

Proposed Amendments submitted by Minnesota

Proposed Amendment to Section 204: Entity-Based Exemption

An exemption allowed to a person who meets certain qualifications, based on who purchases the product or who sells the products. An entity cannot be the general public or all persons.

Proposed Amendment to Section 214: Use-Based Exemption

An exemption based on a defined the purchaser's use of the product by the purchaser. The defined use must be for a purpose other than the product's intended use.

Proposed Amendment to Section 316: Enactment of Exemptions

B. A member state may enact an entity-based or use-based exemption without restriction if the Agreement does not have a definition for the product whose use or purchase by a specific entity is exempt or for a term that includes the product.

If the Agreement has a definition for the product whose use or specific purchase is exempt, a member state may enact an entity-based or a use-based exemption that applies to that product as long as the exemption utilizes the Agreement definition.

If the Agreement does not have a definition for the product whose use or specific purpose is exempt but has a definition for a term that includes the product, a member state may enact an entity-based or use-based exemption for the product ~~without restriction~~ unless the definition in the Library of Definitions for the term that includes the product provides options for limiting the exemption for specific uses or purposes.

If the definition for a term that includes the product provides options for limiting the exemption for specific uses or purposes:

- (a) For both purchasers and sellers, a member state may not enact an entity-based or use-based exemption that applies to a product included in the term.
- (b) For purchasers only, a member state may not enact an entity-based or use-based exemption for a purchaser that applies to a product included in the term.
- (c) For sellers only, a member state may not enact an entity-based or use-based exemption for a seller that applies to a product included in the term.

If the Agreement does not have a definition for the product whose use or specific purpose is exempt but has a definition for a term that includes the product and that term does not provide options for limiting the exemption for specific uses or purposes, a member state may enact an entity-based or use-based exemption for the product.