

Upon application by the complaining party to the district court at a special term and under circumstances the court deems just, the court may appoint an attorney for the person and may authorize the commencement of the action without payment of fees, costs, or security.

Upon timely application, the court may permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Sec. 9. Minnesota Statutes 1982, section 363.14, subdivision 2, is amended to read:

Subd. 2. **DISTRICT COURT JURISDICTION.** Any action brought pursuant to this section shall be filed in the district court of the county wherein the unlawful discriminatory practice is alleged to have been committed or where the respondent resides or has his principal place of business.

Any action brought pursuant to this chapter shall be heard and determined by a judge sitting without a jury.

If the court finds that the respondent has engaged in an unfair discriminatory practice, it shall issue an order directing such appropriate relief as it deems appropriate and which effectuates the purpose of this chapter. Such relief shall be limited to that permitted as provided by section 363.071, subdivision 2.

Sec. 10. **EFFECTIVE DATE; APPLICATION.**

Sections 1 to 9 are effective August 1, 1984. Section 4 applies only to causes of action arising after the effective date of this act.

Approved April 26, 1984

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**CHAPTER 568 — S.F.No. 1859**

*An act relating to commerce; requiring insurance for motor vehicle service contracts; requiring motor vehicle service contract providers to file certain forms; prohibiting the issuance of motor vehicle service contracts in certain circumstances; authorizing the commissioner of commerce to adopt rules; proposing new law coded in Minnesota Statutes, chapter 65B.*

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

Section 1. **[65B.29] MOTOR VEHICLE SERVICE CONTRACTS.**

Subdivision 1. DEFINITIONS. For the purposes of this section, the following terms have the meanings given them:

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

(1) “Motor vehicle service contract” or “service contract” means a contract or agreement given for consideration over and above the lease or purchase price of a motor vehicle that undertakes to perform or provide repair or replacement service, or indemnification for that service, for the operational or structural failure of a motor vehicle due to defect in materials or workmanship or normal wear and tear, but does not include mechanical breakdown insurance.

(2) “Motor vehicle service contract provider” or “provider” means a person who issues, makes, provides, sells, or offers to sell a motor vehicle service contract.

(3) “Commissioner” means the commissioner of commerce.

(4) “Department” means the department of commerce.

(5) “Mechanical breakdown insurance” means a policy, contract, or agreement that undertakes to perform or provide repair or replacement service, or indemnification for that service, for the operational or structural failure of a motor vehicle due to defect in materials or workmanship or normal wear and tear, and that is issued by an insurance company authorized ± to do business in this state.

(6) “Motor vehicle service contract reimbursement insurance policy” or “reimbursement insurance policy” means a policy of insurance providing coverage for all obligations and liabilities incurred by a motor vehicle service contract provider under the terms of motor vehicle service contracts issued by the provider.

(7) “Motor vehicle” means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle but does not include snowmobiles and manufactured homes.

(8) “Service contract holder” means a person who purchases a motor vehicle service contract.

(9) “Motor vehicle service contract administrator” means a person who provides administrative services to motor vehicle service contract providers, including but not limited to: issuing a motor vehicle service contract; reviewing or settling losses arising under the contract; providing or recommending the written contract or form for a contract; providing or recommending advertising or promotional materials.

**Subd. 2. INSURANCE REQUIRED.** No motor vehicle service contract may be issued, sold, or offered for sale in this state unless the provider of the service contract is insured under a motor vehicle service contract reimbursement insurance policy issued by an insurer authorized to do business in this state.

**Subd. 3. FILING REQUIREMENTS.** No motor vehicle service contract may be issued, sold, or offered for sale in this state unless a true and correct

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copy of the service contract and the provider's reimbursement insurance policy have been filed with the commissioner.

**Subd. 4. DISCLOSURE TO PROVIDER.** No motor vehicle service contract reimbursement insurance policy may be issued, sold, or offered for sale in this state unless the reimbursement insurance policy conspicuously states that the issuer of the policy will pay on behalf of the provider all sums which the provider is legally obligated to pay in the performance of its contractual obligations under the motor vehicle service contracts issued or sold by the provider.

**Subd. 5. DISCLOSURE TO SERVICE CONTRACT HOLDERS.** No motor vehicle service contract may be issued, sold, or offered for sale in this state unless the contract conspicuously states that the obligations of the provider to the service contract holder are guaranteed under the service contract reimbursement policy, and unless the contract conspicuously states the name and address of the issuer of the reimbursement policy.

**Subd. 6. COMMISSIONER MAY PROHIBIT CERTAIN SALES.** The commissioner must, upon giving a ten-day notice to a motor vehicle service contract provider, issue an order instructing the provider to cease and desist from selling or offering for sale motor vehicle service contracts if the commissioner determines that the provider has failed to comply with a provision of this section. The commissioner must, upon giving a ten-day notice to an insurance company, issue an order instructing the insurer to cease and desist from selling or offering for sale motor vehicle service contract reimbursement insurance policies if the commissioner determines that the insurer has failed to comply with a provision of this section.

**Subd. 7. RULES.** The commissioner may adopt rules in the manner prescribed by chapter 14 to administer and enforce the provisions of this section and to establish minimum standards for disclosure of motor vehicle service contract coverage limitations and exclusions.

**Subd. 8. INAPPLICABLE.** This section does not apply to motor vehicle service contracts issued by a motor vehicle manufacturer, distributor or importer.

**Sec. 2. EFFECTIVE DATE.**

Section 1, subdivision 7, is effective the day following final enactment. Service contract providers and issuers of reimbursement policies shall have until January 1, 1985, to comply with section 1, subdivisions 4 and 5.

Approved April 26, 1984

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