

## CHAPTER 663—S.F.No. 1885

*An act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 72B; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.*

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

Section 1. [72B.135] PUBLIC ADJUSTERS.

Subdivision 1. HOMEOWNER'S RIGHT TO CANCEL. A homeowner who has entered into a contract with a public adjuster involving the business for which the person was licensed, has the right to cancel the contract within 48 hours after the contract has been signed. Cancellation is evidenced by the homeowner giving written notice of cancellation to the public adjuster at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the public adjuster 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 homeowner not to be bound by the contract.

Subd. 2. WRITING REQUIRED; NOTICE OF RIGHT TO CANCEL; NOTICE OF CANCELLATION. (a) Before entering a contract referred to in subdivision 1, the public adjuster must:

(1) furnish the homeowner with a statement in bold face type of a minimum size of ten points, in substantially the following form:

"You, the homeowner, may cancel this contract at any time within 48 hours after the contract has been signed between the homeowner and the public adjuster. See attached notice of cancellation form for an explanation of this right.";  
and

(2) furnish each homeowner, a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract and easily detachable, and which shall contain in bold face type of a minimum size of ten points the following information and statements:

"NOTICE OF CANCELLATION

.....

(enter date of contract)

If you do not want to go forward with the contract with the public adjuster, you may cancel the contract 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 Public Adjuster), at (Address of Public Adjuster's Place of Business) not later than midnight of (Date). If you cancel, any payments made by you under the

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contract will be returned within ten business days following receipt by the public adjuster of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

.....  
(date)

.....  
(Homeowner's signature)"

**Subd. 3. RETURN OF PAYMENTS; COMPENSATION.** Within ten days after a contract referred to in subdivision 1 has been canceled, the public adjuster must tender to the homeowner any payments made by the homeowner and any note or other evidence of indebtedness. However, if the public adjuster has performed any emergency services within the 48 hour period, the public adjuster is entitled to compensation for such services. Emergency services shall mean the removal of water, boarding up a building, and reconnecting lights and heat.

Sec. 2. Minnesota Statutes 1986, section 80C.146, subdivision 2, is amended to read:

**Subd. 2. BUILDING ALTERATIONS.** No motor fuel franchisor shall alter a full-service station building for the purpose of eliminating the service bays unless the motor fuel franchisee operating the full-service station consents in writing to the alterations. (a) A motor fuel franchise agreement entered into or renewed, extended, or modified, after the effective date of this section, must comply with this subdivision if it allows the franchisor to modify, remodel, or alter a full-service station operated by a franchisee by eliminating one or more service bays. The agreement must provide that if the motor fuel franchisor eliminates one or more service bays during the term of the agreement, the franchisor must first pay to the franchisee in cash an amount that fairly and adequately compensates the franchisee for the loss of the service and repair business. The amount of compensation must be determined without regard to:

(1) the income or loss the franchisee may realize as a result of any subsequent or replacement business the franchisee may be entitled to operate on the premises leased from the motor fuel franchisor; or

(2) the income or loss the franchisee may realize by relocating the franchisee service and repair business or by acquiring another service and repair business.

(b) The commissioner shall require inclusion of the provision specified in paragraph (a) in the franchise agreement as a condition of registration of the agreement. An agreement subject to this subdivision that does not contain the provision is deemed to contain the provision. The provision may not be waived or modified except in a writing signed by the franchisee that is executed at least 30 days after the execution of the franchise agreement, is separate and independent from the franchise agreement, and is based upon adequate consideration. Adequate consideration may include, without limitation, an agreement to purchase the entire business operated by the franchisee or an agreement to provide equivalent repair facilities for use by the franchisee.

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(c) If the franchisor and the franchisee are unable to agree on the amount of compensation, and either the franchisor or the franchisee demands arbitration, the matter must be submitted to binding arbitration in accordance with sections 572.08 to 572.30 and the rules of the American Arbitration Association. Within 30 days after the demand for arbitration, the franchisor and the franchisee shall each select an arbitrator. The two arbitrators shall select a third arbitrator within 45 days after the demand for arbitration. The franchisor and the franchisee shall pay the fees and expenses of the arbitrator each selects, and the franchisor and franchisee shall share equally the fees and expenses of the third arbitrator.

(d) Nothing in this subdivision prohibits a motor fuel franchisor from altering, modifying, or remodeling a full-service station that is not operated by a, without payment to the franchisee, following the expiration of the franchise relationship based upon termination or nonrenewal of the franchise relationship in accordance with United States Code, title 15, section 2802(b)(3)(D).

Sec. 3. Minnesota Statutes 1986, section 80C.146, subdivision 3, is amended to read:

Subd. 3. **ENFORCEMENT.** The attorney general or any aggrieved party may institute a civil action in the district court for an injunction prohibiting any violation of subdivision 2 and an award of costs, disbursements, and reasonable attorney's fees. ~~It shall be is~~ no defense to such an the action that the state or aggrieved party may have adequate remedies at law.

Sec. 4. **REPEALER.**

Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1, is repealed.

Sec. 5. **EFFECTIVE DATE.**

Sections 2 to 4 are effective the day following final enactment.

Approved April 26, 1988

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#### CHAPTER 664—S.F.No. 1900

*An act relating to the metropolitan airports commission; setting the borrowing authority of the commission; providing for commission purposes, environmental review, and reports; amending Minnesota Statutes 1986, sections 473.602; and 473.667, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.*

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

Section 1. Minnesota Statutes 1986, section 473.602, is amended to read:

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