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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3526

- 02/12/2024 Authored by Tabke and Perryman
- 02/22/2024 The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
- 02/22/2024 Adoption of Report: Placed on the General Register as Amended
- 03/11/2024 Read for the Second Time
- 03/11/2024 Calendar for the Day, Amended
- 03/11/2024 Read Third Time as Amended
- 03/11/2024 Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act

1.2 relating to consumer protection; changing application of abnormal market disruption

1.3 and unconscionably excessive price prohibition; amending Minnesota Statutes

1.4 2023 Supplement, section 325E.80, subdivisions 1, 5, 6, 7.

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

1.6 Section 1. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 1, is amended

1.7 to read:

1.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision

1.9 have the meanings given.

1.10 (b) "Essential consumer good or service" means a good or service that is vital and

1.11 necessary for the health, safety, and welfare of the public, including without limitation:

1.12 food; water; fuel; gasoline; shelter; construction materials; transportation; health care

1.13 services; pharmaceuticals; and medical, personal hygiene, sanitation, and cleaning supplies.

1.14 (c) "Restoration and mitigation services provider" means a person or business that

1.15 provides service to prevent further damage to property following a fire, smoke, water, or

1.16 storm event. Services include but are not limited to board up of property, water extraction,

1.17 drying, smoke or odor removal, cleaning, and personal property inventory, removal, and

1.18 storage.

1.19 ~~(e)~~ (d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller

1.20 of goods and services.

1.21 (e) "Tree trimmer" means a person registered under section 18G.07.

2.1 ~~(d)~~ (f) "Unconscionably excessive price" means a price that represents a gross disparity
 2.2 compared to the seller's average price of an essential good or service, offered for sale or
 2.3 sold in the usual course of business, in the 60-day period before an abnormal market
 2.4 disruption is declared under subdivision 2. None of the following is an unconscionably
 2.5 excessive price:

2.6 (1) a price that is substantially related to an increase in the cost of manufacturing,
 2.7 obtaining, replacing, providing, or selling a good or service;

2.8 (2) a price that is no more than 25 percent above the seller's average price during the
 2.9 60-day period before an abnormal market disruption is declared under subdivision 2;

2.10 (3) a price that is consistent with the fluctuations in applicable commodity markets or
 2.11 seasonal fluctuations; or

2.12 (4) a contract price, or the results of a price formula, that was established before an
 2.13 abnormal market disruption is declared under subdivision 2.

2.14 Sec. 2. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 5, is amended
 2.15 to read:

2.16 Subd. 5. **Prices and rates.** Upon the occurrence of a weather event classified as a severe
 2.17 thunderstorm pursuant to the criteria established by the National Oceanic and Atmospheric
 2.18 Administration, a residential building contractor, tree trimmer, or restoration and mitigation
 2.19 services provider operating within the geographic region impacted by the weather event
 2.20 and repairing damage caused by the weather event shall not:

2.21 (1) charge an unconscionably excessive price for labor in comparison to the market price
 2.22 charged for comparable services in the geographic region impacted by the weather event;
 2.23 or

2.24 (2) charge an insurance company a rate that exceeds what the residential building
 2.25 contractor, tree trimmer, or restoration and mitigation services provider would otherwise
 2.26 ~~charges members~~ charge a member of the general public.

2.27 Sec. 3. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 6, is amended
 2.28 to read:

2.29 Subd. 6. **Civil penalty.** A person who is found to have violated ~~this section~~ subdivision
 2.30 4 is subject to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum
 2.31 penalty of \$25,000 per day. No other penalties may be imposed for the same conduct
 2.32 regulated under ~~this section~~ subdivision 4.

3.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 7, is amended
3.2 to read:

3.3 Subd. 7. **Enforcement authority.** (a) The attorney general may investigate and bring
3.4 an action using the authority under section 8.31 against a seller or residential building
3.5 contractor, tree trimmer, or restoration and mitigation services provider for an alleged
3.6 violation of this section.

3.7 (b) Notwithstanding section 8.31, subdivision 3a, nothing in this section creates a private
3.8 cause of action in favor of a person injured by a violation of this section.