

Minnesota Statutes 2013

Chapter 325G. Consumer Protection; Solicitation of Sales

Home Solicitation Sales (Chapters 325G.06-325G.11)

Personal Solicitation of Sales (Chapters 325G.012-325G.14)

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325G.06 DEFINITIONS.

Subdivision 1. Scope.

As used in sections [325G.06](#) to [325G.11](#), the terms defined in this section have the meanings given them.

Subd. 2. Home solicitation sale.

“Home solicitation sale” means a sale of goods, services, or improvements to real property by a seller who regularly engages in transactions of the same kind, purchased primarily for personal, family or household purposes, and not for agricultural purposes, with a purchase price of more than \$25, in which the seller or a person acting for the seller personally solicits the sale, and when the buyer’s agreement or offer to purchase is made at a place other than the place of business of the seller, except as otherwise provided in this subdivision. It does not include:

(1) a sale made pursuant to prior negotiations in the course of a visit by the buyer to a retail business establishment having a fixed permanent location where the goods are exhibited or the services are offered for sale on a continuing basis;

(2) a sale in which the buyer has initiated the contact and the goods or services are needed to meet a bona fide immediate personal emergency of the buyer and the buyer furnishes the seller with a separate dated and signed statement not furnished by the seller describing the situation requiring immediate remedy and expressly acknowledging and waiving the right to cancel the sale. This exclusion shall only apply where (i) the seller in good faith makes a substantial beginning of performance of the contract before the buyer gives notice of cancellation, and, (ii) in the case of goods, the goods cannot be returned to the seller in substantially as good condition as when received by the buyer;

(3) a sale in which the buyer has initiated the contact and specifically requested the seller to visit the buyer's home for the purpose of repairing or performing maintenance upon the buyer's property. If in the course of such a visit, the seller sells the buyer the right to receive additional services or goods other than replacement parts necessarily used in performing the maintenance or in making the repairs, the sale of those additional goods or services would not fall within this exclusion;

(4) a sale in which the buyer has initiated the contact either by oral, telephone, or written request (other than on a form provided by the seller), and requested the seller to visit the buyer's home for the purpose of negotiating the purchase of the specific good or service requested. This exclusion shall only apply where the buyer furnishes the seller with a separate dated and signed statement in the buyer's handwriting expressly acknowledging and waiving the right to cancel the sale;

(5) a sale of insurance, securities, or real property; or a sale by public auction; or

(6) a sale of a motor vehicle, as defined in section [168.002, subdivision 18](#), when the buyer's agreement or offer to purchase is made at a place other than the buyer's place of residence.

Subd. 3. Sale.

"Sale" includes a lease or rental.

Subd. 4. Seller.

"Seller" includes a lessor or anyone offering goods for rent, or an assignee of the seller.

Subd. 5. Buyer.

"Buyer" includes a lessee or anyone who gives a consideration for the privilege of using goods or services.

Subd. 6. Business day.

“Business day” means any day other than a Saturday, Sunday, or holiday as defined in section 645.44.

History:

1973 c 443 s 1; 1979 c 128 s 1; 1986 c 444; 2012 c 234 s 3

325G.07 BUYER’S RIGHT TO CANCEL.

In addition to any other rights the buyer may have, the buyer has the right to cancel a home solicitation sale until midnight of the third business day after the day on which the home solicitation sale occurs. Cancellation is evidenced by the buyer giving written notice of cancellation to the seller at the address stated in the agreement or offer to purchase. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the seller 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 buyer not to be bound by the home solicitation sale.

History:

1973 c 443 s 2

325G.08 WRITING REQUIRED; NOTICE OF RIGHT TO CANCEL; NOTICE OF CANCELLATION.

Subdivision 1. Seller’s obligations.

In a home solicitation sale, at the time the sale occurs, the seller shall:

- (a) inform the buyer orally of the right to cancel;
- (b) furnish the buyer with a fully completed receipt or copy of a contract pertaining to the sale which shows the date of the transaction, contains the name and address of the seller, and in immediate proximity to the space reserved in the contract for the signature of the buyer or on the front page of the receipt if a contract is not used and in boldface type of a minimum size of ten points, a statement in substantially the following form:

“You, the buyer, may cancel this purchase at any time prior to midnight of the third business day after the date of this purchase. See attached notice of cancellation form for an explanation of this right.”; and
- (c) furnish each buyer a fully completed form in duplicate, captioned, “NOTICE OF CANCELLATION,” which shall be attached to the contract or receipt and easily detachable, and which shall contain in boldface type of a minimum size of ten points the following information and statements:

“NOTICE OF CANCELLATION

(enter type of goods or services purchased)

(goods or services)

(enter date of transaction)

(date)

If you do not want the goods or services described above, you may cancel your purchase 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 seller), at (Address of Seller's Place of Business) not later than midnight of (Date). If you cancel, any payments made by you under the contract or sale, any property traded in, and any instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the written instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If the seller does not pick up the goods within 20 days of the date of your notice of cancellation, you may retain or dispose of them without any further obligation.

I HEREBY CANCEL THIS TRANSACTION.

(Date)

“

(Buyer's signature)

Subd. 2. Alternative cancellation notice.

In lieu of the notice of cancellation required by subdivision 1, the seller may provide a notice which conforms to applicable federal law or regulation so long as it provides the information required by subdivision 1. Until the seller has complied with this section the buyer may cancel the home solicitation sale by notifying the seller in any manner and by any means of the intention to cancel.

History:

1973 c 443 s 3; 1986 c 444

325G.09 RETURN OF PAYMENTS OR GOODS.

Subdivision 1. Seller's obligations.

Within ten days after a home solicitation sale has been canceled or an offer to purchase revoked, the seller must tender to the buyer any payments made by the buyer and any note or other evidence of indebtedness. If the down payment includes goods traded in, the goods must also be tendered by the seller in as good condition as when received by the seller. If the seller fails to tender said goods, the buyer may elect to recover from the seller an amount equal to the trade-in allowance stated in the agreement.

Subd. 2. Buyer's right to retain possession.

Until the seller has complied with the obligations imposed by this section, the buyer may retain possession of the goods delivered to the buyer by the seller.

Subd. 3. Buyer's obligation to tender goods.

Except as provided in subdivision 2, within a reasonable time after a home solicitation sale has been canceled or an offer to purchase has been revoked, the buyer upon demand must tender to the seller any goods delivered by the seller pursuant to the sale. The buyer is not obligated to tender at any place other than the buyer's residence.

Subd. 4. Seller's failure to demand possession.

If the seller fails to demand possession of goods within 20 days after cancellation or revocation, the goods become the property of the buyer without obligation to pay for them.

Subd. 5. Buyer's duty of care.

The buyer has the duty to take reasonable care of the goods in the buyer's possession before cancellation or revocation and during the time provided in subdivision 4 for the seller to demand possession, during which time the goods are otherwise at the seller's risk.

Subd. 6. Right to compensation limited.

If the seller has performed any services pursuant to a home solicitation sale prior to its cancellation, the seller is entitled to no compensation.

History:

1973 c 443 s 4; 1986 c 444

325G.10 PENALTIES FOR VIOLATION.

Any person who is found to have violated sections 325G.06 to 325G.09 shall be subject to the penalties provided in section 8.31.

History:

1973 c 443 s 5

325G.11 DAMAGES.

Any person injured by a violation of sections 325G.06 to 325G.09 may recover damages, together with costs and disbursements, including reasonable attorney's fees, and receive other equitable relief as determined by the court.

History:

1973 c 443 s 6

325G.12 DEFINITIONS.

Subdivision 1. Scope.

As used in sections 325G.12 to 325G.14, the terms defined in this section have the meanings given them.

Subd. 2. Personal solicitation.

"Personal solicitation" means any attempt by a seller who regularly engages in transactions of the same kind, to sell goods or services which are primarily for personal, family, or household purposes, and not for agricultural purposes, when either the seller or a person acting for the seller, contacts the buyer by telephone or in person other than at the place of business of the seller, except:

- (a) an attempted sale in which the buyer personally knows the identity of the seller, the name of the business firm or organization the seller represents, and the identity or kinds of goods or services offered for sale; or
- (b) an attempted sale in which the buyer has initiated the contact with the seller; or
- (c) an attempted sale of a newspaper subscription in which the seller is a minor child engaged in both the delivery and sale of the newspaper.

Subd. 3. Sale.

"Sale" includes a lease or rental.

Subd. 4. Seller.

“Seller” includes a lessor or anyone offering goods for rent, or an assignee of a seller.

Subd. 5. Buyer.

“Buyer” includes a lessee or anyone who gives a consideration for the use of goods or services.

History:

1975 c 372 s 1; 1976 c 239 s 92; 1986 c 444

325G.13 DISCLOSURE OBLIGATION.

Before any personal solicitation every seller shall, at the time of initial contact or communication with the potential buyer, clearly and expressly disclose: the individual seller’s name, the name of the business firm or organization the seller represents, the identity or kinds of goods or services the seller wishes to demonstrate or sell, and that the seller wishes to demonstrate or sell the identified goods or services. When the initial contact is made in person, the seller shall also show the potential buyer an identification card which clearly states the seller’s name and the name of the business or organization represented. The disclosures required by this section shall be made before asking any questions or making any statements except an initial greeting. Nonprofit organizations are exempt from the requirements of this section.

History:

1975 c 372 s 2; 1986 c 444

325G.14 PENALTIES; REMEDIES.

Any person who is found to have violated section 325G.13 shall be subject to the penalties and remedies provided in section 8.31.

History:

1975 c 372 s 3

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