CHAPTER 325G

CONSUMER PROTECTION; SOLICITATION OF SALES

UNSOLICITED GOODS

325G.01 EFFECT OF DELIVERY.

CREDIT CARDS

325G.02 DEFINITIONS.

325G.03 UNSOLICITED FINANCIAL TRANSACTION CARDS.

325G.04 LOST OR STOLEN FINANCIAL TRANSACTION CARDS.

325G.041 MARRIED WOMAN; NAME ON CARD.

325G.042 CONSUMER CREDIT; EQUAL TREATMENT OF SPOUSES.

325G.05 DISPUTED ACCOUNTS.

325G.051 SURCHARGES ON CREDIT CARDS.

325G.052 CREDIT CARD OFFERS AND SOLICITATIONS; ADDRESS VERIFICATIONS.

HOME SOLICITATION SALES

325G.06 DEFINITIONS.

325G.07 BUYER'S RIGHT TO CANCEL.

325G.08 WRITING REQUIRED; NOTICE OF RIGHT TO CANCEL; NOTICE OF CANCELLATION.

325G.09 RETURN OF PAYMENTS OR GOODS.

325G.10 PENALTIES FOR VIOLATION.

325G.11 DAMAGES.

PERSONAL SOLICITATION OF SALES

325G.12 DEFINITIONS.

325G.13 DISCLOSURE OBLIGATION.

325G.14 PENALTIES; REMEDIES.

CONSUMER CREDIT SALES

325G.15 DEFINITIONS.

325G.16 RESTRICTIONS.

CONSUMER WARRANTIES

325G.17 DEFINITIONS.

325G.18 IMPLIED WARRANTIES.

325G.19 EXPRESS WARRANTIES.

325G.20 REMEDIES.

ASSISTIVE DEVICE WARRANTIES

325G.203 DEFINITIONS.

325G.204 EXPRESS WARRANTIES.

325G.205 ASSISTIVE DEVICE REPLACEMENT OR REFUND.

325G.206 NONCONFORMITY DISCLOSURE REQUIREMENT.

325G.207 OTHER REMEDIES.

325G.208 MANUFACTURER'S DUTY TO PROVIDE REIMBURSEMENT FOR TEMPORARY REPLACEMENT OF ASSISTIVE DEVICES; PENALTIES.

CONSUMER TRANSACTIONS; DEFICIENCY JUDGMENTS

325G.21 DEFICIENCY JUDGMENTS; CONSUMER TRANSACTIONS; DEFINITIONS.

325G.22 LIMITS ON BUYER'S LIABILITY.

CLUB CONTRACTS

325G.23 DEFINITIONS.

325G.24 RIGHT OF CANCELLATION.

325G.25 CONTRACT REGULATION.

325G.26 LIMITATION ON MEMBERSHIP PERIOD.

325G.27 REGISTRATION REQUIREMENTS, SURETY BOND REQUIREMENT, ALTERNATIVE SECURITY.

325G.28 VIOLATIONS.

CONSUMER CONTRACTS; PLAIN LANGUAGE REQUIREMENTS

325G.29 CITATION.

325G.30 DEFINITIONS.

325G.31 PLAIN LANGUAGE REQUIRED.

325G.32 EXCEPTIONS.

325G.33 REMEDIES.

325G.34 LIMITS ON REMEDIES.

325G.35 REVIEW BY THE ATTORNEY GENERAL.

325G.36 WAIVERS VOID.

325G.37 EFFECTIVE DATE.

CREDIT CARD DISCLOSURES

325G.40 CITATION.

325G.41 DEFINITIONS AND COMPUTATIONS.

325G.42 CREDIT CARD DISCLOSURES.

325G.43 PENALTIES.

325G.44 DAMAGES.

325G.45 FEDERAL LAW.

325G.46 ALTERNATIVE COMPLIANCE.

325G.47 NOTIFICATION OF ANNUAL FEE.

MEMBERSHIP TRAVEL CONTRACTS

325G.50 MEMBERSHIP TRAVEL CONTRACTS; CANCELLATION.

325G.501 MEMBERSHIP TRAVEL CONTRACTS SOLICITATION GIFT OFFERS.

325G.505 MEMBERSHIP TRAVEL CONTRACTS IN EXCESS OF $500.

325G.51 PENALTIES; REMEDIES.

TELEMARKETING FRAUD; CONSUMER EDUCATION

325G.52 CONSUMER EDUCATION; TELEMARKETING FRAUD.

GIFT CERTIFICATES

325G.53 GIFT CERTIFICATES.

CANCELLATION OF CERTAIN CONTRACTS BY MILITARY

325G.54 CANCELLATION WITHOUT PENALTY OF WIRELESS CONTRACTS BY MILITARY SERVICE PERSONNEL.

325G.55 CANCELLATION WITHOUT PENALTY OF RENTAL, CLUB, SERVICE, AND MEMBERSHIP TRAVEL CONTRACTS BY MILITARY SERVICE PERSONNEL.

AUTOMATIC RENEWALS OR CONTINUOUS SERVICE

325G.56 DEFINITIONS.

325G.57 REQUIREMENTS FOR AUTOMATIC RENEWAL OR CONTINUOUS SERVICE.

325G.58 PROHIBITED CONDUCT.

325G.59 CONSUMER'S RIGHT TO TERMINATE.

325G.60 TERMINATION ELECTION REQUIREMENT.

325G.61 UNCONDITIONAL GIFTS.

325G.62 EXEMPTION.

325G.63 ENFORCEMENT.

UNSOLICITED GOODS

325G.01 EFFECT OF DELIVERY.

Unless otherwise agreed, where unsolicited goods are addressed to and sent to a person, the person has a right to refuse to accept delivery of the goods and is not bound to return such goods to the sender. The receipt of such unsolicited goods shall for all purposes be deemed an unconditional gift to the recipient who may use or dispose of the same in any manner the recipient sees fit without any obligation to the sender.

History: *1969 c 609 s 1; 1986 c 444*

CREDIT CARDS

325G.02 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 325G.02 to 325G.04 the terms defined in this section shall have meanings given them.

Subd. 2. **Financial transaction card.** "Financial transaction card" means an instrument or device, whether known as a credit card, credit plate, charge plate, courtesy card, bank services card, banking card, check guarantee card, debit card, or by any other name issued with or without fee by an issuer for the use of the holder to obtain credit, money, goods, services, or anything else of value, but does not mean a telephone company credit card.

Subd. 3. **Person.** "Person" includes an individual or family, and in the absence of agreement to the contrary, a partnership, association, corporation or other legal or commercial entity.

Subd. 4. **Issuer.** "Issuer" means a person or firm or its duly authorized agent, that issues a financial transaction card.

History: *1969 c 1004 s 1; 1985 c 243 s 1,2*

325G.03 UNSOLICITED FINANCIAL TRANSACTION CARDS.

No person in whose name a financial transaction card is issued shall be liable for any amount resulting from use of that card from which that person or a member of the person's family or household derives no benefit unless the person has accepted the card by (1) signing or using the card, or (2) authorizing the use of the card by another. A mere failure to destroy or return an unsolicited financial transaction card is not such an acceptance. Signing or using a card is not acceptance if those acts were performed under duress as defined under section 609.08.

History: *1969 c 1004 s 2; 1985 c 243 s 3; 1986 c 444*

325G.04 LOST OR STOLEN FINANCIAL TRANSACTION CARDS.

Subdivision 1. **Liability limited.** No person in whose name a financial transaction card has been issued which the person has accepted as provided in section 325G.03 shall be liable for any amount in excess of $50 resulting from the unauthorized use of the card from which the person or a member of the person's family or household derives no benefit; provided, however, that the limitation on liability of this subdivision shall be effective only if the issuer is notified of any unauthorized charges contained in a bill within 60 days of receipt of the bill by the person in whose name the card is issued.

Subd. 2. **Unauthorized use.** No person in whose name a financial transaction card is issued shall be liable for any amount resulting from the unauthorized use of the financial transaction card after receipt by the issuer of notice that the card has been lost or stolen and from which such person or a member of the person's family or household derives no benefit.

Subd. 3. **Unauthorized use defined.** For purposes of subdivisions 1 and 2, "unauthorized use" means a use by a person other than the customer who does not have actual, implied, or apparent authority for the use.

History: *1969 c 1004 s 3; 1985 c 243 s 4; 1986 c 444; 1987 c 349 art 1 s 37*

325G.041 MARRIED WOMAN; NAME ON CARD.

If a financial transaction card issuer has determined in the normal course of business that it will issue a card to a married woman, the card shall be issued bearing either her current or former surname, as the woman may direct.

Financial transaction card issuers may require that a married woman requesting a card in a former surname open a new account in that name. Refusal to issue a financial transaction card pursuant to this section constitutes an unfair discriminatory practice under section 363A.16.

History: *1984 c 533 s 1; 1985 c 243 s 5; 1984 c 533 s 1; 1985 c 243 s 5*

325G.042 CONSUMER CREDIT; EQUAL TREATMENT OF SPOUSES.

Subdivision 1. **Consideration required; spousal credit history.** To the extent that a creditor considers credit history in evaluating the credit worthiness of similarly qualified applicants for a similar type and amount of credit, in evaluating an applicant's credit worthiness, a creditor shall consider:

(1) the credit history, when available, of accounts designated as accounts that the applicant and the applicant's spouse are permitted to use or for which both are contractually liable;

(2) at the applicant's request, any information the applicant may present that tends to indicate that the credit history being considered by the creditor does not accurately reflect the applicant's creditworthiness; and

(3) at the applicant's request, the credit history, when available, of any account reported in the name of the applicant's spouse or former spouse that the applicant can demonstrate accurately reflects the applicant's credit worthiness.

Subd. 2. **Credit reporting; equal treatment of spouses.** (a) A creditor that furnishes credit information shall designate:

(1) any new credit account to reflect the participation of both spouses if the applicant's spouse is contractually liable on the account, other than as a guarantor, surety, endorser, or similar party; and

(2) any existing credit account to reflect such participation, within 90 days after receiving a written request to do so from one of the spouses.

(b) If a creditor furnishes credit information to a consumer reporting agency concerning a credit account designated to reflect the participation of both spouses, the creditor shall furnish the information in a manner that will enable the agency to provide access to the information in the name of each spouse.

(c) If a creditor furnishes credit information in response to an inquiry concerning a credit account designated to reflect the participation of both spouses, the creditor shall furnish the information in the name of the spouse about whom the information is requested.

Subd. 3. **Defense.** A creditor's failure to comply with this section is not a violation if it results from an inadvertent error, provided that the creditor promptly, and at no cost to the applicant or borrower, rectified the error after it was brought to the creditor's attention.

Subd. 4. **Enforcement.** (a) Enforcement of this section is under section 8.31, except that in a private cause of action under section 8.31, subdivision 3a, the damages are limited to $1,000 and the plaintiff has no right to recover costs of investigation and attorney fees.

(b) No one may bring a private cause of action under this section unless the individual has first in good faith attempted to correct the problem with the party violating the section.

Subd. 5. **Compliance with federal law.** Compliance with the requirements of the Federal Consumer Credit Protection Act, title VII (Equal Credit Opportunity), United States Code, title 15, section 1691 et seq., as amended and the regulations promulgated under those sections dealing with the subject matter of this section, shall be deemed to be in compliance with this section.

Subd. 6. **Definition of account.** For purposes of this section, the term "account" means an extension of consumer credit and the word "use" in relation to an account refers only to open-end credit.

History: *1998 c 327 s 1*

325G.05 DISPUTED ACCOUNTS.

Subdivision 1. **Billing information.** Every financial transaction card issuer shall include on each billing statement the name, address, and telephone number of the department designated by it to receive requests by the customer account holder to correct mistakes or make adjustments to the billing statement.

Subd. 2. **Required response.** Every financial transaction card issuer, within 30 days of receipt from a customer account holder, in writing at the address specified in subdivision 1, of a questioned or disputed charge, shall conduct an individual inquiry into the facts and send to the customer account holder an explanatory response in clear and definite terms.

Subd. 3. **Violation.** A violation of this section shall be treated as a violation of section 325F.69.

History: *1973 c 460 s 1; 1985 c 243 s 6*

325G.051 SURCHARGES ON CREDIT CARDS.

Subdivision 1. **Limitation; prohibition.** (a) A seller or lessor of goods or services doing business in Minnesota may impose a surcharge on transactions in Minnesota with a customer who elects to use a credit or charge card in lieu of payment by cash, check, or similar means, provided:

(1) if the sale or lease of goods or services is processed in person, the seller or lessor informs the customer of the surcharge both orally at the time of sale and by a sign conspicuously posted on the seller's or lessor's premises;

(2) if the sale or lease of goods or services is processed through a website or mobile device, the seller or lessor informs the customer of the surcharge by conspicuously posting a surcharge notice during the sale, at the point of sale, on the customer order summary, or on the checkout page of the website;

(3) if the sale or lease of services is processed over the telephone, the seller or lessor informs the customer of the surcharge orally; and

(4) the surcharge does not exceed five percent of the purchase price.

(b) A seller or lessor of goods or services that establishes and is responsible for the seller or lessor's own customer credit or charge card may not impose a surcharge on a customer who elects to use that credit or charge card in lieu of payment by cash, check, or similar means.

(c) For purposes of this section "surcharge" means a fee or charge imposed by a seller or lessor upon a customer that increases the price of goods or services to the customer because the customer uses a credit or charge card to purchase or lease the goods or services. The term does not include a discount offered by a seller or lessor to a customer who makes payment for goods or services by cash, check, or similar means not involving a credit or charge card if the discount is offered to all prospective customers and its availability is clearly and conspicuously disclosed to all prospective customers.

(d) This subdivision applies to an agent of a seller or lessor.

Subd. 2. **Penalty.** A seller who violates this section is subject to a civil penalty of not more than $500 and shall refund the surcharge to each buyer.

History: *1987 c 172 s 1; 2023 c 57 art 4 s 19*

325G.052 CREDIT CARD OFFERS AND SOLICITATIONS; ADDRESS VERIFICATIONS.

(a) A credit card issuer that mails an offer or solicitation to receive a credit card and, in response, receives a completed application for a credit card that lists an address that is different from the address on the offer or solicitation shall verify the change of address before issuing a credit card.

(b) Notwithstanding any other provision of law, a person to whom an offer or solicitation to receive a credit card is made is not liable for the unauthorized use of a credit card issued in response to that offer or solicitation if the credit card issuer does not verify the change of address pursuant to paragraph (a) before the issuance of the credit card, unless the credit card issuer proves that this person actually incurred the charge on the credit card.

(c) When a credit card issuer receives a written or oral request for a change of the cardholder's billing address and then receives a written or oral request for an additional credit card within ten days after the requested address change, the credit card issuer shall not mail the requested additional credit card to the new

address or, alternatively, shall not activate the requested additional credit card, unless the credit card issuer has verified the change of address.

History: *2006 c 233 s 10*

HOME SOLICITATION SALES

325G.06 DEFINITIONS.

Subdivision 1. **Scope.** As used in sections 325G.06 to 325G.11, the terms defined in this section have the meanings given them.

Subd. 2. **Home solicitation sale.** "Home solicitation sale" means a sale of goods, services, or improvements to real property 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:

(1) 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;

(2) 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;

(3) 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;

(4) 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;

(5) a sale of insurance, securities, or real property; or a sale by public auction; or

(6) 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.

Subd. 3. **Sale.** "Sale" includes a lease or rental.

Subd. 4. **Seller.** "Seller" includes a lessor or anyone offering goods for rent, or an assignee of the seller.

Subd. 5. **Buyer.** "Buyer" includes a lessee or anyone who gives a consideration for the privilege of using goods or services.

Subd. 6. **Business day.** "Business day" means any day other than a Saturday, Sunday, or holiday as defined in section 645.44.

History: *1973 c 443 s 1; 1979 c 128 s 1; 1986 c 444; 2012 c 234 s 3*

325G.07 BUYER'S RIGHT TO CANCEL.

In addition to any other rights the buyer may have, the buyer has the right to cancel a home solicitation sale until midnight of the third business day after the day on which the home solicitation sale occurs. Cancellation is evidenced by the buyer giving written notice of cancellation to the seller at the address stated in the agreement or offer to purchase. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the seller and postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the buyer not to be bound by the home solicitation sale.

History: *1973 c 443 s 2*

325G.08 WRITING REQUIRED; NOTICE OF RIGHT TO CANCEL; NOTICE OF CANCELLATION.

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

(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 and address of the seller, 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 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 to (Name of seller), at (Address of 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.

I HEREBY CANCEL THIS TRANSACTION.

.....

(Date)

....."

(Buyer's signature)

Subd. 2. **Alternative cancellation notice.** In lieu of the notice of cancellation required by subdivision 1, the seller may provide a notice which conforms to applicable federal law or regulation so long as it provides the information required by subdivision 1. Until the seller has complied with this section the buyer may cancel the home solicitation sale by notifying the seller in any manner and by any means of the intention to cancel.

History: *1973 c 443 s 3; 1986 c 444*

325G.09 RETURN OF PAYMENTS OR GOODS.

Subdivision 1. **Seller's obligations.** Within ten days after a home solicitation sale has been canceled or an offer to purchase revoked, the seller must tender to the buyer any payments made by the buyer and any note or other evidence of indebtedness. If the down payment includes goods traded in, the goods must also be tendered by the seller in as good condition as when received by the seller. If the seller fails to tender said goods, the buyer may elect to recover from the seller an amount equal to the trade-in allowance stated in the agreement.

Subd. 2. **Buyer's right to retain possession.** Until the seller has complied with the obligations imposed by this section, the buyer may retain possession of the goods delivered to the buyer by the seller.

Subd. 3. **Buyer's obligation to tender goods.** Except as provided in subdivision 2, within a reasonable time after a home solicitation sale has been canceled or an offer to purchase has been revoked, the buyer upon demand must tender to the seller any goods delivered by the seller pursuant to the sale. The buyer is not obligated to tender at any place other than the buyer's residence.

Subd. 4. **Seller's failure to demand possession.** If the seller fails to demand possession of goods within 20 days after cancellation or revocation, the goods become the property of the buyer without obligation to pay for them.

Subd. 5. **Buyer's duty of care.** The buyer has the duty to take reasonable care of the goods in the buyer's possession before cancellation or revocation and during the time provided in subdivision 4 for the seller to demand possession, during which time the goods are otherwise at the seller's risk.

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

History: *1973 c 443 s 4; 1986 c 444*

325G.10 PENALTIES FOR VIOLATION.

Any person who is found to have violated sections 325G.06 to 325G.09 shall be subject to the penalties provided in section 8.31.

History: *1973 c 443 s 5*

325G.11 DAMAGES.

Any person injured by a violation of sections 325G.06 to 325G.09 may recover damages, together with costs and disbursements, including reasonable attorney's fees, and receive other equitable relief as determined by the court.

History: *1973 c 443 s 6*

PERSONAL SOLICITATION OF SALES

325G.12 DEFINITIONS.

Subdivision 1. **Scope.** As used in sections 325G.12 to 325G.14, the terms defined in this section have the meanings given them.

Subd. 2. **Personal solicitation.** "Personal solicitation" means any attempt by a seller who regularly engages in transactions of the same kind, to sell goods or services which are primarily for personal, family, or household purposes, and not for agricultural purposes, when either the seller or a person acting for the seller, contacts the buyer by telephone or in person other than at the place of business of the seller, except:

(a) an attempted sale in which the buyer personally knows the identity of the seller, the name of the business firm or organization the seller represents, and the identity or kinds of goods or services offered for sale; or

(b) an attempted sale in which the buyer has initiated the contact with the seller; or

(c) an attempted sale of a newspaper subscription in which the seller is a minor child engaged in both the delivery and sale of the newspaper.

Subd. 3. **Sale.** "Sale" includes a lease or rental.

Subd. 4. **Seller.** "Seller" includes a lessor or anyone offering goods for rent, or an assignee of a seller.

Subd. 5. **Buyer.** "Buyer" includes a lessee or anyone who gives a consideration for the use of goods or services.

History: *1975 c 372 s 1; 1976 c 239 s 92; 1986 c 444*

325G.13 DISCLOSURE OBLIGATION.

Before any personal solicitation every seller shall, at the time of initial contact or communication with the potential buyer, clearly and expressly disclose: the individual seller's name, the name of the business firm or organization the seller represents, the identity or kinds of goods or services the seller wishes to demonstrate or sell, and that the seller wishes to demonstrate or sell the identified goods or services. When the initial contact is made in person, the seller shall also show the potential buyer an identification card which clearly states the seller's name and the name of the business or organization represented. The disclosures required by this section shall be made before asking any questions or making any statements except an initial greeting. Nonprofit organizations are exempt from the requirements of this section.

History: *1975 c 372 s 2; 1986 c 444*

325G.14 PENALTIES; REMEDIES.

Any person who is found to have violated section 325G.13 shall be subject to the penalties and remedies provided in section 8.31.

History: *1975 c 372 s 3*

CONSUMER CREDIT SALES

325G.15 DEFINITIONS.

Subdivision 1. **Scope.** As used in this section and section 325G.16, the following terms shall have the meanings assigned to them.

Subd. 2. **Consumer credit sale.** "Consumer credit sale" means a sale of goods or services in which:

(a) credit is granted by a seller who regularly engages as a seller in credit transactions of the same kind;

(b) the buyer is a natural person; and

(c) the goods or services are purchased primarily for a personal, family or household purpose, and not for commercial, agricultural, or business purpose.

Subd. 3. **Goods.** "Goods" means all tangible personal chattels, but not including money, things in action or intangible personal property other than merchandise certificates or coupons as herein described. The term includes such chattels which are furnished or used, at the time of sale or subsequently, in the modernization, rehabilitation, repair, alteration, improvement or construction of real property so as to become a part thereof whether or not severable therefrom. The term also includes merchandise certificates or coupons, issued by a retail seller, not redeemable in cash and to be used in their face amount in lieu of cash, in exchange for goods or services sold by such seller.

Subd. 4. **Services.** "Services" means work, labor, or services of any kind.

Subd. 5. **Sale of goods.** "Sale of goods" includes, without limitation, any agreement in the form of a bailment or lease of goods if the bailee or lessee agrees to pay as compensation for use a sum substantially

equivalent to or in excess of the aggregate value of the goods involved and it is agreed that the bailee or lessee will become, or for no other or a nominal consideration has the option to become, the owner of the goods upon full compliance with the bailee's or lessee's obligations under the agreement. The term also includes a contract in the form of a terminable bailment or lease of goods if: (a) the bailee or lessee has the option to renew the contract by making the payments specified in the contract; (b) the contract obligates the bailor or lessor to transfer ownership of the property to the bailee or lessee for no other or a nominal consideration upon full compliance by the bailee or lessee with the bailee's or lessee's obligations under the contract including any obligation incurred by reason of the exercise of an option by the bailee or lessee to renew the contract; and (c) the payments contracted for by the bailee or lessee, including those payments pursuant to the exercise of an option by the bailee or lessee to renew the contract, are substantially equivalent to or in excess of the aggregate value of the property and services involved.

History: *1971 c 275 s 1; 1981 c 10 s 1; 1986 c 444*

325G.16 RESTRICTIONS.

Subdivision 1. **Instruments.** In a consumer credit sale, the seller or lessor may not take a negotiable instrument other than a check as evidence of the obligation of the buyer or lessee. A holder is not in good faith if the holder takes a negotiable instrument with notice that it is issued in violation of this section.

Subd. 2. **Provision restrictions.** No contract or obligation relating to a consumer credit sale shall contain any provision by which:

(a) the consumer agrees not to assert against an assignee any claim or defense arising out of the transaction;

(b) in the absence of consumer's default, the holder may arbitrarily and without reasonable cause, accelerate the maturity of any part or all of the amount owing thereunder;

(c) a power of attorney is given to confess judgment in this state, or an assignment of wages is given;

(d) the seller or holder of the contract or obligation, or a person acting on the seller's or holder's behalf, is given authority to enter upon the consumer's premises unlawfully or to commit any breach of the peace in the repossession of the goods;

(e) the consumer waives any right of action against the seller or holder of the contract or obligation, or any other person acting on the seller's or holder's behalf, for any illegal act committed in the collection of payments under the contract or obligation or in the repossession of goods;

(f) the consumer relieves the seller from any liability for any legal remedy which the consumer may have against the seller under the contract or obligation or any separate instrument executed in connection therewith.

Subd. 3. **Claims and defenses.** Any assignee of the contract or obligation relating to the consumer credit sale shall be subject to all claims and defenses of the consumer against the seller arising from the sale, notwithstanding any agreement to the contrary. Provided, however, that the assignee's liability under this subdivision shall not exceed the amount owing to the assignee at the time the claim or defense is asserted against the assignee. The rights of the consumer under this subdivision can only be asserted as a matter of defense to or set off against a claim by the assignee.

Subd. 4. **Interest retained by bailor or lessor.** Any lease or bailment of goods which constitutes a consumer credit sale shall be deemed to be a sale for all purposes. The interest retained by the bailor or lessor in any such transaction shall be a security interest only.

Subd. 5. **Mandatory provision.** All contracts or obligations in the form of terminable bailment or lease of goods relating to consumer credit sales shall specify whether the goods which are the subject of the sale are new or used.

History: *1971 c 275 s 2; 1981 c 10 s 2,3; 1986 c 444*

CONSUMER WARRANTIES

325G.17 DEFINITIONS.

Subdivision 1. **Scope.** As used in sections 325G.17 to 325G.20, the terms defined in this section have the meanings given them.

Subd. 2. **Consumer sale.** "Consumer sale" means a sale of new goods, or as regards an express warranty, any goods, purchased primarily for personal, family, or household purposes, and not for agricultural or business purposes.

Subd. 3. **Goods.** "Goods" are as defined in section 325G.15.

Subd. 4. **New goods.** "New goods" mean those goods which are purchased for the first time other than for purposes of resale.

Subd. 5. **Express warranty.** "Express warranty" means a written statement arising out of a consumer sale pursuant to which the manufacturer, distributor, or retailer undertakes (1) to preserve or maintain the utility or performance of the goods or provide compensation or replacement if there is a failure in utility or performance; or (2) declares that in the event of any sample or model, that the whole of the goods conforms to the sample or model. It is not necessary to the creation of an express warranty that formal words such as "warrant" or "guarantee" be used or that a specific intention to make a warranty be present, but an affirmation merely of the value of the goods or a statement purporting to be merely an opinion or commendation of the goods does not create a warranty.

History: *1973 c 692 s 1*

325G.18 IMPLIED WARRANTIES.

Subdivision 1. **Merchantability and fitness for intended purpose.** Unless disclaimed in the manner prescribed in subdivision 2, every consumer sale in this state shall be accompanied by an implied warranty that the goods are merchantable, and, in a consumer sale where the seller has reason to know that the goods are required for a particular purpose and that the buyer is relying on the seller's skill or judgment to select or furnish suitable goods, an implied warranty of fitness. A seller may, however, limit damages or remedies for breach of implied warranties as provided in chapter 336.

Subd. 2. **Disclaimers.** No consumer sale on an "as is" or "with all faults" basis shall be effective to disclaim the implied warranty of merchantability, or, where applicable, the implied warranty of fitness, unless a conspicuous writing clearly informs the buyer, prior to the sale, in simple and concise language each of the following:

(1) the goods are being sold on an "as is" or "with all faults" basis; and

(2) the entire risk as to the quality and performance of the goods is with the buyer.

In event of a consumer sale by means of a mail order catalog, the catalog may contain the required writing in lieu of the requirement of notification prior to the sale.

History: *1973 c 692 s 2*

325G.19 EXPRESS WARRANTIES.

Subdivision 1. **Disclaimers.** No express warranty arising out of a consumer sale of new goods shall disclaim implied warranties of merchantability, or, where applicable, of fitness.

Subd. 2. **Honoring of express warranties.** The maker of an express warranty arising out of a consumer sale in this state shall honor the terms of the express warranty. In a consumer sale, the manufacturer shall honor an express warranty made by the manufacturer; the distributor shall honor an express warranty made by the distributor; and the retail seller shall honor an express warranty made by the retail seller.

Subd. 3. **Liability of manufacturer to retailer.** Every manufacturer who makes an express warranty pursuant to a consumer sale, who authorizes a retail seller within this state to perform services or repairs under the terms of the express warranty shall be liable to the retail seller in an amount equal to that which is charged by the retail seller for like service or repairs rendered to retail consumers who are not entitled to warranty protection.

History: *1973 c 692 s 3*

325G.20 REMEDIES.

A violation of sections 325G.17 to 325G.20 shall be treated as a violation of section 325F.69. The remedies provided by sections 325G.17 to 325G.20 are cumulative and shall not be construed as restricting any remedy that is otherwise available.

History: *1973 c 692 s 4*

ASSISTIVE DEVICE WARRANTIES

325G.203 DEFINITIONS.

Subdivision 1. **Terms.** For purposes of sections 325G.203 to 325G.208, the terms in this section have the meanings given them.

Subd. 2. **Assistive device.** "Assistive device" is an item, piece of equipment, or product system that is designed and used to increase, maintain, or improve functional capabilities of individuals with disabilities in the areas of seeing, hearing, speaking, walking, breathing, performing manual tasks, learning, caring for oneself, or working. The term includes, but is not limited to: manual wheelchairs, motorized wheelchairs, motorized scooters, and other aids that enhance the mobility of an individual; hearing aids, assistive listening devices, and other aids that enhance an individual's ability to hear or communicate; voice-synthesized computer modules, optical scanners, talking software, Braille printers, large print materials, and other devices that enhance an individual's ability to access print or communicate; and other assistive devices such as environmental controls, adaptive transportation aids, communication boards, and modified environments. "Assistive device" does not include a transcutaneous electrical nerve stimulator, neuromuscular electrical stimulator, or dynamic range of motion splint, if the stimulator or splint is already covered by a warranty.

Subd. 3. **Assistive device dealer.** "Assistive device dealer" means a person who is in the business of selling new assistive devices.

Subd. 4. **Assistive device lessor.** "Assistive device lessor" means a person who leases new assistive devices to consumers, or who holds the lessor's rights, under a written lease.

Subd. 5. **Collateral costs.** "Collateral costs" means expenses incurred by a consumer in connection with the repair of a nonconformity, including the cost of sales tax and of obtaining an alternative assistive device.

Subd. 6. **Consumer or agency.** "Consumer" or "agency" means any of the following:

(1) the purchaser of an assistive device, if the assistive device was purchased from an assistive device dealer or manufacturer for purposes other than resale;

(2) a person to whom the assistive device is transferred for purposes other than resale, if the transfer occurs before the expiration of an express warranty applicable to the assistive device;

(3) a person who may enforce the warranty; or

(4) a person who leases an assistive device from an assistive device lessor under a written lease.

Subd. 7. **Demonstrator.** "Demonstrator" means an assistive device used primarily for the purpose of demonstration to the public.

Subd. 8. **Early termination cost.** "Early termination cost" means an expense or obligation that an assistive device lessor incurs as a result of both the termination of a written lease before the termination date set forth in that lease and the return of an assistive device to the manufacturer. The term includes a penalty for prepayment under a finance arrangement.

Subd. 9. **Early termination savings.** "Early termination savings" means an expense or obligation that an assistive device lessor avoids as a result of both the termination of a written lease before the termination date set forth in that lease and the return of an assistive device to a manufacturer. The term includes an interest charge that the assistive device lessor would have paid to finance the assistive device or, if the assistive device lessor does not finance the assistive device, the difference between the total period of the lease term remaining after the early termination and the present value of that amount at the date of the early termination.

Subd. 10. **Manufacturer.** "Manufacturer" means a person who manufactures or assembles assistive devices and agents of that person, including an importer, a distributor, a factory branch, distributor branch, and a warrantor of the manufacturer's assistive device. The term does not include an assistive device dealer or lessor.

Subd. 11. **Nonconformity.** "Nonconformity" means a specific condition or generic defect or malfunction, or a defect or condition that substantially impairs the use, value, or safety of an assistive device, but does not include a condition or defect that is the result of abuse or unauthorized modification or alteration of the assistive device by the consumer.

For those assistive devices regulated under section 148.5197, "nonconformity" does not include a condition of the device that is the result of normal use which could be resolved through fitting adjustments, cleaning, or proper care.

Subd. 12. **Reasonable attempt to repair.** "Reasonable attempt to repair" means any of the following occurring within the term of an express warranty applicable to a new assistive device:

(1) the manufacturer, assistive device lessor, or any of the manufacturer's authorized assistive device dealers accepts return of the new assistive device for repair at least two times; or

(2) the assistive device is out of service for an aggregate of at least 30 cumulative days because of warranty nonconformities.

History: *1995 c 193 s 1; 1996 c 384 s 6; 1996 c 412 art 3 s 33; 2005 c 147 art 7 s 19*

325G.204 EXPRESS WARRANTIES.

Subdivision 1. **Requirement.** A manufacturer who sells or leases a new assistive device to a consumer, either directly or through an assistive device dealer or lessor, shall furnish the consumer with an express warranty to preserve or maintain the utility or performance of the assistive device. The duration of the express warranty must not be less than one year after first possession of the assistive device by the consumer. If a manufacturer fails to furnish an express warranty as required by this section, the assistive device shall be covered by an express warranty as if the manufacturer had furnished an express warranty to the consumer as required by this section.

Subd. 2. **Nonconforming device.** If a new assistive device does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the assistive device lessor, or any of the manufacturer's authorized assistive device dealers and makes the assistive device available for repair before one year after first possession of the device by the consumer, the nonconformity must be repaired or replaced.

History: *1995 c 193 s 2*

325G.205 ASSISTIVE DEVICE REPLACEMENT OR REFUND.

Subdivision 1. **Requirement.** If, after a reasonable attempt to repair, the nonconformity is not repaired, the manufacturer shall carry out, at the option of the consumer, the requirements under paragraph (a) or (b), whichever is appropriate.

(a) To provide for refunds, at the request of the consumer, the manufacturer shall do one of the following:

(1) accept return of the assistive device and refund to the consumer and to a holder of a perfected security interest in the consumer's assistive device, as their interest may appear, the full purchase price plus any finance charge, amount paid by the consumer at the point of sale and collateral costs, less a reasonable allowance for use; or

(2) accept return of the assistive device, refund to the assistive device lessor and to a holder of a perfected security interest in the assistive device, as their interest may appear, the current value of the written lease and refund to the consumer the amount that the consumer paid under the written lease plus collateral costs, less a reasonable allowance for use.

(b) To receive a comparable new assistive device, a consumer shall offer to the manufacturer of the assistive device having the nonconformity to transfer possession of that assistive device to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the consumer with the comparable new assistive device or a refund. When the manufacturer provides the new assistive device or refund, the consumer shall return the assistive device having the nonconformity to the manufacturer, along with any endorsements necessary to transfer real possession to the manufacturer.

Subd. 2. **Refund.** If, after a reasonable attempt to repair, the nonconformity is not repaired, an assistive device lessor shall receive a refund from the manufacturer. To receive a refund, the assistive device lessor

shall offer to transfer possession of a nonconforming assistive device to its manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the assistive device lessor. When the manufacturer provides the refund, the assistive device lessor shall provide to the manufacturer any endorsements necessary to transfer legal possession to the manufacturer.

Subd. 3. **Current value of lease.** Under this section, the current value of the written lease equals the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the assistive device dealer's early termination costs and the value of the assistive device at the lease expiration date if the lease sets forth that value, less the assistive device lessor's early termination savings.

Subd. 4. **Reasonable allowance.** Under this section, a reasonable allowance for use may not exceed the amount obtained by multiplying the total amount the consumer paid or for which the written lease obligates the consumer by a fraction, the denominator of which is 1,825 and the numerator of which is the number of days that the consumer used the assistive device before first reporting the nonconformity to the manufacturer, assistive device lessor, or assistive device dealer.

Subd. 5. **Limit on enforcement of lease.** No person may enforce the lease against the consumer after the consumer receives a refund.

History: *1995 c 193 s 3*

325G.206 NONCONFORMITY DISCLOSURE REQUIREMENT.

No assistive device returned by a consumer or assistive device lessor in this state or another state may be sold or leased in this state unless full disclosure of the reason for return is made to a prospective buyer or lessee.

History: *1995 c 193 s 4*

325G.207 OTHER REMEDIES.

Subdivision 1. **Other rights and remedies available.** Sections 325G.203 to 325G.208 do not limit rights or remedies available under any other law.

Subd. 2. **Waiver of rights void.** A waiver of rights by a consumer under sections 325G.203 to 325G.208 is void.

Subd. 3. **Private right of action.** In addition to pursuing other remedies, a consumer may bring an action to recover damages caused by a violation of sections 325G.203 to 325G.208. The court shall award a consumer who prevails in the action, twice the amount of any pecuniary loss, together with costs, disbursements, and reasonable attorney fees, and any equitable relief that the court may determine is appropriate.

History: *1995 c 193 s 5*

325G.208 MANUFACTURER'S DUTY TO PROVIDE REIMBURSEMENT FOR TEMPORARY REPLACEMENT OF ASSISTIVE DEVICES; PENALTIES.

Subdivision 1. **Requirement.** Whenever an assistive device covered by a manufacturer's express warranty is tendered by a consumer to the dealer from whom it was purchased or exchanged for the repair of a defect, malfunction, or nonconformity to which the warranty is applicable and at least one of the following conditions exists, the manufacturer shall provide directly to the consumer for the duration of the repair period, a

replacement assistive device or a rental assistive device reimbursement to pay for the cost incurred by the consumer for renting a replacement assistive device. The applicable conditions are as follows:

(1) the repair period exceeds ten working days, including the day on which the device is tendered to the dealer for repair; or

(2) the defect, malfunction, or nonconformity is the same for which the assistive device has been tendered to the dealer for repair on at least two previous occasions.

Subd. 2. **Duration of duty.** This section applies for the period of the manufacturer's express warranty.

History: *1995 c 193 s 6*

CONSUMER TRANSACTIONS; DEFICIENCY JUDGMENTS

325G.21 DEFICIENCY JUDGMENTS; CONSUMER TRANSACTIONS; DEFINITIONS.

Subdivision 1. **Scope.** As used in section 325G.22, the following terms shall have the meanings assigned to them.

Subd. 2. **Consumer credit transaction.** "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which (a) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind; (b) the buyer is a natural person; (c) the personal property is purchased primarily for a personal, family or household purpose, and not for a commercial, agricultural, or business purpose; and (d) a security interest is retained by the seller or lender. It does not include a transaction pursuant to an open end credit plan authorized by sections 334.16 to 334.18.

Subd. 3. **Personal property.** "Personal property" includes goods. It does not include real property, or personal property which is furnished or used, at the time of sale or subsequently, in the modernization, rehabilitation, repair, alteration, improvement or construction of real property so as to become a part thereof whether or not severable therefrom.

Subd. 4. **Seller or lender.** "Seller or lender" includes an assignee of either.

History: *1977 c 180 s 1*

325G.22 LIMITS ON BUYER'S LIABILITY.

Subdivision 1. **Personal liability of buyer limited.** If the seller or lender repossesses or voluntarily accepts surrender of personal property in which the seller or lender has a security interest arising out of a consumer credit transaction and the aggregate amount of the credit extended in the transaction was $8,400 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.

Subd. 1a. **Adjustment of dollar amounts.** The dollar amount in subdivision 1 shall change periodically as provided in section 550.37, subdivision 4a.

Subd. 2. **Buyer's liability.** The buyer may be liable in damages to the seller or lender if the buyer has wrongfully damaged the collateral or wrongfully failed to make the collateral available to the seller or lender.

Subd. 3. **Restriction on repossession, levy, and sale.** If the seller or lender elects to bring an action and obtains judgment against the buyer for a debt arising from a consumer credit transaction, when under this section the seller or lender would not be entitled to a deficiency judgment on repossessing the collateral, (a) the seller or lender may not repossess the collateral, and (b) the collateral is not subject to levy or sale on execution or similar proceedings pursuant to the judgment.

History: *1977 c 180 s 2; 1986 c 444; 1990 c 464 s 5; 2013 c 135 art 2 s 7*

CLUB CONTRACTS

325G.23 DEFINITIONS.

Subdivision 1. **Scope.** As used in sections 325G.23 to 325G.28, the terms defined in this section have the meanings given them.

Subd. 2. **Club.** "Club" means any health club, social referral club or buying club.

Subd. 3. **Contract.** "Contract" means any agreement by which one becomes a member of a club.

Subd. 4. **Health club.** "Health club" means any corporation, partnership, unincorporated association, or other business enterprise having the primary purpose of offering one or more facilities for instruction, training, encouragement, or assistance in physical fitness, in return for the payment of a fee entitling the member to the use of the facilities. The term does not include any nonprofit organizations, any private club owned and operated by its members, or any facility operated by the state or any of its political subdivisions.

Subd. 5. **Social referral club.** "Social referral club" means any corporation, partnership, unincorporated association or other business enterprise organized for profit with the primary purpose of matching members of the opposite sex, by the use of computer or any other means, to facilitate dating or general social contact.

Subd. 6. **Buying club.** "Buying club" means any corporation, partnership, unincorporated association or other business enterprise organized for profit with the primary purpose of providing benefits to members from the cooperative purchase of services or merchandise.

Subd. 7. **Member.** "Member" means a status by which any natural person is entitled to any of the benefits of a club.

Subd. 8. **Prepayment.** "Prepayment" means any payment over $50 for service or merchandise made before the service is rendered or the merchandise is received. The term "prepayment" includes, but is not limited to, the payment of any service fee, initiation fee, application fee, administrative fee, deposit fee, processing fee, enrollment fee, maintenance fee, or similar fee no matter how the fee is denominated. It is not a prepayment if a payment for service is made on the same day the service is rendered. Money received by a club from a financial institution upon assignment of a contract shall be considered prepayment when and to the extent the member is required to make prepayments to the financial institution pursuant to the contract.

Subd. 9. **Business day.** "Business day" means any day other than a Saturday, Sunday, or holiday as defined in section 645.44.

Subd. 10. **Outstanding liabilities.** "Outstanding liabilities" means the amount of prepayment actually received from club members less the amount of the prepayment as prorated over the duration of any contract for services rendered by the club.

History: *1974 c 418 s 1; 1987 c 367 s 1-3*

325G.24 RIGHT OF CANCELLATION.

Subdivision 1. **Right of cancellation.** (a) Any person who has elected to become a member of a club may unilaterally cancel such membership, in the person's exclusive discretion, by giving notice of cancellation at any time before midnight of the third business day following the date on which membership was attained.

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed and postage prepaid.

(c) Cancellation under this subdivision shall be without liability on the part of the member and the member shall be entitled to a refund, within ten days after notice of cancellation is given, of the entire consideration paid for the contract.

Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to become a member of a club may unilaterally terminate such membership, in the person's exclusive discretion, by giving notice of termination at any time.

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed, and postage prepaid.

(c) A club must not impose a termination fee or any other liability on the member for termination under this subdivision.

(d) Termination under this subdivision is effective at the end of the membership term in which the member provides the notice of termination. If membership is at-will without a defined membership term, then termination under this subdivision is effective no later than 30 days after the date of a verified consumer's notice of termination. If the member indicates a future effective date of termination beyond those set forth herein, the date indicated by the member is the effective date of termination.

(e) If a member provides notice of termination at any time before midnight of the third business day following the date on which membership was attained, the club must treat the notice as a notice of cancellation under subdivision 1, unless the member specifically provides for a future termination effective date.

Subd. 3. **Notice requirements.** (a) A club must accept a notice of cancellation or notice of termination that has been given:

(1) verbally, including but not limited to personally or over the telephone to customer or account service members;

(2) in writing, including but not limited to via mail, email, or an online message through the club's website directed to customer or account service members;

(3) through a termination election as described in section 325G.60; or

(4) in any other manner or medium by which the member initially accepted membership to the club and that is no more burdensome to the member than was the initial acceptance.

(b) The process to cancel must be stated clearly and be easily accessible and completed with ease.

Subd. 4. **No waiver.** A right of cancellation or right of termination under this section may not be waived or otherwise surrendered.

History: *1974 c 418 s 2; 2024 c 114 art 3 s 53; 1Sp2025 c 4 art 7 s 31*

325G.25 CONTRACT REGULATION.

Subdivision 1. **Form and content.** A copy of every contract shall be delivered to the member at the time the contract is signed. Every contract must be in writing, must be signed by the member, must designate the date on which the member signed the contract and must state, clearly and conspicuously in boldface type of a minimum size of 14 points, the following:

"MEMBERS' RIGHT TO CANCEL"

"If you wish to cancel this contract, you may cancel in-person, over the telephone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The notice must be provided to the club before midnight of the third business day after you sign this contract. If you cancel, the club will return, within ten days of the date on which you give notice of cancellation, any payments you have made."

"MEMBERS' RIGHT TO UNILATERAL TERMINATION"

"You may unilaterally terminate this contract in your exclusive discretion at any time. If you terminate, your membership will terminate at the end of the membership term in which you provided the club with notice of termination. If your membership is at-will without a defined membership term, then your membership will terminate immediately, unless you indicate a future effective date of termination. If you wish to terminate this contract, you may terminate in-person, over the telephone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The club may not impose a termination fee or any other liability on you for termination."

"NOTICE INFORMATION"

"If you wish to provide notice of cancellation or notice of termination to the club:

In-person or by mail, the applicable address is: [Insert name and mailing address of club];

Over the telephone, the applicable telephone number is: [Insert telephone number of club];

Via email, the applicable email address is: [Insert email address of club];

On the club's website, the applicable website address is: [Insert address, if applicable]."

Subd. 1a. MS 2022 [Repealed, 2024 c 114 art 3 s 104]

Subd. 2. **Failure to contain notice.** Every contract which does not contain the notice specified in this section may be canceled by the member at any time by giving notice of cancellation by any means.

History: *1974 c 418 s 3; 1975 c 357 s 1,2; 2024 c 114 art 3 s 54*

325G.26 LIMITATION ON MEMBERSHIP PERIOD.

No contract shall be valid for a term longer than 18 months from the date upon which the contract is signed. However, a club may allow a member to convert a contract into a contract for a period longer than 18 months after the member has been a member of the club for a period of at least six months. The duration of the contract shall be clearly and conspicuously disclosed in the contract in bold face type of a minimum size of 14 points.

History: *1974 c 418 s 4; 1986 c 444*

325G.27 REGISTRATION REQUIREMENTS, SURETY BOND REQUIREMENT, ALTERNATIVE SECURITY.

Subdivision 1. **Registration requirement.** (a) Every buying, health, or social referral club doing business in this state shall register with the attorney general and provide all information requested on forms the attorney general provides. The person shall furnish the full name and address of each business location where the club's memberships are sold as well as any other registration information the attorney general considers appropriate.

(b) Each registrant under this section shall pay a registration fee of $250 at the time of registration.

On September 1 of each year following the initial registration, each registrant shall pay a renewal fee of $150 to the attorney general.

(c) The attorney general may bring an action for mandamus against a club to require the club to register or to have and maintain the surety required by this section.

Subd. 2. **Surety bond requirement; alternative security.** (a) Every club shall maintain a surety bond issued by a surety company admitted to do business in this state in an amount not less than the aggregate value of outstanding liabilities to members as defined in section 325G.23, subdivision 10. In the case of a renewed lifetime contract, the outstanding liabilities shall be calculated on a prorated basis for not more than 36 months. A copy of the bond shall be filed with the attorney general.

(b) No club shall be required to file with the attorney general a bond, letter of credit, or cash in excess of $200,000, regardless of the number of facilities.

(c) The amount of the bond shall be based upon a financial statement covering the immediately preceding 12-month period of the club, and shall be executed under the penalty of perjury by any two duly constituted officers of the corporation, describing the club's outstanding liabilities to the members using generally accepted accounting principles.

The financial statement shall be submitted at the time of initial registration and updated at each renewal under subdivision 1.

(d) If a club's outstanding liabilities to the members exceed the amount of the bond, and the club has failed to increase the bond, then the club shall immediately stop selling club memberships and shall refrain from selling club memberships until the requirements of this subdivision have been satisfied.

(e) An irrevocable letter of credit in a form acceptable to the attorney general, or a cash deposit, may be filed with the attorney general instead of a surety bond where evidence is presented that a surety bond cannot be obtained.

(f) This subdivision does not apply to any club which files a declaration with the attorney general, executed under penalty of perjury by the owner or manager of such club, stating that the club does not require or in the ordinary course of business does not receive prepayment for services or merchandise.

Subd. 3. **Claims.** (a) A member of a club who suffers or sustains any loss of prepayments of membership fee by reason of the closing of a facility or bankruptcy by the seller of the club membership agreement shall file a claim with the surety and, if the claim is not paid, may bring an action based on the bond and recover against the surety. In the case of a letter of credit or cash deposit that has been filed with the attorney general, the member may file a claim with the attorney general.

(b) Any claim under paragraph (a) shall be filed no later than one year from the date on which the facility closed or bankruptcy was filed.

(c) The attorney general may file a claim with the surety on behalf of any member. The surety shall pay the amount of the claims to the attorney general for distribution to claimants entitled to restitution and shall be relieved of liability to that extent.

(d) The liability of the surety under any bond may not exceed the aggregate amount of the bond, regardless of the number or amount of claims filed.

(e) If the claims filed exceeds the amount of the surety bond, the surety shall pay the amount of the bond to the attorney general for distribution to claimants entitled to restitution and shall be relieved of all liability under the bond.

Subd. 4. **Registration and surety bond for planned facility or facility under construction.** (a) Each club that sells club memberships to be offered at a planned facility or a facility under construction shall:

(1) register under subdivision 1 before conducting sales activities; and

(2) maintain a surety bond, irrevocable letter of credit, or cash deposit filed with the attorney general, in an amount not less than $25,000 until the value of obligations to consumers exceeds that amount.

(b) Until the time a person opens a club facility, the amount of the surety shall be increased as necessary to take into account increases in the person's outstanding liabilities to the members with a final adjustment to be made at the time of opening.

(c) Upon opening the facility, the person is subject to subdivisions 1 to 3.

History: *1974 c 418 s 5; 1987 c 367 s 4*

325G.28 VIOLATIONS.

Subdivision 1. **Attorney general enforcement authority.** The attorney general shall investigate violations of sections 325G.23 to 325G.28. When the attorney general possesses information providing reasonable ground to believe that any person has violated or is about to violate any provision of sections 325G.23 to 325G.28, or that any club is insolvent the attorney general shall be entitled on behalf of the state (a) to sue for and have injunctive relief in any court of competent jurisdiction against any such violation or threatened violation without abridging the penalties provided by law; (b) to sue for and recover for the state, from any person who is found to have violated any provision of sections 325G.23 to 325G.28, a civil penalty, in an amount to be determined by the court, not in excess of $25,000; and in case the club has failed to maintain the bond required by sections 325G.23 to 325G.28, or is insolvent or in imminent danger of insolvency, to sue for and have an order appointing a receiver to wind up its affairs. All civil penalties recovered under this subdivision shall be deposited in the general fund of the state treasury.

Subd. 2. **Private remedies.** In addition to the remedies otherwise provided by law, any person injured by a violation of any of the provisions of sections 325G.23 to 325G.28, may bring a civil action and recover damages, together with costs and disbursements, including reasonable attorney's fees, and receive other equitable relief as determined by the court.

History: *1974 c 418 s 6; 1986 c 444*

CONSUMER CONTRACTS; PLAIN LANGUAGE REQUIREMENTS

325G.29 CITATION.

Sections 325G.29 to 325G.36 may be cited as the "Plain Language Contract Act."

History: *1981 c 274 s 1*

325G.30 DEFINITIONS.

Subdivision 1. **Terms.** As used in sections 325G.30 to 325G.36, the terms defined in this section have the meanings given them.

Subd. 2. **Consumer.** "Consumer" means any individual who, primarily for personal, family or household purposes: (1) gives consideration for an interest in any services or personal property, including money; (2) transfers or authorizes a security interest on any personal property; or (3) leases residential premises for a term not exceeding three years.

Subd. 3. **Consumer contract.** "Consumer contract" means any written contract with a consumer except: (1) a contract where the price, excluding interest or finance charges, is more than $50,000; (2) a contract through which a consumer mortgages an interest in realty or obtains money or credit to be used to purchase or refinance an interest in realty; (3) a contract in which the sale of personal property is merely incidental to the sale of an interest in realty; (4) a written agreement involving a transaction in securities with a broker-dealer or investment advisor registered with the Securities and Exchange Commission; or (5) a transaction in commodities with a futures commission merchant registered with the Commodities Futures Trading Commission.

History: *1981 c 274 s 2; 1983 c 216 art 2 s 7; 1983 c 288 s 4; 1984 c 414 s 1*

325G.31 PLAIN LANGUAGE REQUIRED.

Except as provided in section 325G.32, every consumer contract shall be written in a clear and coherent manner using words with common and everyday meanings and shall be appropriately divided and captioned by its various sections.

History: *1981 c 274 s 3*

325G.32 EXCEPTIONS.

Subdivision 1. **Other statutes or regulations.** Section 325G.31 does not apply to any consumer contract for which a federal or state statute, rule or regulation prescribes standards of readability applicable to the entire contract. Section 325G.31 does not apply to particular words, phrases, provisions or forms of agreement specifically required, recommended or endorsed by a state or federal statute, rule or regulation.

Subd. 2. **Customarily used technical terms.** A consumer contract may include technical terms to describe the services or property which are the subject of the contract, if the terms are customarily used by consumers in connection with the services or property.

History: *1981 c 274 s 4*

325G.33 REMEDIES.

Subdivision 1. **Enforcement authority.** Any violation of section 325G.31 is a violation of a law under section 8.31, subdivision 1. The remedies provided in section 8.31, subdivisions 3 and 3a, are limited as provided in section 325G.34.

Subd. 2. **Reformation.** In addition to the remedies provided in section 8.31, a court reviewing a consumer contract may reform or limit a provision so as to avoid an unfair result if it finds that:

(1) a material provision of the contract violates section 325G.31;

(2) the violation caused the consumer to be substantially confused about any of the rights, obligations or remedies of the contract; and

(3) the violation has caused or is likely to cause financial detriment to the consumer.

If the court reforms or limits a provision of a consumer contract, the court shall also make orders necessary to avoid unjust enrichment. Bringing a claim for relief pursuant to this subdivision does not entitle a consumer to withhold performance of an otherwise valid contractual obligation. No relief shall be granted pursuant to this subdivision unless the claim is brought before the obligations of the contract have been fully performed.

History: *1981 c 274 s 5*

325G.34 LIMITS ON REMEDIES.

Subdivision 1. **Penalties.** In any proceeding in which civil penalties are claimed from a party for a violation of section 325G.31, it is a defense to the claim that the party made a good faith and reasonable effort to comply with section 325G.31.

Subd. 2. **Attorney's fees.** A party who has made a good faith and reasonable effort to comply with section 325G.31 shall not be assessed attorney's fees or costs of investigation in an action for violating section 325G.31.

Subd. 3. **Class action attorney's fees.** In any class action or series of class actions which arise from the use by a person of a particular consumer contract found to violate section 325G.31, the amount of attorney's fees and costs of investigation assessed against that person and in favor of the consumer class or classes may not exceed $10,000.

Subd. 4. **Limits on consumer actions.** Violation of section 325G.31 is not a defense to a claim arising from a consumer's breach of a consumer contract or to an action for eviction. A consumer may recover actual damages caused by a violation of section 325G.31 only if the violation caused the consumer to be substantially confused about the rights, obligations or remedies of the contract.

Subd. 5. **Statute of limitations.** Any claim that a consumer contract violates section 325G.31 must be raised within six years of the date the contract is executed by the consumer.

History: *1981 c 274 s 6; 2003 c 2 art 2 s 3*

325G.35 REVIEW BY THE ATTORNEY GENERAL.

Subdivision 1. **Process of review.** Any seller, creditor or lessor may submit a consumer contract to the attorney general for review as to whether the contract complies with the requirements of section 325G.31. After reviewing the contract the attorney general shall: (1) certify that the contract complies with section 325G.31; (2) decline to certify that the contract complies with section 325G.31 and note objections to the contractual language; (3) decline to review the contract and refer the party submitting the contract to other previously certified contracts of the same type; (4) decline to review the contract because the contract's compliance with section 325G.31 is the subject of pending litigation; or (5) decline to review the contract because the contract is not subject to section 325G.31.

Subd. 2. **Process not reviewable.** Actions of the attorney general pursuant to subdivision 1 are not subject to chapter 14, and are not appealable.

Subd. 3. **Limited effect of certification.** Any consumer contract certified pursuant to subdivision 1 is deemed to comply with section 325G.31. Certification of a consumer contract pursuant to subdivision 1 is not otherwise an approval of the contract's legality or legal effect.

Subd. 4. **Review not required.** Failure to submit a contract to the attorney general for review pursuant to subdivision 1 does not show a lack of good faith nor does it raise a presumption that the contract violates section 325G.31. If pursuant to subdivision 1 the attorney general refers a party to a previously certified contract, that the party chooses not to use the contract does not show a lack of good faith nor does it raise a presumption that a contract used by that party violated section 325G.31.

Subd. 5. **Fee for review.** The attorney general may charge a fee, not to exceed $50, for the costs of reviewing a consumer contract pursuant to subdivision 1.

History: *1981 c 274 s 7; 1982 c 424 s 130; 1986 c 444*

325G.36 WAIVERS VOID.

Subdivision 1. **Consumer contract waivers.** Any provision of a consumer contract which waives or attempts to waive any provision of sections 325G.29 to 325G.36 is void.

Subd. 2. **Consumer credit transaction contract waivers.** Any provision of a consumer credit transaction contract which waives or attempts to waive any provision of section 325G.22 is void.

History: *1981 c 274 s 8; 1987 c 349 art 1 s 38*

325G.37 EFFECTIVE DATE.

Sections 325G.29 to 325G.34 and 325G.36 take effect on July 1, 1983. Section 325G.35 takes effect May 29, 1981. Sections 325G.29 to 325G.36 do not affect any consumer contract executed before July 1, 1983. A previously existing consumer contract renewed after July 1, 1983, is subject to sections 325G.29 to 325G.36. No provision for renewal of a consumer contract is invalid merely because compliance with sections 325G.29 to 325G.36 changes the form of the renewal agreement. For the purposes of this section periodic tenancies renew at the commencement of each rental period.

History: *1981 c 274 s 9*

CREDIT CARD DISCLOSURES

325G.40 CITATION.

Sections 325G.40 to 325G.47 may be cited as the "Credit Card Disclosure Act."

History: *1987 c 256 s 1*

325G.41 DEFINITIONS AND COMPUTATIONS.

Subdivision 1. **Generally.** Except as otherwise provided, the terms used in sections 325G.40 to 325G.47 have the meanings prescribed in Code of Federal Regulations, title 12, part 226. Except as otherwise provided, the computations required under sections 325G.40 to 325G.47 shall be made as provided in Code of Federal Regulations, title 12, part 226.

Subd. 2. **Credit card application.** "Credit card application" means any written form, document, or material distributed by or on behalf of a creditor and designed to be used by a consumer to request or accept the issuance of a credit card.

Subd. 3. **Creditor.** "Creditor" includes any credit card issuer that extends either open-end credit or credit that is not subject to a finance charge and is not payable in installments.

History: *1987 c 256 s 2*

325G.415 [Repealed, 2013 c 134 s 31]

325G.42 CREDIT CARD DISCLOSURES.

Subdivision 1. **Required disclosures.** A credit card application distributed in this state must disclose the following terms of the credit card plan, if applicable:

(1) Any periodic rate or rates that may be applied to the account, expressed as an annual percentage rate or rates. If the account is subject to a variable rate, the creditor may disclose the rate as of a specific date and indicate that the rate may vary, or may identify the index and any amount or percentage added to, or subtracted from, that index and used to determine the rate. For purposes of this section, the amount or percentage must be referred to as the "spread." If charges incurred by use of the credit card are due and payable upon receipt of a periodic statement of charges, then that fact must be disclosed.

(2) Any membership, participation, or similar fee that may be imposed as a condition of the issuance or renewal of a credit card, expressed as an annual amount.

(3) Any minimum, fixed, transaction, activity, or similar charge.

(4) Any other fees that may be charged to the account, including late payment fees and charges for exceeding credit limits.

(5) The date or occasion upon which the finance charge, if any, begins to accrue on a transaction.

Subd. 2. **Form of disclosures.** The disclosures required under this section shall be written in plain language, as defined in section 325G.31; shall be in boldface type of a minimum size of ten points; shall be clear and conspicuous; and shall be prominently set apart from the remaining portions of the credit card application or other written material, by the use of margins, enclosures, underlining, contrasting colors, or similar methods.

Subd. 3. **Optional disclosure chart.** A creditor need not present the disclosures required by subdivision 1 in any specific form other than as provided in subdivision 2. However, the disclosures are conclusively presumed to satisfy the requirements of subdivision 1 if the disclosures satisfy the requirements of subdivision 2 and are presented in a chart, substantially similar to the following description:

(1) The chart shall consist of contiguous boxes, and each required disclosure shall appear exclusively within one of the boxes.

(2) The first box shall contain the wording "ANNUAL PERCENTAGE RATE" if the creditor charges a fixed rate, or "VARIABLE RATE INDEX AND SPREAD," if appropriate, underneath which the creditor's rate will appear. If full payment is due upon receipt of a periodic statement of charges, then the first box shall state "Full payment due upon receipt of billing statement."

(3) The second box shall contain the wording "OTHER FEES" and shall disclose all other fees, including late payment penalties and any charges for exceeding the credit limit.

(4) The third box shall contain the wording "ANNUAL FEE," underneath which the appropriate information shall be disclosed.

(5) The fourth box shall contain the wording "TRANSACTION FEE," underneath which the appropriate information shall be disclosed.

(6) The fifth box shall contain the wording "FREE PERIOD" or "GRACE PERIOD," underneath which the appropriate information shall be disclosed. For example, "30 days," or "yes, if full payment is received by next billing date," or "yes, if full new balance is paid by due date."

Subd. 4. **Additional disclosures permitted.** Nothing in this section prohibits a creditor from disclosing additional terms, conditions, or information, whether or not relating to the disclosures required under this section, in conjunction with the disclosures required by this section.

Subd. 5. **Exception.** This section does not apply to any advertisement, catalogue, or other written document or material which does not contain a credit card application.

History: *1987 c 256 s 3*

325G.43 PENALTIES.

A person violating section 325G.42 is subject to the penalties provided in section 8.31.

History: *1987 c 256 s 4*

325G.44 DAMAGES.

A person injured by a violation of section 325G.42 may recover actual damages in an action other than a class action, together with costs and disbursements, including a reasonable attorney's fee, and receive other equitable relief as determined by the court.

History: *1987 c 256 s 5*

325G.45 FEDERAL LAW.

If a creditor becomes required by federal law to make disclosure of the terms required in section 325G.42 in connection with the distribution of a credit card application, then the creditor is considered to have complied with the requirements of section 325G.42 if the creditor complies with the federal disclosure requirement.

History: *1987 c 256 s 6*

325G.46 ALTERNATIVE COMPLIANCE.

In lieu of complying with section 325G.42, subdivision 2, a creditor, in connection with the distribution of a credit card application, may disclose the specific terms of section 325G.42 in compliance with Code of Federal Regulations, title 12, part 226.5.

History: *1987 c 256 s 7*

325G.47 NOTIFICATION OF ANNUAL FEE.

The customer must be notified of the amount of the annual fee, if any, and the date the fee is payable at least 30 days before the account is charged for the fee, and during that 30-day period the customer may cancel the open-end credit plan without penalty other than payment of any outstanding balance.

History: *1987 c 256 s 8*

MEMBERSHIP TRAVEL CONTRACTS

325G.50 MEMBERSHIP TRAVEL CONTRACTS; CANCELLATION.

Subdivision 1. **Definitions.** (a) For purposes of this section and sections 325G.501 and 325G.505, the following terms have the meanings given them:

(1) "Membership travel contract" or "contract" means an agreement offered or sold in this state evidencing a buyer's right to make travel arrangements from or through a membership travel operator and includes a membership that provides for this use.

(2) "Membership travel operator" means a person offering or selling membership travel contracts paid for by a fee or periodic payments.

(3) "Travel arrangements" means travel reservations or accommodations, tickets for domestic or foreign travel by air, rail, ship, bus, or other medium of transportation, or hotel or other lodging accommodations for members.

(4) "Date of consummation of service" means the date on which the buyer of the contract is provided with all materials necessary to allow the buyer to make travel arrangements that are the subject of the contract and is provided all materials explaining the buyer's rights, obligations, benefits, and restrictions under the membership travel contract.

(5) "Gift" means a prize, award, rebate, bonus, coupon, credit, voucher, or other item of value offered or provided to a consumer as part of the solicitation to purchase a membership travel contract.

(b) The definitions in paragraph (a) do not apply to the offer, sale, exchange, or other use of a timeshare interest, as defined in section 83.20, subdivision 13.

Subd. 2. **Buyer's right to cancel.** In addition to other rights the buyer may have, the buyer may cancel a membership travel contract until midnight of the tenth business day after the date of consummation of service for the contract.

To be effective, a notice of cancellation must be given by the buyer in writing to the membership travel operator at the operator's address. This address must be included in the membership travel contract. The notice, if given by mail, is effective upon deposit in a mailbox, properly addressed to the operator and postage prepaid. The notice is sufficient if it shows, by any form of written expression, the buyer's intention not to be bound by the membership travel contract.

Cancellation is without liability on the part of the buyer and the buyer is entitled to a refund, within ten days after notice of cancellation is given, of the entire consideration paid for the contract. Rights of cancellation may not be waived or otherwise surrendered.

Subd. 3. **Written notice to members.** A copy of the contract must be delivered to the buyer at the time the contract is signed. The contract must be in writing, must be signed by the buyer, must designate the date on which the buyer signed the contract, and must state, clearly and conspicuously, in boldface type of a minimum size of 14 points immediately adjacent to the buyer's signature, the following:

"MEMBERS' RIGHT TO CANCEL

If you wish to cancel this contract, you may cancel by delivering or mailing a written notice to the membership travel operator. The notice must say that you do not wish to be bound by the contract and must be delivered or mailed before midnight of the tenth business day after you sign this contract. The notice must be delivered or mailed to: (Insert name and mailing address of membership travel operator). If you cancel, the membership travel operator will return, within ten days of the date on which you give notice of cancellation, any payments you have made. Your right to cancel continues until midnight of the tenth business day after the day on which you are provided with all materials necessary to allow you to make travel arrangements and all materials that explain your rights, obligations, benefits, and restrictions under the contract."

Subd. 3a. **Oral notice to members.** At the time the contract is signed by the buyer, the membership travel operator shall orally inform the buyer of the buyer's right to cancel the contract described in subdivision 2.

Subd. 4. **Cancellation at any time.** (a) A contract which does not contain the notice specified in subdivision 3 may be canceled by the buyer at any time by giving notice of cancellation by any means.

(b) If the oral notice required by subdivision 3a has not been given to the buyer at the time the contract was signed, the buyer may cancel the contract at any time by giving notice of cancellation by any means.

(c) If the buyer has a continuing right to cancel under this subdivision, the membership travel operator, or any affiliate or successor to the membership travel operator, shall not solicit the buyer to enter into a new contract, unless before the solicitation, the membership travel operator provides the following:

(1) at the same time as the initial written solicitation to enter a new contract, a written notice on a separate sheet of paper that in boldface type of a minimum size of 14 points states the following:

"RIGHT TO CANCEL

You have the right to cancel the contract that you previously entered with (name of membership travel operator). If you cancel the contract with (name of membership travel operator), you have the right to receive

a refund of all money paid for the contract. You also will not be required to make any further payments under that contract.

This is an attempt to solicit you to enter a new contract.

If you would like more information concerning Minnesota laws governing membership travel contracts, please contact the Minnesota Attorney General's Office at (the Minnesota Attorney General's Office address and telephone number)."; and

(2) at the same time as the initial oral solicitation to enter a new contract, an oral notice that clearly reiterates the statement contained in clause (1).

The attorney general shall provide a number for insertion into this notice on request of the membership travel operator.

History: *1990 c 411 s 1; 2003 c 125 s 1; 2005 c 70 s 1*

325G.501 MEMBERSHIP TRAVEL CONTRACTS SOLICITATION GIFT OFFERS.

No membership travel operator shall offer a gift, either directly or indirectly, to a person in Minnesota unless the membership travel operator clearly discloses the following information at the same time and in the same manner and prominence as the offer of the gift:

(1) the true name or names of the travel club operator and the address of the travel club operator's principal place of business;

(2) the estimated retail value of the gift, which must not be more than twice the direct cost to the membership travel operator for the gift;

(3) any requirement that the person receiving the notice pay taxes, refundable or nonrefundable deposits, or any other charges to obtain or use a gift, including the nature and amount of the charges;

(4) if receipt of the gift is subject to a requirement that the person attend a meeting with the travel club operator for the purpose of soliciting the person to enter into a membership travel contract, a statement that the requirement applies, a description of the membership travel contract the membership travel operator wishes to sell, the approximate length of the meeting, and the requested price for the membership travel contract;

(5) any limitations on eligibility to receive the gift; and

(6) if use of the gift is subject to any restrictions, including, but not limited to, travel restrictions, a statement that a restriction applies, and a detailed description of the restriction.

History: *2005 c 70 s 2*

325G.505 MEMBERSHIP TRAVEL CONTRACTS IN EXCESS OF $500.

Subdivision 1. **Scope.** This section applies to a membership travel operator who offers or sells membership travel contracts when the cost of the membership travel contract to the consumer is $500 or more. This section does not apply to a membership travel club that offers travel benefits solely for motor vehicle use.

Subd. 2. **Public offering statement.** A membership travel operator shall prepare and distribute to any prospective purchaser, before a membership travel contract is executed by the prospective purchaser, a public offering statement that clearly and prominently discloses the following:

(1) the name and principal address of the membership travel operator;

(2) the length of time that the membership travel operator has been in business and the length of time that the membership travel operator has been selling in Minnesota and the length of time that the membership travel operator has been selling in states other than Minnesota, membership travel contracts substantially similar to the membership travel contracts offered to the prospective purchaser;

(3) the percentage of Minnesota purchasers of membership travel contracts during the previous two years who exercised their right to cancel, requested a refund, or made a complaint, based on the information kept pursuant to subdivision 4, or if the travel club has been operating in Minnesota for less than two years, the number of membership travel contracts that have been sold in Minnesota and the number of these customers who have exercised their right to cancel, requested a refund, or made a complaint as required to be recorded in subdivision 4;

(4) to the extent applicable to either the membership travel operator, or any parent or controlling entity of the membership travel operator, or any executive, partner, director, or owner of a 20 percent or more interest in the membership travel operator or in any parent or controlling entity of the membership travel operator, or any other membership travel operator in this or any other state which has an executive, partner, director, or owner of a 20 percent or more interest in common with the membership travel operator or in any parent or controlling entity of the membership travel operator, the existence and nature of the following types of legal actions:

(i) any indictment, conviction, judgment, decree, assurance of discontinuance or similar settlement document, or order of any court or administrative agency for, or pending lawsuit alleging, violation of a federal or state law or regulation in connection with activities relating to the rendition of travel services or involving any criminal law or involving any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law; or

(ii) any unsatisfied judgments or bankruptcy filing; and

(5) if the membership travel operator uses a third-party travel agent or membership travel operator to make travel arrangements provided for in the contract, the name, physical and Internet address, and telephone number of the third party or parties, and a statement of the services provided by the third party or parties that can be purchased directly from the third party or parties.

Subd. 3. **Oral disclosures.** A membership travel operator shall orally disclose to any prospective purchaser, before a membership travel contract is executed by the prospective purchaser, the information in the public offering statement as required in subdivision 2, and whether the membership travel operator uses a third-party travel agent or membership travel operator to make travel arrangements provided for in the contract.

Subd. 4. **Complaint record keeping.** A membership travel operator shall keep written records of all buyers of a membership travel contract who either exercised their right to cancel, requested, in writing or orally, a partial or full refund of the price paid for the contract, or made a written or oral complaint about their purchase of the contract, the solicitation for the contract, or any aspect of the membership travel contract sale or service.

Subd. 5. **Failure to provide disclosures.** The right to cancel provided under section 325G.50 shall continue until ten business days after the disclosures required under this section are fully provided to the purchaser.

History: *2003 c 125 s 2; 2005 c 70 s 3*

325G.51 PENALTIES; REMEDIES.

A person who violates sections 325G.50 to 325G.505 is subject to the penalties and remedies provided in section 8.31. The relief provided in this subdivision is in addition to remedies or penalties otherwise provided by law.

History: *1990 c 411 s 2; 2003 c 125 s 3; 2005 c 70 s 4*

TELEMARKETING FRAUD; CONSUMER EDUCATION

325G.52 CONSUMER EDUCATION; TELEMARKETING FRAUD.

Subdivision 1. **Establishment.** The attorney general shall establish an outreach advocacy network to educate citizens of the state with respect to telemarketing fraud.

Subd. 2. **Duties.** The advocacy network shall:

(1) conduct clinics and seminars throughout the state to educate consumers with respect to telemarketing fraud, including providing an explanation of rights under federal and state law, and recommending effective strategies to combat fraud, with particular emphasis placed on educating consumers in greater Minnesota and isolated areas of the state where victims may be targeted;

(2) facilitate outreach to groups particularly susceptible to telemarketing fraud by training advocates for senior citizens and other consumer groups to conduct clinics and seminars in their communities;

(3) prepare and publish informational brochures on telemarketing fraud for distribution to consumers;

(4) serve as an information clearinghouse within the state to assist consumers and others to obtain information with respect to current fraudulent telemarketing activity in the state;

(5) serve as a resource and provide assistance to local prosecutors and law enforcement; and

(6) identify those occupations in which persons may be in a good position to spot telemarketing fraud and develop specialized training programs for those persons.

History: *1998 c 366 s 69*

GIFT CERTIFICATES

325G.53 GIFT CERTIFICATES.

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Gift certificate" means a tangible record evidencing a promise, made for consideration, by the seller or issuer of the record that goods or services will be provided to the owner of the record to the value shown in the record and includes, but is not limited to, a gift card, stored-value card, store card, or a similar record or card that contains a microprocessor chip, magnetic stripe, or other means for the storage of information, and for which the value is decreased upon each use.

(b) "Affiliate" of another entity means any entity directly controlling, controlled by, or under common control with the other entity.

Subd. 2. **Prohibitions.** It is unlawful for any person or entity to sell a gift certificate that is subject to an expiration date or a service fee of any kind, including, but not limited to, a service fee for dormancy.

Subd. 3. **Nonapplication.** The provisions of this section shall not apply to gift certificates:

(1) distributed to a consumer for loyalty, promotional, award, incentive, rebate, or other similar purposes without any money or other tangible thing of value being given by the consumer in exchange for the gift certificate or gift card;

(2) that are sold below face value or at a volume discount to employers or to nonprofit and charitable organizations for fundraising purposes;

(3) that are debit cards or other legal access devices used to access a deposit account and that are subject to the federal disclosure rules in the Electronic Fund Transfer Act, United States Code, title 15, section 1693, et seq., and its implementing Regulation E, as amended from time to time;

(4) issued by an employer to an employee in recognition of services performed by the employee;

(5) issued by a federally chartered or state-chartered bank, bank and trust, savings bank, savings association, or credit union, or by an operating subsidiary or other affiliate of any of them, and that can be used at multiple sellers of goods and services, provided that the issuer discloses any expiration date and fee associated with the gift certificate; or

(6) that are prepaid calling cards used to make wireline or wireless calls.

Subd. 4. **Remedies.** The remedies of section 8.31 apply to violations of this section.

History: *2007 c 93 s 1*

CANCELLATION OF CERTAIN CONTRACTS BY MILITARY

325G.54 CANCELLATION WITHOUT PENALTY OF WIRELESS CONTRACTS BY MILITARY SERVICE PERSONNEL.

Subdivision 1. **Authority.** Any service member who has been issued orders into active duty, for deployment, or for a permanent change of duty station, or the spouse of the service member, may terminate, without penalty, a wireless service contract, or some portion of it, that is executed by or on behalf of the service member or by the spouse of that service member.

Subd. 2. **When effective.** Termination of the wireless service contract is not effective until 30 days after the service member or the service member's spouse gives notice by certified mail, return receipt requested, of the intention to terminate the wireless service contract or part of it, and provides a copy of the service member's order for activation, deployment, or change of duty station.

Subd. 3. **Enforcement.** This section may be enforced by the attorney general pursuant to section 8.31.

History: *2007 c 111 s 2*

325G.55 CANCELLATION WITHOUT PENALTY OF RENTAL, CLUB, SERVICE, AND MEMBERSHIP TRAVEL CONTRACTS BY MILITARY SERVICE PERSONNEL.

Subdivision 1. **Application.** This section applies to any rental contracts, club contracts under section 325G.23, service contracts, and membership travel contracts under section 325G.50 in which:

(1) such a contract was executed by or on the behalf of a person who, after the execution of the contract, was issued orders into active duty, for deployment, or for a permanent change of duty station; and

(2) where as a result of the orders it is impractical for the person to enjoy the benefits of the contract.

Subd. 2. **Authority.** A service member who enters into a rental, club, membership travel, or service contract, and who is issued orders into active duty, for deployment, or for a permanent change of duty station, subsequent to the execution of the contract, is entitled to cancel the contract at no penalty and with a full refund of any money which may have been placed on deposit where the service member's military activation, deployment, or change in duty station causes it to be impractical for the service member to abide by the terms and conditions of the contract. For purposes of this section, "service contract" includes those for services such as television, computer, Internet service, or any other type of service.

Subd. 3. **Notice.** Any such contract may be terminated by notice in writing sent to the contractor by the person issued orders for active duty, for deployment, or for a permanent change of duty station, canceling the service member's rental, club, or membership travel contract. The notice must include a copy of the orders in question. Delivery of the notice must be made by certified mail addressed to the contractor. The termination of the contract is effective the day following receipt of proper notice as described in this subdivision.

Subd. 4. **Enforcement.** This section may be enforced by the attorney general pursuant to section 8.31.

History: *2007 c 111 s 3*

AUTOMATIC RENEWALS OR CONTINUOUS SERVICE

325G.56 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 325G.56 to 325G.62, the terms defined in this section have the meanings given them.

Subd. 2. **Automatic renewal.** "Automatic renewal" means a plan or arrangement in which a subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term.

Subd. 3. **Clear and conspicuous.** "Clear and conspicuous" means in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that calls attention to the language. In the case of an audio disclosure, "clear and conspicuous" means in a volume and cadence sufficient to be readily audible and understandable.

Subd. 4. **Consumer.** "Consumer" means any individual who seeks or acquires, by purchase or lease, any goods, services, money, or credit for personal, family, or household purposes. Consumer includes but is not limited to a member as defined in section 325G.23, unless the context clearly indicates otherwise.

Subd. 5. **Continuous service.** "Continuous service" means a plan or arrangement in which a subscription or purchasing agreement continues until the consumer terminates the agreement.

Subd. 6. **Indefinite subscription agreement.** "Indefinite subscription agreement" means a subscription or purchasing agreement:

(1) between a seller and a consumer in Minnesota; and

(2) subject to automatic renewal or continuous service.

Indefinite subscription agreements include but are not limited to contracts, as defined in section 325G.23, subject to automatic renewal or continuous service.

Subd. 7. **Offer terms.** "Offer terms" means the following disclosures:

(1) that the indefinite subscription agreement will continue until the consumer terminates the agreement;

(2) the description of the cancellation policy that applies to the indefinite subscription agreement;

(3) the recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the plan or arrangement and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known;

(4) the length of the automatic renewal term or that the service is continuous, unless the length of the term is definite and chosen by the consumer; and

(5) the minimum purchase obligation, if any.

Subd. 8. **Seller.** "Seller" means a seller, lessor, licensor, or professional who advertises, solicits, or engages in consumer transactions, or a manufacturer, distributor, or licensor who advertises and sells, leases, or licenses goods or services to be resold, leased, or sublicensed by other persons in consumer transactions. Seller includes but is not limited to a club as defined in section 325G.23, unless the context clearly indicates otherwise.

History: *2024 c 114 art 3 s 55*

325G.57 REQUIREMENTS FOR AUTOMATIC RENEWAL OR CONTINUOUS SERVICE.

Subdivision 1. **Notices upon offer.** A seller making an offer for an indefinite subscription agreement must, before the consumer accepts the offer, present the offer terms in a clear and conspicuous manner to the consumer and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to the offer's proposal.

Subd. 2. **Confirmation upon consumer consent.** A seller making an offer for an indefinite subscription agreement must, in a timely manner after the consumer accepts the offer, provide the consumer with confirmation of the consumer's acceptance of the offer, in a manner that is capable of being retained by the consumer, that includes the following:

(1) the offer terms;

(2) if the offer includes a free trial, information on how to cancel the free trial before the consumer pays or becomes obligated to pay for any goods or services in connection with the free trial; and

(3) options for termination of the indefinite subscription agreement, which options must be easy to use, cost-effective, and timely for all consumers:

(i) if a seller makes offers for an indefinite subscription agreement through an online website, a termination election as set forth in section 325G.60; and

(ii) if a consumer enters into the indefinite subscription agreement through any means other than a toll-free telephone number, an email address, or a postal address, then an option substantially similar to, as easy to use, and as accessible as the initial means of consumer acceptance of the agreement.

A communication of the required information through email is sufficient to meet the requirements of this subdivision.

Subd. 3. **Material changes.** Upon a material change in the terms of the indefinite subscription agreement, the seller must provide to the consumer in a timely manner, and in any case prior to the implementation of the material change, a clear and conspicuous notice of the material change and provide information regarding how to terminate the agreement in a manner that is capable of being retained by the consumer. A material change in the terms of an indefinite subscription agreement in violation of this subdivision is void and unenforceable.

Subd. 4. **Free trials.** A seller making an offer for an indefinite subscription agreement that includes a free trial lasting more than 30 days must, no fewer than five days and no more than 30 days before the end of any such free trial, notify the consumer of the consumer's option to cancel the free trial before the end of the trial period to avoid an obligation to pay for the goods or services.

Subd. 5. **Periodic notice of continuous service.** (a) If an indefinite subscription agreement is subject to continuous service, the seller must give the consumer written notice of the continuous service at least once per calendar year via mail or email.

(b) The notice required under this subdivision must include the terms of the service and how to terminate or manage the service.

History: *2024 c 114 art 3 s 56*

325G.58 PROHIBITED CONDUCT.

Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means an indefinite subscription agreement, as defined in section 325G.56, and a contract, as defined in section 325G.23.

Subd. 2. **Charges prior to effective date.** A seller must not charge the consumer's credit or debit card or the consumer's account with a third party in connection with an agreement before the agreement has been duly authorized by the seller and consumer and made effective.

Subd. 3. **Right of first refusal.** An agreement must not require the consumer to permit the seller to match any offer the consumer has received. A provision in an agreement that violates this subdivision is void and unenforceable.

Subd. 4. **No abusive tactics or offers upon notice.** (a) A seller that has received a notice of cancellation or notice of termination of an agreement from a consumer cannot:

(1) make any misrepresentation or undertake any unfair or abusive tactic to delay, unreasonably delay, or avoid the cancellation or termination of the agreement; or

(2) make or provide additional benefits, contract modifications, gifts, or similar offers to the consumer until the seller has obtained permission from the consumer, granted by the consumer after notice of cancellation or termination was given to the seller, for the seller to engage in any such activity.

(b) A seller can only seek a consumer's permission under this paragraph once per cancellation or termination attempt. A consumer's grant of permission under this paragraph is limited to the immediate cancellation or termination attempt and does not apply to subsequent attempts.

Subd. 5. **Exceptions.** This section does not prohibit a seller from:

(1) asking the consumer the reasons for cancellation or termination, provided that a consumer is not required to answer as a condition of cancellation or termination;

(2) informing the consumer of any consequences of canceling or terminating the subscription;

(3) verifying the identity of the consumer; or

(4) describing options to maintain an ongoing relationship with the seller, including but not limited to for downgrading, pausing, or suspending the subscription.

History: *2024 c 114 art 3 s 57*

325G.59 CONSUMER'S RIGHT TO TERMINATE.

Subdivision 1. **Termination of agreement subject to automatic renewal.** A consumer may terminate an indefinite subscription agreement subject to automatic renewal at any time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision is effective at the end of the term in which notice of termination is provided by the consumer, unless the consumer specifies a termination date occurring at the end of a subsequent term, in which event the termination is effective as of the date specified by the consumer, if the option is available.

Subd. 2. **Termination of agreement subject to continuous service.** (a) A consumer may terminate an indefinite subscription agreement subject to continuous service at any time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision must take effect no later than 31 days from the date of a verified consumer's notice of termination unless the consumer specifies a future termination date, in which event the termination is effective as of such date.

(b) This subdivision does not require a seller to provide an option to set a future termination date.

Subd. 3. **Termination in absence of confirmation or notice.** If the seller fails to provide either the confirmation required under section 325G.57, subdivision 2, or a notice required by section 325G.57, subdivision 5, the consumer may terminate the indefinite subscription agreement by any reasonable means at any time, including but not limited to by mail, email, telephone, an online option, a termination election under section 325G.60, or the means by which the consumer entered into the agreement, at no cost to the consumer.

History: *2024 c 114 art 3 s 58*

325G.60 TERMINATION ELECTION REQUIREMENT.

Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means an indefinite subscription agreement, as defined in section 325G.56, and a contract, as defined in section 325G.23.

Subd. 2. **Termination election required.** (a) If a seller has a website with profile or subscription management capabilities, then such website must include a termination election on the website. The termination election must be clear and conspicuous on the website and must use plain language to convey that any consumer may use the termination election to terminate the agreement at any time. The termination election must only require a consumer to input information that is necessary to process the termination. The termination election must include a checkbox, submission button, or similarly common and simple mechanism for the member to indicate a desire to terminate the agreement.

(b) For purposes of this section, "termination election" means a simple and easily accessible means for a consumer to quickly provide notice of termination, and that does not include undue complexity, confusion, or misrepresentation by the seller.

History: *2024 c 114 art 3 s 59*

325G.61 UNCONDITIONAL GIFTS.

Any good, including but not limited to any ware, merchandise, or product, is an unconditional gift to the consumer if a seller sends the good under an indefinite subscription agreement without first obtaining the consumer's affirmative consent to the agreement in accordance with section 325G.57. The consumer may use or dispose of the good in any manner without any obligation to the seller, including but not limited to any obligation relating to shipping of the good.

History: *2024 c 114 art 3 s 60*

325G.62 EXEMPTION.

Sections 325G.56 to 325G.61 do not apply to:

(1) contracts governed by another state or federal statute or regulation specifically intended to regulate automatic renewal or continuous service;

(2) any licensee as defined in section 60A.985, subdivision 8, and any affiliate of such a licensee as defined in section 60D.15, subdivision 2;

(3) an individual or business licensed by the Department of Labor and Industry as a technology system contractor or power limited technician as defined in section 326B.31;

(4) any service provided by a business or its affiliate where either the business or its affiliate is licensed or regulated by the Public Utilities Commission, the Federal Communications Commission, or the Federal Energy Regulatory Commission; or

(5) any person or entity registered or licensed with the Financial Industry Regulatory Authority, the Securities and Exchange Commission, or under the Minnesota Securities Act.

History: *2024 c 114 art 3 s 61*

325G.63 ENFORCEMENT.

A seller is not subject to civil penalties if the seller has made a good faith effort to comply with each applicable provision of sections 325G.56 to 325G.61.

History: *2024 c 114 art 3 s 62*