HOUSE RESEARCH

Bill Summary

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Authors: Falk

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Analyst: Tom Pender (651) 296-1885

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Overview

This bill deals with (usually unsolicited) checks received in the mail that result in purchase of a good or service when cashed or deposited. Typically, these checks have language on the back, above the line on which the check may be endorsed, which results in a commitment to buy something when the recipient of the check endorses it.

Section

1 **Live check solicitation prohibited.**

Subd. 1. Definitions. Defines "live check" as a check or similar financial instrument that results in a commitment to purchase a good or service from the issuer of the check when endorsed and cashed or deposited. Exempts solicitations for a loan, which are already covered by a law enacted in 1998.

Subd. 2. Live check solicitation deemed deceptive trade practice. Makes it a deceptive practice under the consumer fraud act to solicit a purchase of a good or service by sending a live check to a Minnesota resident, if endorsing the check would commit the recipient to buy a good or service.

[Making it a violation of the consumer fraud act (sections 325.F.69 to 325F.70), when read together with section 8.31, gives the attorney general the power to enforce it through obtaining a court injunction and civil penalties. In addition, section 8.31, subdivision 3a, gives a consumer harmed by a violation of the consumer fraud act the right to sue to recover damages, costs and disbursements, and reasonable attorney fees, but (based on a court decision) only if the violation caused widespread harm to the general public.]