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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **532**

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act  
1.2 relating to consumer protection; regulating certain contracts entered into by  
1.3 military service personnel; authorizing cancellations; requiring utilities to  
1.4 establish payment arrangements for military service personnel; proposing coding  
1.5 for new law in Minnesota Statutes, chapters 325E; 325G.

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

1.7 Section 1. **[325E.027] UTILITY PAYMENT ARRANGEMENTS FOR MILITARY**  
1.8 **SERVICE PERSONNEL.**

1.9 **Subdivision 1. Restriction on disconnection; payment schedules.** A municipal  
1.10 utility, cooperative electric association, or public utility must not disconnect the utility  
1.11 service of a residential customer if a member of the household has been issued orders into  
1.12 active duty, for deployment, or for a permanent change in duty station during the period of  
1.13 active duty, deployment, or change in duty station if such a residential customer:

1.14 (1) has a household income of less than the state median income or is receiving  
1.15 energy assistance and, at any time, enters into a payment schedule under which the  
1.16 residential customer pays ten percent of the customer's gross monthly income toward the  
1.17 customer's bill and the residential customer remains reasonably current with the payments  
1.18 under the payment schedule; or

1.19 (2) has a household income of more than the state median income and enters into a  
1.20 reasonable payment schedule that considers the financial resources of the household and  
1.21 the residential customer remains reasonably current with payments under the payment  
1.22 schedule.

1.23 **Subd. 2. Annual notice to all customers; inability to pay forms.** (a) A municipal  
1.24 utility, cooperative electric association, or public utility must notify all residential  
1.25 customers annually of the provisions of this section.

2.1 (b) A municipal utility, cooperative electric association, or public utility must  
 2.2 provide a form to a residential customer to request the protections of this section upon  
 2.3 the residential customer's request.

2.4 Subd. 3. **Application to service limiters.** For the purposes of this section,  
 2.5 "disconnection" includes a service or load limiter or any device that limits or interrupts  
 2.6 electric service in any way.

2.7 Subd. 4. **Income verification.** Verification of income may be conducted by the  
 2.8 local energy assistance provider or the municipal utility, cooperative electric association,  
 2.9 or public utility unless the customer is automatically eligible for protection against  
 2.10 disconnection as a recipient of any form of public assistance, including energy assistance  
 2.11 that uses income eligibility in an amount at or below the income eligibility in subdivision  
 2.12 1, clause (1).

2.13 Subd. 5. **Appeal process.** (a) The municipal utility, cooperative electric association,  
 2.14 or public utility shall provide the residential customer with a commission-approved written  
 2.15 notice of the right to appeal to the commission when the utility and residential customer  
 2.16 are unable to agree on the establishment, reasonableness, or modification of a payment  
 2.17 schedule, or on the reasonable timeliness of the payments under a payment schedule,  
 2.18 provided for by this section. Any appeal must be made within seven working days after  
 2.19 the residential customer's receipt of personally served notice, or within ten working days  
 2.20 after the utility has deposited first class mail notice in the United States mail.

2.21 (b) The utility shall not disconnect service while a payment schedule is pending  
 2.22 appeal, or until any appeal involving payment schedules has been determined by the  
 2.23 commission.

2.24 **Sec. 2. [325G.53] CANCELLATION WITHOUT PENALTY OF WIRELESS**  
 2.25 **CONTRACTS BY MILITARY SERVICE PERSONNEL.**

2.26 Subdivision 1. **Authority.** Any service member who has been issued orders into  
 2.27 active duty, for deployment, or for a permanent change of duty station, or the spouse of  
 2.28 the service member, may terminate, without penalty, a wireless service contract, or some  
 2.29 portion of it, that is executed by or on behalf of the service member or by the spouse of  
 2.30 that service member. "Service member" includes any business entity wholly owned by the  
 2.31 service member or the service member's spouse.

2.32 Subd. 2. **When effective.** Termination of the wireless service contract is not  
 2.33 effective until both of the following occur:

2.34 (1) 30 days after the service member or the service member's spouse gives notice by  
 2.35 certified mail, return receipt requested, of the intention to terminate the wireless service

3.1 contract or part of it, and provides a copy of the service member's order for activation,  
 3.2 deployment, or change of duty station; and

3.3 (2) if the service member or the service member's spouse owns the wireless  
 3.4 telephone, the wireless telephone is returned to the custody or control of the wireless  
 3.5 carrier, or the service member or the service member's spouse agrees in writing to return  
 3.6 the wireless telephone as soon as practicable after the military service is completed.

3.7 **Sec. 3. [325G.54] CANCELLATION WITHOUT PENALTY OF RENTAL,**  
 3.8 **CLUB, AND MEMBERSHIP TRAVEL CONTRACTS BY MILITARY SERVICE**  
 3.9 **PERSONNEL.**

3.10 Subdivision 1. **Application.** This section applies to any rental contracts, club  
 3.11 contracts, and membership travel contracts in which:

3.12 (1) such a contract was executed by or on the behalf of a person who, after the  
 3.13 execution of the contract, was issued orders into active duty, for deployment, or for a  
 3.14 permanent change of duty station; and

3.15 (2) where as a result of the orders it is impractical for the person to abide by the  
 3.16 terms and conditions of the rental contract. For purposes of the subdivision, "service  
 3.17 member" includes any business entity wholly owned by the service member or the service  
 3.18 member's spouse.

3.19 Subd. 2. **Authority.** A service member who enters into a rental, club, or service  
 3.20 contract, including that for services such as computer, Internet service, or any other type  
 3.21 of service, and who is issued orders into active duty, for deployment, or for a permanent  
 3.22 change of duty station, subsequent to the execution of the contract, is entitled to cancel the  
 3.23 contract at no penalty and with a full refund of any money which may have been placed  
 3.24 on deposit where the service member's military activation, deployment, or change in  
 3.25 duty station causes it to be impractical for the service member to abide by the terms and  
 3.26 conditions of the contract. For purposes of this subdivision, "service member" includes  
 3.27 any business entity wholly owned by the service member or the service member's spouse.

3.28 Subd. 3. **Notice.** Any such contract may be terminated by notice in writing sent  
 3.29 to the contractor by the person issued orders for active duty, for deployment, or for  
 3.30 a permanent change of duty station, canceling the service member's rental, club, or  
 3.31 membership travel contract within two weeks of the service member's receipt of the  
 3.32 orders, and the notice must include a copy of the orders in question. Delivery of the  
 3.33 notice must be made by certified mail addressed to the contractor. For purposes of this  
 3.34 subdivision, "service member" includes any business entity wholly owned by the service  
 3.35 member or the service member's spouse.

4.1            Subd. 4. **Other rights and protections.** The rights and protections afforded to  
4.2 service members under the Servicemembers Civil Relief Act, United States Code, title 50,  
4.3 sections 501 to 596, also apply in Minnesota to any business wholly owned by the service  
4.4 member or the service member's spouse.

4.5            **Sec. 4. ENFORCEMENT.**

4.6            Sections 1 and 2 may be enforced by the attorney general pursuant to Minnesota  
4.7 Statutes, section 8.31, and are subject to the penalties set forth in that section. Section 3  
4.8 may be enforced pursuant to Minnesota Statutes, chapter 216B.