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CHAPTER 141

PRIVATE BUSINESS, TRADE, AND CORRESPONDENCE SCHOOLS

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141.11 [Repealed, 1969 c 866 s 17]

141.21 DEFINITIONS. Subdivision 1. **Words, terms and phrases.** The following words, terms and phrases shall have the meanings ascribed to them in this section.

Subd. 2. **Commissioner.** "Commissioner" means commissioner of education.

Subd. 3. **Solicitor.** "Solicitor" means a person who for a salary or for commission, acts as an agent, independent contractor, salesman, or counselor in procuring or attempting to procure students or enrollees for a course of instruction by solicitation in any form made at any place except on the actual business premises of the school and except for rendering public information service at the invitation or permission of a school or educational organization.

Subd. 4. **Person.** "Person" means any individual, partnership, company, firm, society, trust, association, or corporation or any combination thereof.

Subd. 5. **School.** "School" means any person, within or without the state, that maintains, advertises, solicits or conducts any course of instruction for profit or for a tuition charge, and which is not specifically exempted by the provisions of sections 141.21 to 141.36.

Subd. 6. **Course of instruction.** "Course of instruction" means any classroom, correspondence, or extension course of instruction or any combination thereof.

Subd. 7. **Placement service.** "Placement service" means a service offered or advertised by a school for the purpose of assisting the student in obtaining employment.
[1969 c 866 s 1; 1973 c 714 s 1,2]

141.22 CITATION. Sections 141.21 to 141.36 may be cited as the private business, trade and correspondence school act.
[1969 c 866 s 2]

141.23 RULES AND REGULATIONS. The state board of education may adopt rules and regulations to carry out the provisions of sections 141.21 to 141.36 pursuant to chapter 15.
[1969 c 866 s 3]

141.24 ADVISORY COUNCIL. The Minnesota advisory council on private trade, business and correspondence schools is hereby created consisting of 16 mem-

bers to be appointed by the state board of education as follows: two members, each from trade, business, correspondence, and paramedical schools; one member each representing the secondary school principals and guidance counselors; one member representing agriculture, business or management, organized labor, and health occupations, and two members representing the general public. The state board of education shall appoint such members to the advisory council within 30 days of November 15, 1969. Each member shall be appointed for a four year term except that in making appointments for the first term, the state board of education shall, so far as practicable appoint eight members representative of each category, for a two year term. The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059. The state board of education shall appoint the council chairman from the council membership and the secretary from the professional staff of the department of education who will serve ex officio. The attorney general shall appoint an attorney to serve as legal counsel for the council. The council shall advise the commissioner and the state board of education in informing the public by the dissemination of public information regarding private business, trade, and correspondence schools licensed pursuant to this chapter, provided that data obtained pursuant to section 141.30 shall not be divulged except as therein provided; protecting the interests of the prospective and enrolled students of such schools; and advising the commissioner and the state board of education in formulating rules and regulations contemplated in section 141.23.

[1969 c 866 s 4; 1976 c 149 s 29; 1977 c 449 s 17]

141.25 LICENSE. Subdivision 1. **Required.** No school shall maintain, advertise, solicit for, or conduct any course of instruction in Minnesota without first obtaining a license from the commissioner.

Subd. 2. **Contract unenforceable.** Any contract entered into with any person for a course of instruction after November 15, 1969, by or on behalf of any person operating any school to which a license has not been issued pursuant to sections 141.21 to 141.36, shall be unenforceable in any action brought thereon.

Subd. 3. **Application.** Application for a license shall be on forms prepared and furnished by the commissioner, and shall contain the following and such other information as the commissioner may require:

(a) The title or name of the school, together with ownership and controlling officers, members, managing employees, and director;

(b) The specific fields of instruction which will be offered and the specific purposes of such instruction;

(c) The place or places where such instruction will be given;

(d) A listing of the equipment available for instruction in each course of instruction;

(e) The maximum enrollment to be accommodated with equipment available in each specified course of instruction;

(f) The qualifications of instructors and supervisors in each specified course of instruction;

(g) A current balance sheet, income statement and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;

(h) Copies of all media advertising and promotional literature and brochures currently used or reasonably expected to be used by such school;

(i) Copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota.

Subd. 4. **Certification.** Each application shall be signed and certified to under oath by the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust.

Subd. 5. **Bond.** No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any course of instruction, unless the applicant files with the commissioner a continuous corporate surety bond in the sum of \$10,000 conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. Such bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant

arising at any time after the bond is filed and before it is cancelled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum of \$10,000. The surety of any such bond may cancel it upon giving 60 days notice in writing to the commissioner and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. In lieu of bond, the applicant may deposit with the state treasurer the sum of \$10,000 in cash, or securities such as may be legally purchased by savings banks or for trust funds in an aggregate market value of \$10,000.

Subd. 6. Resident agent. Schools domiciled outside the state of Minnesota which offer, advertise, solicit for, or conduct any course of instruction within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. Such statement shall designate the secretary of state as resident agent for service of process in the absence of an agent otherwise so designated. In the event a school fails to file such statement, the secretary of state is hereby designated as the resident agent authorized to receive service of process. Such authorization shall be irrevocable as to causes of action arising out of transactions occurring prior to the filing of written notice of withdrawal from the state of Minnesota filed with the secretary of state.

Subd. 7. Minimum standards. No license shall be issued unless the commissioner first determines:

(a) That the applicant has a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body; to provide adequate service to its students and prospective students; and for the proper use and support of the school to be maintained;

(b) That the applicant has satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to train adequately the students currently enrolled, and those proposed to be enrolled;

(c) That the applicant employs a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(d) That the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;

(e) That each occupational course or program of instruction or study shall be of such quality and content as to provide education and training which will adequately prepare enrolled students for entry level positions in the occupation for which trained;

(f) That the living quarters which are owned, maintained, or approved by the applicant for students are sanitary and safe;

(g) That the contract or enrollment agreement used by the school complies with the following provisions:

(1) The name and address of the school must be clearly stated;

(2) Inclusion of a clear and conspicuous disclosure that such agreement becomes a legally binding instrument upon written acceptance of the student by the school unless cancelled pursuant to section 141.271;

(3) Must contain the school's cancellation and refund policy which shall be clearly and conspicuously entitled, "Buyer's Right to Cancel";

(4) The total cost of the course including tuition and all other charges shall be clearly stated;

(5) The name and description of the course, including the number of hours of classroom instruction and/or home study lessons shall be included;

(6) No contract or agreement shall contain a wage assignment provision and/or a confession of judgment clause;

(7) Each contract or enrollment agreement shall contain a clear and conspicuous explanation of the form and means of notice the student should use in the event he elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered.

Subd. 8. Fees and terms of license. (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by \$200 as a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of \$150.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

Subd. 9. Catalog or brochure. (A) No license shall be issued to a school other than one which offers exclusively a correspondence course of instruction, until such school has furnished to the commissioner a catalog or brochure containing the following:

- (a) Identifying data, such as volume number and date of publication;
- (b) Name and address of the school and its governing body and officials;
- (c) A calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;
- (d) School policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course;
- (e) School policy and regulations relative to leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;
- (f) School policy and regulations relative to standards of progress required of the student by the school which policy must define the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress and a description of the probationary period, if any, allowed by the school, and conditions of re-entrance for those dismissed for unsatisfactory progress;
- (g) School policy and regulations relative to student conduct and conditions for dismissal for unsatisfactory conduct;
- (h) Detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;
- (i) Policy and regulations of the school relative to the refund of the unused portion of tuition, fees, and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom, which policy shall include an explanation of all provisions of section 141.271;
- (j) A description of the available facilities and equipment;
- (k) A course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time or clock hours to be spent on each subject or unit;
- (l) Policy and regulations of the school relative to granting credit for previous education and training.

(B) No license shall be issued to a school which offers exclusively a correspondence course of instruction, until such school has furnished to the commissioner a catalog or brochure containing the following:

- (a) Identifying data such as volume number and date of publication;
- (b) Name and address of the school, its governing body and officials;
- (c) School policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course;
- (d) School policy and regulations relative to standards of progress required of the student by the school which policy must define the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress and a description of the probationary period, if any, allowed by the school, and conditions of re-enrollment for those students terminated for unsatisfactory progress;
- (e) Detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;
- (f) Policy and regulations of the school relative to the refund of the unused portion of tuition, fees and other charges in the event the student does not enter the

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course or withdraws or is discontinued therefrom, which policy shall include an explanation of all provisions of section 141.271;

(g) A description of facilities and equipment used by the school;

(h) A course outline for each course offered showing course objectives, subjects or units in each lesson of the course, type of work or skill to be learned, and the total number of lessons for each course of instruction;

(i) Policy and regulations of the school relative to granting credit for previous education and training.

(C) Each school or agent thereof shall deliver the catalog or brochure required in subdivision 9 to each prospective student in such time or manner as to provide the prospective student ample opportunity to read said catalog or brochure before signing any contract or enrollment agreement.

Subd. 10. Placement records. (a) No license shall be issued to a school which offers, advertises or implies a placement service until the school files with the commissioner for the past year and thereafter at intervals to be determined by the commissioner, a certified copy of the school's placement record, containing a list of graduates, a description of their job, name of their employer, and such other information as the commissioner may prescribe.

(b) Each school which offers a placement service shall furnish to each prospective student, prior to enrollment, information concerning the percentage of the previous year's graduates who were placed in the occupation for which trained.

Subd. 11. Contracts. Immediately upon signing of the enrollment agreement or the contract by the prospective student the school or agent thereof shall furnish to the prospective student an exact duplicate copy of such enrollment agreement or contract.

[1969 c 866 s 5; 1971 c 781 s 1,2; 1973 c 714 s 3-9]

141.26 PERMITS FOR SOLICITORS. Subdivision 1. **Required.** A solicitor representing a school must obtain a solicitor's permit from the commissioner before soliciting students to enroll in such school. Such permit shall expire on December 31 following the date of issuance. Application for renewal of permit shall be made on or before November 15 of each calendar year.

Subd. 2. Application for permit. (a) The application for such permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the commissioner may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of Minnesota Statutes, Chapter 141 and Minnesota Regulations, Chapter 20.

Subd. 3. Refusal of permit. No permit shall be issued to any solicitor unless such solicitor files with the commissioner a continuous corporate surety bond in the sum of \$2,000 conditioned upon the faithful performance of all contracts and agreements with the students made by the solicitor. Such bonds shall run to the state of Minnesota and to any person who may have cause of action against the applicant arising at any time after the bond is filed and before it is cancelled for breach of any contract or agreement made by the solicitor with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum of \$2,000. The surety of any such bond may cancel it upon giving 60 days' notice in writing to the commissioner and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. In lieu of bond, the solicitor may deposit with the state treasurer the sum of \$2,000.

Subd. 4. Additional permits. A solicitor representing more than one school must obtain a separate permit for each school represented; however when a solicitor represents schools having a common ownership, only one permit shall be required.

Subd. 5. Fee. The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of \$75.

Subd. 6. Contract; validity. Any contract entered into by a solicitor for a licensed school shall be unenforceable in any action brought thereon if the solicitor does not hold a valid permit as required by this section.

[1969 c 866 s 6; 1971 c 781 s 3; 1973 c 714 s 10,11]

141.27 [Repealed, 1973 c 714 s 21]

141.271 REFUNDS. Subdivision 1. **Notice of acceptance or rejection; right to refund.** Every school shall notify each student, in writing, of his or her acceptance or rejection. In the event that the student is rejected by the school, all tuition, fees and other charges shall be refunded.

Subd. 2. **Schools using written contracts.** (a) Notwithstanding anything to the contrary, every school which utilizes a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student, if the student gives written notice of cancellation within five business days after the day on which the contract was executed regardless of whether the course of instruction has started.

(b) With respect to those schools utilizing a written contract or enrollment agreement, when a student has been accepted by the school and has entered into a contractual agreement with the school and gives written notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the course of instruction in the case of resident schools, or before the first lesson has been serviced by the school in the case of correspondence (home study) schools, all tuition, fees and other charges, except 15 percent of the total cost of the course but not to exceed \$50, shall be refunded to the student.

Subd. 3. **Schools not using written contracts.** (a) Notwithstanding anything to the contrary, every school which does not utilize a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student if the student gives written notice of cancellation within five business days after the day on which the student is accepted by the school.

(b) With respect to those schools not utilizing a written contract or enrollment agreement, when a student has been accepted by the school and gives written notice of cancellation following the fifth business day after the day of acceptance by the school, but before the start of the course of instruction, in the case of resident schools, or before the first lesson has been serviced by the school, in the case of correspondence (home study) schools, all tuition, fees and other charges, except 15 percent of the total cost of the course but not to exceed \$50, shall be refunded to the student.

Subd. 4. **Resident schools.** With respect to all schools offering a resident course of instruction, when a student has been accepted by the school and gives written notice of cancellation after the start of the course of instruction, but before completion of 75 percent of the course of instruction, the amount charged for tuition, fees and all other charges for the completed portion of the course shall not exceed the prorata portion of the total charges for tuition, fees and all other charges that the length of the completed portion of the course bears to its total length, plus 25 percent of the total cost of the course but not to exceed \$100. After completion of 75 percent of the course of instruction, no refunds are required.

Subd. 5. **Correspondence home study schools.** With respect to all schools offering a correspondence (home study) course of instruction, when a student has been accepted by the school and gives written notice of cancellation after the first lesson has been completed by the student and serviced by the school, but before completion of 75 percent of the course of instruction, the amount charged for tuition, fees and all other charges for the completed lessons shall not exceed the prorata portion of the total charges for tuition, fees and all other charges that the number of lessons completed by the student bears to the total number of lessons offered, plus 25 percent of the total cost of the course but not to exceed \$75. After completion of 75 percent of the course of instruction, no refunds are required.

Subd. 6. **Combination correspondence-resident schools.** With respect to all schools offering a combination correspondence (home study)-resident course of instruction, when a student has been accepted by the school and gives written notice of cancellation after the start of the course of instruction or after the first lesson has been completed by the student and serviced by the school, whichever phase comes first, the school shall refund all tuition, fees and other charges as provided for in subdivision 4 if cancellation occurs during the resident portion, and as provided for in subdivision 5 if cancellation occurs during the correspondence portion; provided that, if the cancellation occurs before the student has commenced one of the phases, the price of that phase shall not be considered in making the proration and the student shall be entitled to a full refund of the price thereof. Conversely, if the student has completed a phase of the course before cancellation, the price thereof may be retained by the school provided that the total tuition, fees and other charges for each phase

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have been stated separately in the school's catalog and contract or enrollment agreement.

Subd. 7. Equipment and supplies. The fair market retail price, if separately stated in the catalog and contract or enrollment agreement, of equipment or supplies furnished to the student, which the student fails to return in condition suitable for resale within ten business days following cancellation may be retained by the school and may be deducted from the total cost for tuition, fees and all other charges when computing refunds.

An overstatement of the fair market retail price of any equipment or supplies furnished the student shall be considered inconsistent with this provision.

Subd. 8. Time of refund. Each school shall acknowledge in writing any valid notice of cancellation within ten business days after the receipt of such notice and within 30 business days shall refund to the student any amounts due him and arrange for termination of the student's obligation to pay any sum in excess of that due under the cancellation and refund policy.

Subd. 9. Limitation. A school cannot make its refund policy conditional upon compliance with the school's regulations or rules of conduct.

Subd. 10. Cancellation occurrence. Written notice of cancellation shall take place on the date the letter of cancellation is postmarked or, in the cases where the notice is hand carried, it shall occur on the date the notice is delivered to the school.

Subd. 11. Date of execution. The date of execution of the contract or enrollment agreement shall be presumed to be the date of delivery of the notice of acceptance; and if delivered by mail, the postmark date of the letter of acceptance.

Subd. 12. Instrument not to be negotiated. No school shall negotiate any promissory instrument received as payment of tuition or other charge prior to completion of 50 percent of the course of instruction. Prior to such time, such instruments may be transferred by assignment to purchasers who shall be subject to all defenses available against the school named as payee.

[1973 c 714 s 12]

141.28 PROHIBITIONS. Subdivision 1. Not to advertise state approval.

Schools, agents of schools, and solicitors may not advertise or represent in writing or orally that such school is approved or accredited by the state of Minnesota, except that any school, agent, or solicitor may advertise that the school and solicitor have been duly licensed by the state.

Subd. 2. Unlawful designation. No school organized after November 15, 1969, shall apply to itself either as a part of its name or in any other manner the designation of "college" or "university" unless such school applies for and receives certification from the commissioner that it meets appropriate standards and is entitled to such designation. Operating schools now using such designation may continue use thereof.

Subd. 3. False statements. No school, agent, or solicitor shall make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a course, if such school, agent or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate or misleading.

Subd. 4. Acceptance of contracts. No school shall accept contracts, enrollment agreements or enrollment applications from an agent or solicitor who does not have a current permit as required by Laws 1973, Chapter 714.

Subd. 5. Improbable course completion or employment. No school, agent or solicitor shall enroll a prospective student when it is obvious that the prospective student is unlikely to successfully complete a course of instruction or is unlikely to qualify for employment in the vocation or field for which the training is designed unless this fact is affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the school. Such disclaimer shall be signed by the student and shall state that the student is fully aware that it is unlikely he or she will be able to successfully complete the course of instruction and/or is fully aware of the improbability or impossibility that he or she will qualify for employment in the vocation or field for which the course was designed.

[1969 c 866 s 8; 1973 c 714 s 13-15]

141.29 REVOCATION OF LICENSE OR PERMIT. Subdivision 1. **Grounds.** The commissioner may, after notice and upon providing an opportunity for a hearing, pursuant to chapter 15 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend any license or solicitor's permit for any one or any combination of the following grounds:

- (a) Violation of any provisions of sections 141.21 to 141.36 or any rule or regulation promulgated by the state board of education;
- (b) Furnishing to the commissioner false, misleading, or incomplete information;
- (c) Presenting to prospective students information relating to the school which is false, fraudulent, deceptive, substantially inaccurate or misleading;
- (d) Refusal to allow reasonable inspection or supply reasonable information after written request therefor by the commissioner;
- (e) The existence of any circumstance which would be grounds for the refusal of an initial or renewal license under section 141.25.

Subd. 2. **Appeal.** Any order refusing, revoking, or suspending a school's license or a solicitor's permit is appealable to the district court as provided in chapter 15. Where a school has been operating and its license has been revoked, suspended or refused by the commissioner such order shall not become effective until the final determination of such appeal unless immediate effect shall be ordered by the court.

Subd. 3. **Powers and duties.** The commissioner shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

- (a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the commissioner such agreements are or will be helpful in effectuating the purposes of Laws 1973, Chapter 714;
- (b) To grant conditional school license for periods of less than one year if in the judgment of the commissioner correctable deficiencies exist at the time of application and when refusal to issue school license would adversely affect currently enrolled students;
- (c) The commissioner may upon his own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, Chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to hold a license or permit. However, before proceeding to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the commissioner may grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected, no further action leading to refusal, revocation, or suspension shall be taken.

[1969 c 866 s 9; 1973 c 714 s 16,17]

141.30 INSPECTION. (a) The commissioner or his delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any school or applicant for license at any reasonable time. The commissioner may require the submission of a certified public audit, or if there is no such audit available the commissioner or his delegate may inspect the financial books and records of the school. In no event shall such financial information be used by the commissioner to regulate or set the tuition or fees charged by the school.

(b) No agent or employee of the state of Minnesota shall divulge to any person other than a member of the department of education, or duly constituted law enforcement official, any data obtained from an inspection of the financial records of a school, except in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

[1969 c 866 s 10; 1973 c 714 s 18]

141.31 INJUNCTION. Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violation of sections 141.21 to 141.36.

[1969 c 866 s 11]

141.32 PENALTY. Violation of any provisions of sections 141.21 to 141.36 shall

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be a misdemeanor. Each day's failure to comply with the provisions of Laws 1973, Chapter 714 shall be a separate violation.

[1969 c 866 s 12; 1971 c 23 s 13; 1973 c 714 s 19]

141.33 LIMITATIONS ON CERTAIN CONTRACTS FOR INSTRUCTION OR USE OF CERTAIN SOCIAL TRAINING FACILITIES. Subdivision 1. **Contract for life invalid.** Any contract for instruction in social skills, or for the use by a patron of a dance hall, studio, ballroom, or other social training facility, which is measured by the life of the person receiving such instruction, or the use of such social training facility as a patron shall be deemed void and unenforceable as contrary to public policy.

Subd. 2. **Contracts for consideration greater than \$500 invalid.** Any contract or contracts for instruction in social skills, or for the use by a patron of a dance hall, studio, ballroom, or other social training facility which requires payment by the person receiving such instruction, or the use of such social training facility, of a total amount in excess of \$500, or granting to the person furnishing such instruction or providing the use of such facilities, an automatic renewal option where the payments to be made during the original contract period and the option period combined are in excess of \$500, shall be void in their inception and unenforceable.

[1969 c 866 s 13]

141.34 INSTRUMENTS NOT TO BE TRANSFERRED WITHOUT CONSENT OF MAKER. No contract for instruction in social skills or for the use of a patron of a dance hall, studio, ballroom, or other social training facility or instrument received in payment thereof, shall be negotiated or assigned without the separate written consent of the person receiving such instruction or the use of such social training facility.

[1969 c 866 s 14]

141.35 EXEMPTIONS. None of the provisions of sections 141.21 to 141.36 shall apply to the following:

(a) Colleges authorized by the laws of Minnesota or of any other state or foreign country to grant degrees;

(b) Schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

(c) Public schools as defined in section 120.05;

(d) Private schools complying with the requirements of section 120.10, subdivision 2;

(e) Private and parochial nonprofit schools exempt from taxation under the constitution of Minnesota;

(f) Courses taught to students in a valid apprenticeship program taught by or required by a trade union;

(g) Schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;

(h) Schools now or hereafter licensed by boards authorized under Minnesota law to issue such licenses;

(i) Schools and educational programs, or training programs, conducted by persons, firms, corporations, or associations, for the training of their own employees, for which no fee is charged the employee;

(j) Schools engaged exclusively in the teaching of purely avocational or recreational subjects as determined by the commissioner. Private schools teaching a method or procedure to increase the speed with which a student reads are not within this exemption;

(k) Driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;

(l) Classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(m) Courses of instruction in the fine arts provided by organizations exempt from taxation pursuant to section 290.05 and registered with the Minnesota department of commerce pursuant to chapter 309. "Fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale

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or employment. In making this determination the commissioner may seek the advice and recommendation of the Minnesota board of the arts.

[1969 c 866 s 15; 1973 c 714 s 20; 1977 c 59 s 1]

141.36 PUBLIC POLICY. It shall be the public policy of the state to protect all persons and schools covered by sections 141.21 to 141.36 from unfounded charges, complaints or harassment, and to protect the interests of prospective and enrolled students and to inform the public by the dissemination of public information regarding private business, trade, and correspondence schools licensed pursuant to this chapter, provided that data obtained pursuant to section 141.30 shall not be divulged except as therein provided.

[1969 c 866 s 18; 1977 c 449 s 18]