

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 462C.05, Subdivision 1, is amended to read:

**462C.05 MULTIFAMILY HOUSING DEVELOPMENTS.** Subdivision 1. A city may also plan, administer, and make or purchase a loan or loans to finance one or more multifamily housing developments within its boundaries, of the kind described in subdivisions 2, 3 or 4, and upon the conditions set forth in this section. A loan may be made or purchased for the acquisition and preparation of a site and the construction of a new development, or for the acquisition of an existing building and site and the rehabilitation thereof, provided that:

(a) The cost of rehabilitation of an existing building is estimated to equal at least \$5,000 per dwelling unit or 50 percent of the appraised value of the original building and site, whichever is less or if the rehabilitation is financed in part by proceeds from a program provided by the federal government pursuant to 24 C.F.R. Sections 882.401 to 882.519 or pursuant to section 312 of the Housing Act of 1964 (42 U.S.C. Section 1452b), the cost of rehabilitation of an existing building is estimated to equal at least \$2,000 per dwelling unit or 20 percent of the appraised value of the original building and site whichever is less :

(b) At least a substantial portion of such rehabilitation cost is estimated to be incurred for compliance with building codes or conservation of energy;

(c) Each development upon completion shall comply with all applicable code requirements;

(d) A loan or loans may be made or purchased for either the construction or the long term financing of a development, or both, including the financing of the acquisition of dwelling units and interests in common facilities provided therein, by persons to whom such units and facilities may be sold as contemplated in chapter 515 or any supplemental or amendatory law thereof; and

(e) Substantially all of the proceeds of each loan shall be used to pay the cost of a multifamily housing development, including property functionally related and subordinate to it; but nothing herein prevents the construction of the development over, under, or adjacent to, and in conjunction with facilities to be used for purposes other than housing.

Sec. 10. **EFFECTIVE DATE.** This act is effective the day following its final enactment.

Approved April 23, 1980

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## CHAPTER 594—S.F.No. 2100

*An act relating to trade regulations; providing limits on formaldehyde concentrations emitted from building materials and insulation; prohibiting certain transactions; enacting the uniform trade secrets act; providing remedies; prescribing penalties.*

Changes or additions indicated by underline deletions by ~~strikeout~~

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

Section 1. [144.495] **FORMALDEHYDE RULES.** Within 30 days after the effective date of this section the commissioner of health shall determine if a significant health problem is presented by the use of building materials that emit formaldehyde gases. If he determines that such a problem exists he shall promulgate rules pursuant to chapter 15, including emergency rules, establishing standards governing the sale of building materials and housing units that contain products made with urea formaldehyde.

Sec. 2. [325.991] **DUTY OF MANUFACTURER.** Subdivision 1. No manufacturer shall sell any building materials and no builder shall sell or lease a housing unit containing urea formaldehyde unless the manufacturer or builder has made the following written disclosure to any purchaser of the materials or housing unit or lessee of the housing unit: "WARNING. THIS PRODUCT HOUSING UNIT CONTAINS THE CHEMICAL FORMALDEHYDE. FOR SOME PEOPLE FORMALDEHYDE MAY CAUSE HEALTH PROBLEMS, SUCH AS IRRITATION OF THE EYES, NOSE AND THROAT, SNEEZING, COUGHING, HEADACHES, SHORTNESS OF BREATH, OR CHEST OR STOMACH PAINS. CHILDREN UNDER THE AGE OF TWO, ELDERLY PEOPLE, PEOPLE WITH BREATHING PROBLEMS OR PEOPLE WITH ALLERGIES MAY HAVE MORE SERIOUS DIFFICULTIES. IF YOU HAVE QUESTIONS ABOUT PROBLEMS YOU MAY HAVE WITH FORMALDEHYDE, CONSULT A DOCTOR."

Subd. 2. The disclosure required by subdivision 1 shall be made clearly and conspicuously on the label or written warranty of the materials in a manner designed to attract the attention of a prospective buyer or user. If the product or housing unit has neither a label nor a written warranty the disclosure shall be made in a separate writing included with the product or housing unit.

Subd. 3. No person shall sell for use in a dwelling place building materials subject to the written disclosure requirement of subdivision 1 unless the seller has provided to the purchaser a copy of the written disclosure provided by the manufacturer. No person shall for gain install or use in a dwelling place building materials subject to the written disclosure requirement of subdivision 1 unless the installer or user has provided to the person on whose behalf the materials are installed or used a copy of the written disclosure provided by the manufacturer.

Subd. 4. The manufacturer of a product or builder of a housing unit that contains materials made with urea formaldehyde shall pay the reasonable cost of repair or relocation if the consumer can document that the housing unit contains a significant ambient air level of formaldehyde and in addition has documented medical records of illness related to formaldehyde and a statement from a physician that the consumer must vacate the premises. The party who has received the claim has the right to test the ambient air level of the housing unit at reasonable times.

If within 30 days after the presentation of the items set forth above the manufacturer or builder and the consumer do not agree on a remedy the

consumer may bring suit to recover the reasonable cost of repair or relocation plus reasonable attorneys' fees. Notwithstanding the remedy under this subdivision, the consumer may bring an action for personal injury, if any, if the action is commenced within one year from the presentation of the items required by this subdivision.

Subd. 5. If the commissioner of health determines pursuant to section 1 that there does not exist a significant health problem, the provisions of this section are not effective.

Subd. 6. Any person who is found in violation of subdivisions 1 to 3 shall be deemed in violation of section 325.79, subdivision 1, and the provisions of section 325.907 shall apply.

Sec. 3. **[325C.01] DEFINITIONS.** Subdivision 1. As used in sections 3 to 9, the terms defined in these sections have the meanings given them, unless the context requires otherwise:

Subd. 2. "Improper means" includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means;

Subd. 3. "Misappropriation" means:

(i) acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(ii) disclosure or use of a trade secret of another without express or implied consent by a person who

(A) used improper means to acquire knowledge of the trade secret; or

(B) at the time of disclosure or use, knew or had reason to know that his knowledge of the trade secret was

(I) derived from or through a person who had utilized improper means to acquire it;

(II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or

(III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

(C) before a material change of his position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

Subd. 4. "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

Subd. 5. "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

**Sec. 4. [325C.02] INJUNCTIVE RELIEF.** (a) Actual or threatened misappropriation may be enjoined. Upon application to the court, an injunction shall be terminated when the trade secret has ceased to exist, but the injunction may be continued for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation.

(b) If the court determines that it would be unreasonable to prohibit future use, an injunction may condition future use upon payment of (1) an equitable royalty for no longer than the period of time the use could have been prohibited; or (2) other compensation.

(c) In appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order.

**Sec. 5. [325C.03] DAMAGES.** (a) In addition to or in lieu of injunctive relief, a complainant may recover damages for the actual loss caused by misappropriation. A complainant also may recover for the unjust enrichment caused by misappropriation that is not taken into account in computing damages for actual loss.

(b) If willful and malicious misappropriation exists, the court may award exemplary damages in an amount which the court deems just and equitable.

**Sec. 6. [325C.04] ATTORNEY'S FEES.** If (i) a claim of misappropriation is made in bad faith, (ii) a motion to terminate an injunction is made or resisted in bad faith, or (iii) willful and malicious misappropriation exists, the court may award reasonable attorney's fees to the prevailing party.

**Sec. 7. [325C.05] PRESERVATION OF SECRECY.** In an action under sections 3 to 9, a court shall preserve the secrecy of an alleged trade secret by reasonable means, which may include granting protective orders in connection with discovery proceedings, holding in-camera hearings, sealing the records of the action, and ordering any person involved in the litigation not to disclose an alleged trade secret without prior court approval.

**Sec. 8. [325C.06] STATUTE OF LIMITATIONS.** An action for misappropriation must be brought within three years after the misappropriation is discovered or by the exercise of reasonable diligence should have been discovered. For the purposes of this section, a continuing misappropriation constitutes a single claim.

**Sec. 9. [325C.07] EFFECT ON OTHER LAW.** (a) Sections 3 to 9 displace conflicting tort, restitutionary, and other law of this state pertaining to civil liability for misappropriation of a trade secret.

(b) Sections 3 to 9 do not affect:

(1) contractual or other civil liability or relief that is not based upon misappropriation of a trade secret; or

(2) criminal liability for misappropriation of a trade secret.

Sec. 10. [325C.08] **SHORT TITLE.** Sections 3 to 9 may be cited as the "Uniform Trade Secrets Act."

Sec. 11. **TIME OF TAKING EFFECT.** Sections 3 to 9 of this act take effect on August 1, 1980, and do not apply to misappropriation occurring prior to the effective date.

Sec. 12. **EFFECTIVE DATE.** Section 1 and section 2, subdivisions 4 and 5, are effective the day following final enactment. Section 2, subdivisions 1 to 3 and 6, are effective January 1, 1981.

Approved April 23, 1980.

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## CHAPTER 595—S.F.No. 2166

*An act relating to the cities of Minneapolis, Bloomington and Winona; authorizing the creation of an economic development and redevelopment agency or department; granting powers of the port authority to the city of Bloomington; providing powers and conditions of debt for the port authority of Winona; providing for hearings for the issuance of industrial revenue bonds; amending Minnesota Statutes 1978, Section 458.192, Subdivision 1, and by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Sections 462C.07, Subdivision 3; and 474.01, Subdivision 7b.*

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

Section 1. **MINNEAPOLIS, CITY OF; DEVELOPMENT AND REDEVELOPMENT, PURPOSE.** The legislature of the state of Minnesota finds that the preservation of the quality of life in a major metropolitan city is dependent upon creation of an expanding tax base including commercial and industrial valuation, maintaining economically viable commercial and industrial areas within the city, encouraging private reinvestment within the city, encouraging redevelopment, maintaining and increasing employment opportunities, and providing improved housing opportunities, and that assistance which is provided by local government to accomplish these objectives should be provided as efficiently and effectively as possible, and that a coherent organized structure is necessary to maximize the impact of local government's activities while maintaining local government's involvement at the minimum level necessary, and that the economic development, housing and redevelopment activity of the city of Minneapolis is in need of increased efficiency and improved organization.

Changes or additions indicated by underline deletions by ~~strikeout~~