a program for the commercial raising of fish in fish farms in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, the commissioner of energy and economic development, the director of the state planning agency, representatives of pri-

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