

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 1327

(SENATE AUTHORS: KORAN)

DATE
02/22/2021

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OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act

1.2 relating to commerce; prohibiting app stores from requiring developers to use a

1.3 specific app store or in-app payment system; providing penalties; amending

1.4 Minnesota Statutes 2020, section 8.31, subdivision 1; proposing coding for new

1.5 law in Minnesota Statutes, chapter 325D.

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

1.7 Section 1. Minnesota Statutes 2020, section 8.31, subdivision 1, is amended to read:

1.8 Subdivision 1. **Investigate offenses against provisions of certain designated sections;**

1.9 **assist in enforcement.** The attorney general shall investigate violations of the law of this

1.10 state respecting unfair, discriminatory, and other unlawful practices in business, commerce,

1.11 or trade, and specifically, but not exclusively, the Nonprofit Corporation Act (sections

1.12 317A.001 to 317A.909), the Act Against Unfair Discrimination and Competition (sections

1.13 325D.01 to 325D.07), the Unlawful Trade Practices Act (sections 325D.09 to 325D.16),

1.14 the Antitrust Act (sections 325D.49 to 325D.66), section 325D.661, section 325F.67 and

1.15 other laws against false or fraudulent advertising, the antidiscrimination acts contained in

1.16 section 325D.67, the act against monopolization of food products (section 325D.68), the

1.17 act regulating telephone advertising services (section 325E.39), the Prevention of Consumer

1.18 Fraud Act (sections 325F.68 to 325F.70), and chapter 53A regulating currency exchanges

1.19 and assist in the enforcement of those laws as in this section provided.

1.20 Sec. 2. **[325D.661] APPLICATION STORE COMPETITION.**

1.21 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

1.22 the meanings given.

(b) "App store" means a digital distribution platform for applications and services that is provided to users on general-purpose, Internet-connected hardware, including but not limited to mobile phones, smartphones, tablets, or personal computers. App store includes a person affiliated or acting in concert with the digital distribution platform.

(c) "Developer" means a creator of a software application made available for download by users through an app store.

(d) "In-app payment system" means an application, service, or user interface that processes a payment from a user to a developer for a software application, digital product, or physical product distributed through a software application.

(e) "Special-purpose app store" means a digital distribution platform for single or specialized categories of applications, software, and services provided to users of special-purpose, Internet-connected hardware, including but not limited to gaming consoles or music players.

Subd. 2. Prohibition. (a) An app store that has cumulative gross receipts in excess of \$10,000,000 during the previous or current calendar year from app store sales to residents of Minnesota is prohibited from:

(1) requiring a developer to use a specific app store as the exclusive mode of distribution for an app used on any platform, device, or operating system owned or sold by the owner of the app store;

(2) requiring a developer to use an in-app payment system as the exclusive mode of accepting payments by users for downloading a software application or purchasing digital or physical products through a software application; or

(3) retaliating or taking punitive action against a developer for choosing to use an alternative app store or in-app payment system.

(b) Any term in an agreement that violates paragraph (a) is void and unenforceable.

(c) This section does not apply to a special-purpose app store.

Subd. 3. Enforcement. This section must be enforced by the attorney general under section 8.31.