

**59B.01 SCOPE AND PURPOSE.**

(a) The purpose of this chapter is to create a legal framework within which service contracts may be sold in this state.

(b) The following are exempt from this chapter:

(1) warranties;

(2) maintenance agreements;

(3) warranties, service contracts, or maintenance agreements offered by public utilities, as defined in section 216B.02, subdivision 4, or an entity or operating unit owned by or under common control with a public utility;

(4) service contracts sold or offered for sale to persons other than consumers;

(5) service contracts on tangible property where the tangible property for which the service contract is sold has a purchase price of \$250 or less, exclusive of sales tax;

(6) service contracts for home security equipment installed by a licensed technology systems contractor; and

(7) motor club membership contracts that typically provide roadside assistance services to motorists stranded for reasons that include, but are not limited to, mechanical breakdown or adverse road conditions.

(c) The types of agreements referred to in paragraph (b) are not subject to chapters 60A to 79A, except as otherwise specifically provided by law.

(d) Service contracts issued by motor vehicle manufacturers covering private passenger automobiles are only subject to sections 59B.03, subdivision 5, 59B.05, and 59B.07.

(e) All warranty service contracts are deemed to be made in Minnesota for the purpose of arbitration.

**History:** *1Sp2005 c 1 art 5 s 1; 2008 c 344 s 2; 2009 c 178 art 1 s 4*