

(i) serve as a fiscal agent to disburse appropriations for regional arts councils throughout the state.

Subd. 2. In performing the duties under subdivision 1, the board shall insofar as reasonably possible:

(a) avoid any actions which infringe on the freedom of artistic expression or which interfere with programs in the state which relate to the arts but which do not involve board assistance;

(b) distribute board assistance equitably according to population throughout the geographical regions of the state;

(c) give special consideration to requests for assistance for the creation or performance of types or variations of the arts which have yet to receive the level of general support and assistance given to the more established types or variations of the arts;

(d) distribute appropriations to regional arts councils upon receipt of the biennial plan or, in even-numbered years, the annual plan update. These plans are not subject to modification by the board. The annual report from the previous year must be on file at the board before distribution of appropriations to a regional arts council.

Subd. 3. The board shall be responsible for the administration of the professional touring program.

Subd. 4. The board shall develop and implement a comprehensive state-wide information and publicity system. In its report required under section 139.08, subdivision 5, the board shall summarize its activities pursuant to this subdivision.

Approved April 18, 1988

---

CHAPTER 561—S.F.No. 2347

*An act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; regulating burglar alarm franchises; amending Minnesota Statutes 1986, section 80C.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80C.*

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

Section 1. Minnesota Statutes 1986, section 80C.01, subdivision 4, is amended to read:

Subd. 4. "Franchise" means (a) a contract or agreement, either express or

New language is indicated by underline, deletions by ~~strikeout~~.

implied, whether oral or written, for a definite or indefinite period, between two or more persons:

(1) by which a franchisee is granted the right to engage in the business of offering or distributing goods or services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics;

(2) in which the franchisor and franchisee have a community of interest in the marketing of goods or services at wholesale, retail, by lease, agreement, or otherwise; and

(3) for which the franchisee pays, directly or indirectly, a franchise fee; or

(b) a contract, lease, or other agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons, whereby the franchisee is granted the right to market motor vehicle fuel; or

(c) the sale or lease of any products, equipment, chattels, supplies, or services to the purchaser, other than the sale of sales demonstration equipment, materials or samples for a total price of \$500 or less to any one person, for the purpose of enabling the purchaser to start a business and in which the seller:

(1) represents that the seller, lessor, or an affiliate thereof will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or similar devices, or currency operated amusement machines or devices, on premises neither owned or leased by the purchaser or seller; or

(2) represents that the seller will purchase any or all products made, produced, fabricated, grown, bred, or modified by the purchaser using, in whole or in part, the supplies, services, or chattels sold to the purchaser; or

(3) guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller; or

(d) an oral or written contract or agreement, either expressed or implied, for a definite or indefinite period, between two or more persons, under which a manufacturer, selling security systems through dealers or distributors in this state, requires regular payments from the distributor or dealer as royalties or residuals for products purchased and paid for by the dealer or distributor.

(e) "Franchise" does not include any business which is operated under a lease or license on the premises of the lessor or licensor as long as such business is incidental to the business conducted by the lessor or licensor on such premises, including, without limitation, leased departments, licensed departments, and concessions.

(e) (f) "Franchise" does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in paragraph (b).

New language is indicated by underline, deletions by ~~strikeout~~.

(4) (g) "Franchise" does not include a contract, lease or other agreement between a new motor vehicle manufacturer, distributor, or factory branch and a franchisee whereby the franchisee is granted the right to market automobiles, motorcycles, trucks, truck tractors, or self-propelled motor homes or campers if the foregoing are designed primarily for the transportation of persons or property on public highways.

## Sec. 2. [80C.30] BURGLAR ALARM FRANCHISES.

A manufacturer of a burglar alarm product having been sold to a distributor in this state for at least five years may establish itself as a franchisor as provided in this section. Such franchisor may require a distributor to begin paying an annual franchise fee and/or a sign up fee for operations within this state provided the manufacturer gives an existing nonfranchised distributor ten years notice of intent to establish a franchisor/franchisee relationship and grants an automatic extension of the existing distributor contractual arrangement during the notice period. The manufacturer may not establish any business in this state in competition with the distributor during the notice period. A manufacturer terminating an existing burglar alarm distributor contract in this state must wait ten years before opening a distributorship in this state.

Approved April 18, 1988

## CHAPTER 562—S.F.No. 2456

*An act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.*

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

### Section 1. ENERGY POLICY FOR LOW-INCOME MINNESOTANS ADVISORY TASK FORCE.

Subdivision 1. MEMBERSHIP. There is a task force on energy policy for low-income Minnesotans consisting of five members of the Minnesota house of representatives appointed by the speaker of the house and five members of the Minnesota senate appointed by the majority leader. At least two of the members appointed by the speaker and two of the members appointed by the majority leader must be from the minority caucus.

Subd. 2. CHAIR; OTHER OFFICERS. The task force shall elect a chair of the task force from its members. The task force may elect other officers as necessary from its members.

Subd. 3. STAFF. The task force shall use legislative staff to carry out its duties.

New language is indicated by underline, deletions by ~~strikeout~~.