

Presented to the governor May 20, 1993

Signed by the governor May 24, 1993, 12:06 p.m.

CHAPTER 372—S.F.No. 1114

An act relating to commerce; regulating franchise actions; regulating sales of private label goods; amending Minnesota Statutes 1992, sections 80C.17, subdivisions 1 and 5; and 80C.22, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Section 1. Minnesota Statutes 1992, section 80C.17, subdivision 1, is amended to read:

Subdivision 1. A person who violates any provision of ~~sections 80C.04 to 80C.13 and 80C.16 to 80C.22~~ this chapter or any rule or order thereunder shall be liable to the franchisee or subfranchisor who may sue for damages caused thereby, for rescission, or other relief as the court may deem appropriate.

Sec. 2. Minnesota Statutes 1992, section 80C.17, subdivision 5, is amended to read:

Subd. 5. No action may be commenced pursuant to this section more than three years after the ~~franchisee pays the first franchise fee~~ cause of action accrues.

Sec. 3. Minnesota Statutes 1992, section 80C.22, subdivision 7, is amended to read:

Subd. 7. Orders of the commissioner shall be served by mailing a copy thereof by ~~certified~~ mail to the most recent address of the recipient of the order as it appears in the files of the commissioner. Subpoenas shall be served in the same manner as provided in civil actions in the district courts.

Sec. 4. [325F.985] DEFINITIONS.

Subdivision 1. SCOPE. For the purpose of sections 325F.986 and 325F.987, the terms defined in this section have the meanings given them.

Subd. 2. PRIVATE LABEL GOODS. "Private label goods" means goods that are the subject of a private label purchase or agreement for private label purchase.

Subd. 3. PRIVATE LABEL PURCHASE. "Private label purchase" means a purchase of goods from a manufacturer for resale under a brand, trademark, or other commercial indicia that identifies the private label purchaser or its assignee as the origin of the goods for purposes of their resale.

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

Subd. 4. PRIVATE LABEL PURCHASER. "Private label purchaser" means a person who makes a private label purchase from a manufacturer.

Subd. 5. EXCLUSIVITY AGREEMENT. "Exclusivity agreement" means an agreement for private label purchases which precludes the manufacturer of the private label goods from selling similar goods as private label goods to any third person within a defined geographical territory.

Sec. 5. [325F.986] EXCLUSIVITY AGREEMENTS.

Subdivision 1. WRITING REQUIRED. Every exclusivity agreement must be in writing and signed by the party against whom the agreement is sought to be enforced.

Subd. 2. OBLIGATION. A lawful exclusivity agreement imposes, unless otherwise provided in the agreement, an obligation by the private label purchaser to use reasonable efforts in the development and promotion of the sale of the private label goods within the geographical territory covered by that exclusivity agreement.

Sec. 6. [325F.987] LIMITATION ON ACTIONS.

No private label purchaser having the obligation, under section 325F.986 or otherwise, to use reasonable efforts in the development and promotion of the sale of private label goods is entitled, absent the employment of reasonable efforts, to maintain an action, suit, or proceeding at law, in equity, in arbitration, or otherwise, to prevent the manufacturer of private label goods from selling similar goods as private label goods to any third person. This attempt to prevent sales of private label goods by the manufacturer to a third person, in the absence of the purchaser's employment of reasonable efforts, is considered an unreasonable restraint of trade.

Sec. 7. [325F.988] NONAPPLICATION.

Sections 325F.985 to 325F.987 do not apply to private label goods manufactured according to the purchaser's proprietary specifications. Sections 325.986 and 325.987 shall not be construed to grant a private label manufacturer any rights of ownership or use of a brand, trademark or commercial indicia that is owned by another person including a private label purchaser or its assignee.

Sec. 8. EFFECTIVE DATE.

Sections 1 and 2 apply to all franchise contracts or franchise transfer agreements entered into or renewed on or after the effective date, and apply as of July 1, 1993, to franchise contracts in effect on the effective date that have no expiration date.

Sections 4 to 7 apply to all agreements for private label purchases entered into or renewed on or after July 1, 1993, and to all private label purchases occurring on or after that date.

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

Presented to the governor May 20, 1993

Signed by the governor May 24, 1993, 5:49 p.m.

CHAPTER 373—H.F.No. 1749

An act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds and canceling previous authorizations; appropriating money, with certain conditions and reducing certain appropriations; amending Laws 1990, chapter 610, article 1, section 12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 124C.

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

Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS.

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or other named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

TECHNICAL COLLEGES	\$ 667,000
COMMUNITY COLLEGES	1,367,000
STATE UNIVERSITIES	1,161,000
UNIVERSITY OF MINNESOTA	2,000,000
K-12 EDUCATION	12,000,000
HUMAN SERVICES	8,765,000
CORRECTIONS	9,812,000
ADMINISTRATION	11,255,000
PUBLIC FACILITIES AUTHORITY	4,000,000
POLLUTION CONTROL AGENCY	11,000,000
TRANSPORTATION	9,900,000
HISTORICAL SOCIETY	150,000
VETERANS HOMES BOARD	400,000
BOND SALE EXPENSES	63,000
CANCELLATIONS	(8,115,000)
TOTAL	\$64,425,000
Bond Proceeds Fund	54,640,000
Transportation Fund	9,900,000
Maximum Effort School Loan Fund	5,000,000
Trunk Highway Fund	3,000,000
Cancellations	(8,115,000)