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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **3789**

April 19, 2010

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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 trade practices; amending termination of sales representatives;
1.3 amending Minnesota Statutes 2008, section 325E.37, subdivision 6.

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

1.5 Section 1. Minnesota Statutes 2008, section 325E.37, subdivision 6, is amended to read:

1.6 Subd. 6. **Scope; limitations.** (a) This section applies to a sales representative who,
1.7 during some part of the period of the sales representative agreement:

1.8 (1) is a resident of Minnesota or maintains that person's principal place of business
1.9 in Minnesota; or

1.10 (2) whose geographical territory specified in the sales representative agreement
1.11 includes part or all of Minnesota.

1.12 (b) To be effective, any demand for arbitration under subdivision 5 must be made
1.13 in writing and delivered to the principal on or before one year after the effective date of
1.14 the termination of the agreement.

1.15 (c) A provision in any contract between a sales representative dealing in plumbing
1.16 equipment or supplies and a principal purporting to waive any provision of Laws 2007,
1.17 chapters 135 or 140, whether by express waiver or by a provision stipulating that the
1.18 contract is subject to the laws of another state, shall be void.

1.19 (d) No contract between a sales representative and principal may limit the right of
1.20 the sales representative to initiate litigation or alternative dispute resolution in this state.

1.21 (e) A principal who establishes a business relationship with a sales representative
1.22 to solicit orders for products or services in this state is doing business in this state for
1.23 the purposes of this subdivision.

2.1 (f) The provisions of this section may not be waived, whether by express waiver or
2.2 by any provision in a contract attempting to make the contract or agreement subject to the
2.3 laws of another state. A waiver of any provision of this section is void.

2.4 (g) This section does not invalidate or restrict any other right or remedy available
2.5 to a sales representative, or preclude a sales representative from seeking to recover in
2.6 an action on all claims against a principal.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.