

## NINETY-FIRST DAY

St. Paul, Minnesota, Friday, April 15, 1994

The Senate met at 8:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Judith J. Westendorf.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott Junge	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

March 11, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

## MINNESOTA HOUSING FINANCE AGENCY

Bruce Bakken, 4825 Babcock Trl., Inver Grove Heights, Dakota County, has been appointed by me, effective March 16, 1994, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Jobs, Energy and Community Development.)

March 11, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

## MINNESOTA RURAL FINANCE AUTHORITY

Patrick A. Thiry, 37767 Rendova St. N.E., Stanchfield, Isanti County, has been appointed by me, effective March 16, 1994, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Agriculture and Rural Development.)

Warmest regards,  
Arne H. Carlson, Governor

April 12, 1994

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	2210	400	2:30 p.m. April 11	April 11
	2435	401	2:32 p.m. April 11	April 11
	2679	402	2:28 p.m. April 11	April 11
	2178	403	2:29 p.m. April 11	April 11
	2035	404	2:34 p.m. April 11	April 11
2425		405	2:50 p.m. April 11	April 11
2199		406	2:52 p.m. April 11	April 11
	2622	407	2:26 p.m. April 11	April 11
	2309	408	2:36 p.m. April 11	April 11

1913	409	2:37 p.m. April 11	April 11
1881	410	2:40 p.m. April 11	April 11
2314	411	2:42 p.m. April 11	April 11
1186	412	2:22 p.m. April 11	April 11
2330	413	2:44 p.m. April 11	April 11
2086	414	2:47 p.m. April 11	April 11
2692	415	2:49 p.m. April 11	April 11

Sincerely,  
Joan Anderson Growe  
Secretary of State

April 13, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 2073, 1692, 1826, 2671, 2462, 2464, 2598, 2135, 2572, 2582, 2503, 1959 and 2345.

Warmest regards,  
Arne H. Carlson, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1794, 2255, 2579 and 1774.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1994

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1662: A bill for an act relating to family; adopting the uniform interstate family support act; repealing the revised uniform reciprocal enforcement of support act; proposing coding for new law in Minnesota Statutes, chapter 518C; repealing Minnesota Statutes 1992, sections 518C.01 to 518C.36.

Senate File No. 1662 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1994

Ms. Piper moved that the Senate do not concur in the amendments by the House to S.F. No. 1662, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2081: A bill for an act relating to state agencies; providing that the open appointments act applies to certain appointments made by the governor and by legislators; authorizing the secretary of state to collect data regarding appointments to multimember agencies by electronic means; requiring multimember agencies to register with the secretary of state; requiring the secretary of state to publish information collected through registration; requiring the secretary of state to furnish copies of registration data to the legislative reference library; extending the expiration date of certain advisory councils; eliminating the family and group family day care task force; amending Minnesota Statutes 1992, sections 15.0597, subdivisions 1 and 5; 115A.072, subdivision 1; and 115A.12; Minnesota Statutes 1993 Supplement, sections 15.0597, subdivisions 2 and 4; and 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1992, section 256.9751, subdivision 2.

Senate File No. 2081 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1994

### CONCURRENCE AND REPASSAGE

Ms. Wiener moved that the Senate concur in the amendments by the House to S.F. No. 2081 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2081 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Metzen	Price
Anderson	Dille	Knutson	Moe, R.D.	Ranum
Beckman	Finn	Krentz	Mondale	Reichgott Junge
Belanger	Flynn	Kroening	Morse	Riveness
Benson, D.D.	Frederickson	Laidig	Murphy	Robertson
Benson, J.E.	Hanson	Larson	Neuville	Runbeck
Berg	Hottinger	Lesewski	Oliver	Sams
Berglin	Janezich	Lessard	Olson	Spear
Bertram	Johnson, D.E.	Luther	Pappas	Stevens
Betzold	Johnson, D.J.	Marty	Pariseau	Stumpf
Chandler	Johnson, J.B.	McGowan	Piper	Terwilliger
Cohen	Johnston	Merriam	Pogemiller	Wiener

So the bill, as amended, was repassed and its title was agreed to.

**MESSAGES FROM THE HOUSE – CONTINUED**

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1766: A bill for an act relating to attorneys; expanding remedies for the unauthorized practice of law; amending Minnesota Statutes 1992, section 481.02, subdivision 8.

Senate File No. 1766 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1994

Ms. Reichgott Junge moved that the Senate do not concur in the amendments by the House to S.F. No. 1766, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1694: A bill for an act relating to civil commitment; modifying procedures relating to administering intrusive mental health treatment to persons committed as mentally ill and dangerous under the civil commitment act; modifying petition and prepetition procedures; amending Minnesota Statutes 1992, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.07, subdivisions 1, 2, and 4, and by adding a subdivision; 253B.09, subdivision 2; 253B.12, subdivision 1; 253B.17, subdivision 1; and 525.56, subdivision 3.

Senate File No. 1694 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 14, 1994

**CONCURRENCE AND REPASSAGE**

Mr. Betzold moved that the Senate concur in the amendments by the House to S.F. No. 1694 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1694 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Mondale	Riveness
Anderson	Finn	Kroening	Morse	Robertson
Beckman	Flynn	Laidig	Murphy	Runbeck
Belanger	Frederickson	Langseth	Neuville	Sams
Benson, D.D.	Hanson	Larson	Oliver	Samuelson
Benson, J.E.	Hottinger	Lesewski	Olson	Solon
Berg	Janezich	Lessard	Pappas	Spear
Berglin	Johnson, D.E.	Luther	Pariseau	Stevens
Bertram	Johnson, D.J.	Marty	Piper	Stumpf
Betzold	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Chandler	Johnston	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Knutson	Moe, R.D.	Reichgott Junge	

So the bill, as amended, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2519, 2624, 2410 and 2120.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1994

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2519: A bill for an act relating to prostitution; creating a civil cause of action for persons who are coerced into prostitution; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2112, now on General Orders.

H.F. No. 2624: A bill for an act relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch; modifying duties of the commissioner of employee relations; amending Minnesota Statutes 1992, sections 3.855, subdivisions 2, 3, and by adding a subdivision; 15A.081, subdivisions 7 and 7b; 43A.05, subdivision 5; 43A.08, subdivisions 1 and 1a; 43A.18, subdivisions 2, 3, and 5; 179A.10, subdivision 3; 179A.18, subdivision 1; and 179A.22, subdivision 4; Minnesota Statutes 1993 Supplement, sections 15A.081, subdivision 1; 15A.083, subdivision 4; and 43A.18, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2358.

H.F. No. 2410: A bill for an act relating to natural resources; sale of native tree seed and tree planting stock; terms and conditions governing the leasing of state timber lands; amending Minnesota Statutes 1992, sections 89.36,

subdivision 3; 89.37, by adding a subdivision; 90.101, subdivision 2; 90.151, subdivision 1; 90.161, subdivisions 1 and 2; 90.191, subdivision 2; and 90.193; Minnesota Statutes 1993 Supplement, sections 90.101, subdivision 1; and 90.121; repealing Minnesota Statutes 1992, section 90.151, subdivisions 13 and 14.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2236, now on General Orders.

H.F. No. 2120: A bill for an act relating to occupations and professions; providing that health-related licensing boards may establish a program to protect the public from impaired regulated persons; providing for appointments; providing for rulemaking; appropriating money; amending Minnesota Statutes 1993 Supplement, section 214.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 214.

Referred to the Committee on Finance.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 2162: A bill for an act relating to cities; Saint Paul; appropriating money for unpaid special assessments to property owned by the state, the Minnesota state agricultural society, and other public and quasi-public entities.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 3.754, is amended to read:

3.754 [BUDGET REQUESTS; PROPERTY IMPROVEMENT CLAIMS.]

All state departments and agencies including the state university board and the state board for community colleges shall include in their budget requests the amounts necessary to reimburse counties and municipalities for claims involving assessments for improvements benefiting state owned property in their communities. *Each department and agency must pay the assessments when due.*

Sec. 2. [APPROPRIATION.]

(a) *\$..... is appropriated from the general fund to the commissioner of administration to be distributed to the city of Saint Paul to reimburse its general property tax receipts account for transfers made to its special assessment account, on account of unpaid current and delinquent assessments against real property owned by the state of Minnesota or the Minnesota state agricultural society, for services performed by the city.*

(b) *In this section, “current assessments” mean assessments spread in 1993 that are payable in 1994 and assessments spread in 1994, that are payable in 1995. “Delinquent assessments” mean those spread in 1990 and 1991 payable in 1991 and 1992, respectively.”*

Delete the title and insert:

"A bill for an act relating to state agencies; requiring payments to local governments of special assessments imposed for improvements to state property; appropriating money for unpaid special assessments against property in the city of Saint Paul owned by the state and the Minnesota state agricultural society; amending Minnesota Statutes 1992, section 3.754."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 2175: A bill for an act relating to the city of Saint Paul; authorizing a program for the replacement of lead pipes and the charging or assessment of costs for the program and the issuance of general or special obligations to pay the costs of the program.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2925 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2925	2608				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2893 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2893	2699				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2893 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2893 and insert



the language after the enacting clause of S.F. No. 2699; further, delete the title of H.F. No. 2893 and insert the title of S.F. No. 2699.

And when so amended H.F. No. 2893 will be identical to S.F. No. 2699, and further recommends that H.F. No. 2893 be given its second reading and substituted for S.F. No. 2699, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2192: A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting time-lines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 144.335, by adding a subdivision; 144.581, subdivision 2; 256.9355, by adding a subdivision; 256.9358, subdivision 4; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 16, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9356, subdivision 3; 256.9362, subdivision 6; 256.9363, subdivisions 6, 7, and 9; 256.9657, subdivision 3; 256B.0625, subdivision 13; 295.50, subdivisions 3, 4, and 12b; 295.52, subdivision 5; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; Laws 1992, chapter 549, article 9, section 22; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 62N; 62P; 144;

and 317A; proposing coding for new law as Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, delete lines 13 to 21

Page 6, line 27, delete "the"

Page 7, line 21, delete "network" and insert "health plan company"

Page 15, line 20, delete "16" and insert "15"

Page 31, after line 5, insert:

"Sec. 20. [62Q.10] [NONDISCRIMINATION.]

*If a health plan company, with the exception of a community integrated service network or an indemnity insurer licensed under chapter 60A who does not offer a product through a preferred provider network, offers coverage of a health care service as part of its plan, it may not deny provider network status to a qualified health care provider type who meets the credentialing requirements of the health plan company solely because the provider is an allied independent health care provider as defined in section 62N.255."*

Page 32, line 27, delete "7, 9 to 18, 20, 21, and 24" and insert "11, 18, and 20 to 23"

Page 32, line 29, delete "8, 19, 22, and 24" and insert "12 to 17, 19, 24, and 25"

Renumber the sections of article 2 in sequence

Page 51, delete lines 22 to 25 and insert:

*"Sections 1 to 21 are effective the day following final enactment."*

Page 53, lines 13 and 17, delete "health department" and insert "commissioner"

Page 53, line 15, after "the" insert "health"

Page 56, line 2, delete "allowed under" and insert "established in accordance with"

Page 56, line 27, before "must" insert "care"

Page 60, line 26, delete "make a report and recommendation" and insert "include recommendations"

Page 60, line 28, delete "by" and insert "in the implementation report due"

Page 61, delete lines 15 to 18 and insert:

*"Sections 1 to 9 are effective July 1, 1994."*

Page 61, line 24, delete "plan" and insert "report"

Page 62, line 33, delete "plan" and insert "report"

Page 63, line 14, delete "*managed care plans*" and insert "*health plan companies*"

Page 64, line 33, delete "*plan*" and insert "*report*"

Page 71, line 6, delete "*65A.65*" and insert "*62A.65*"

Page 90, after line 10, insert:

"Sec. 16. Minnesota Statutes 1993 Supplement, section 62J.09, subdivision 1a, is amended to read:

Subd. 1a. [DUTIES RELATED TO COST CONTAINMENT.] (a) [ALLOCATION OF REGIONAL SPENDING LIMITS.] Regional coordinating boards may advise the commissioner regarding allocation of annual regional limits on the rate of growth for providers in the regulated all-payer system in order to:

(1) achieve communitywide and regional public health goals consistent with those established by the commissioner; and

(2) promote access to and equitable reimbursement of preventive and primary care providers.

(b) [TECHNICAL ASSISTANCE.] Regional coordinating boards, in cooperation with the commissioner, shall provide technical assistance to parties interested in establishing or operating ~~an~~ *a community integrated service network or integrated service network* within the region. This assistance must complement assistance provided by the commissioner under section 62N.23."

Page 110, delete section 39

Renumber the sections of article 8 in sequence

Page 118, delete line 36

Page 119, delete lines 1 and 2 and insert:

"Sections 1 to 15, 17 to 31, and 33 to 50 are effective the day following final enactment. Sections 16 and 32 are effective July 1, 1994."

Page 169, line 19, after "*assistance*" insert "*without a spenddown*"

Page 169, line 22, after "*assistance*" insert "*without a spenddown*"

Pages 170 to 174, delete section 6

Page 181, delete lines 22 to 30

Page 182, lines 16 and 32, delete "*18*" and insert "*17*"

Page 182, line 36, delete "*4, 6, 8, 11, 16, and 17*" and insert "*5, 9, 12, and 16 to 18*"

Page 183, line 2, delete "*Section 3 is*" and insert "*Sections 3 and 4 are*"

Page 183, line 3, delete "*5, 7, 9, 10, and 12*" and insert "*6 to 8, 10, 11, and 13*"

Page 183, line 4, delete everything after the period

Page 183, delete lines 5 and 6

Renumber the sections of article 11 in sequence

Pages 183 and 184, delete sections 1 to 3 and insert:

**"Section 1. [APPROPRIATIONS; SUMMARY.]**

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to or subtracted from the appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 345, or another named law.

**SUMMARY BY FUND**

APPROPRIATIONS	1994	1995
Health Care Access Fund	\$ (10,828,000)	\$ (17,894,000)

**Subdivision 1. DEPARTMENT OF HUMAN SERVICES**

Health Care Access Fund	(8,974,000)	(14,622,000)
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Of this appropriation, \$249,000 the second year is for administration of the MinnesotaCare program. The appropriation for the MinnesotaCare subsidized health care plan is reduced by \$8,974,000 in the first year and \$14,871,000 in the second year.

**Subd. 2. DEPARTMENT OF EMPLOYEE RELATIONS**

Health Care Access Fund	(1,854,000)	(6,125,000)
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This reduction is to the appropriation in Laws 1993, chapter 345, article 14, section 9, due to a negotiation of a third-party carrier contract for Minnesota employers insurance program.

**Subd. 3. DEPARTMENT OF HEALTH**

Health Care Access Fund	-0-	2,790,000
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Of this appropriation, \$100,000 is for the purpose of making a grant to the school of medicine at the Duluth campus of the University of Minnesota for planning to meet the increasing need for rural family physicians.

Money appropriated before fiscal year 1995 to the commissioner of health for the administrative functions in connection with the data institute may be used by the data institute for the administration of the patient satisfaction survey to the extent

that there are matching financial contributions from the private sector.

#### Subd. 4. DEPARTMENT OF REVENUE

Health Care Access Fund	-0-	63,000
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#### Subd. 5. ATTORNEY GENERAL

Health Care Access Fund	-0-	200,000
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This appropriation is in addition to the appropriation in Laws 1993, chapter 192, section 11, subdivision 4. The attorney general shall work cooperatively with the commissioner of health in an effort to increase Minnesota's Medicare reimbursement rate.

#### Sec. 2. TRANSFERS

Notwithstanding Laws 1993, chapter 345, article 14, section 10, the commissioner of finance shall transfer \$3,963,000 in fiscal year 1994 and \$11,101,000 in fiscal year 1995 from the health care access fund to the general fund."

Amend the title as follows:

Page 1, line 42, delete "subdivision" and insert "subdivisions 1a and"

Page 2, line 7, delete "5,"

Page 2, line 9, delete everything after the first semicolon

And when so amended the bill do pass. Amendments adopted. Report adopted.

### SECOND READING OF SENATE BILLS

S.F. No. 2192 was read the second time.

### SECOND READING OF HOUSE BILLS

H.F. Nos. 2175, 2925 and 2893 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Benson, D.D. moved that the names of Mes. Berglin and Kiscaden be added as co-authors to S.F. No. 2640. The motion prevailed.

Messrs. Luther and Moe, R.D. introduced—

Senate Resolution No. 81: A Senate resolution welcoming Mayor Christopher Iga of Kampala, Uganda, and Mr. Dyeyonge, Personal Assistant to the Minister of State for Foreign Affairs of Uganda.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2248, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2248 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1994

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 2248

A bill for an act relating to agriculture; changing certain pesticide posting requirements; amending Minnesota Statutes 1992, section 18B.07, subdivision 3.

April 12, 1994

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2248, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Gil Gutknecht, Marvin Dauner, Gregory M. Davids

Senate Conferees: (Signed) Duane D. Benson, Jim Vickerman, Steve Dille

Mr. Benson, D.D. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2248 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2248 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Oliver	Samuelson
Benson, D.D.	Hanson	Larson	Olson	Solon
Benson, J.E.	Hottinger	Lesewski	Pappas	Spear
Berg	Janezich	Lessard	Pariseau	Stevens
Berglin	Johnson, D.E.	Luthier	Piper	Stumpf
Bertram	Johnson, D.J.	Marty	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	McGowan	Price	Vickerman
Chandler	Johnston	Merriam	Ranum	Wiener
Cohen	Kiscaden	Metzen	Reichgott Junge	
Day	Knutson	Mondale	Riveness	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 936, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 936 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 11, 1994

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 936

A bill for an act relating to the department of jobs and training; changing its name to the department of economic security.

March 25, 1994

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 936, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Barb Vickerman, Pat Beard, Brian Bergson

Senate Conferees: (Signed) Dennis R. Frederickson, Janet B. Johnson, James P. Metzen

Mr. Frederickson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 936 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 936 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Mondale	Riveness
Anderson	Finn	Kroening	Morse	Robertson
Beckman	Flynn	Laidig	Murphy	Runbeck
Belanger	Frederickson	Langseth	Neuville	Sams
Benson, D.D.	Hanson	Larson	Novak	Samuelson
Benson, J.E.	Hottinger	Lesewski	Oliver	Solon
Berg	Janezich	Lessard	Olson	Spear
Berglin	Johnson, D.E.	Luther	Pariseau	Stevens
Bertram	Johnson, D.J.	Marty	Piper	Stumpf
Betzold	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Chandler	Johnston	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Knutson	Moe, R.D.	Reichgott Junge	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1914, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1914 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1994

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1914

A bill for an act relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state; amending Minnesota Statutes 1992, sections 48.92, subdivision 7; 51A.58.

April 7, 1994

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 1914, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.



We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Loren Jennings, Leo J. Reding, Ron Abrams

Senate Conferees: (Signed) James P. Metzen, Sam G. Solon, William V. Belanger, Jr.

Mr. Metzen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1914 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1914 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Mondale	Runbeck
Anderson	Finn	Kroening	Morse	Sams
Beckman	Flynn	Laidig	Murphy	Samuelson
Belanger	Frederickson	Langseth	Neuville	Solon
Benson, D.D.	Hanson	Larson	Novak	Spear
Benson, J.E.	Hottinger	Lesewski	Oliver	Stevens
Berg	Janezich	Lessard	Piper	Stumpf
Berglin	Johnson, D.E.	Luther	Pogemiller	Terwilliger
Bertram	Johnson, D.J.	Marty	Price	Vickerman
Betzold	Johnson, J.B.	McGowan	Ranum	Wiener
Chandler	Johnston	Merriam	Reichgott Junge	
Cohen	Kiscaden	Metzen	Riveness	
Day	Knutson	Moe, R.D.	Robertson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1094, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1094 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1994

## CONFERENCE COMMITTEE REPORT ON H.F. NO. 1094

A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association, and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; appropriating money;

amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 5; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29, and by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 45; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 70A.06, subdivision 5; 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

March 18, 1994

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 1094, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1094 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [45.015] [PROOF OF MAILING.]

*In any provision of law related to the duties and responsibilities entrusted to the commissioner, and unless a different method is specified, when a person is required to provide notice or perform a similar act, this action may be accomplished by mail, and proof of mailing is sufficient to prove compliance with the requirement.*

Sec. 2. Minnesota Statutes 1992, section 45.024, subdivision 2, is amended to read:

Subd. 2. [DELEGATION.] The commissioner of commerce may delegate to a deputy commissioner, assistant commissioner, or director the exercise of the commissioner's statutory powers and duties, including the authority to decide and issue final orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.

*This delegation is in addition to, and does not in any way limit, the commissioner's authority to delegate pursuant to section 15.06, subdivision 6, or any other law.*

Sec. 3. Minnesota Statutes 1992, section 59A.12, is amended by adding a subdivision to read:

*Subd. 5. Whenever an insurer, after having been advised that an insurance policy has been financed by a premium finance agreement, returns an unearned premium on such a policy, the insurer shall deliver or mail to the policyholder a notice that includes the following information: the amount of premium paid, the term of the policy, the date coverage began and ceased, the amount of the unearned premium, the name of the party receiving the funds, and a statement of the obligation of the premium finance company to return within 30 days of receipt of the unearned premium any amount of the unearned premium in excess of the amount owed by the policyholder to the premium finance company.*

Sec. 4. Minnesota Statutes 1992, section 60A.02, is amended by adding a subdivision to read:

*Subd. 28. [GROUP INSURANCE.] "Group insurance" means that form of insurance coverage sponsored by:*

*(1) an employer covering not less than two employees and which may include the employees' dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any employer, or group of employers who have joined into an arrangement for the purposes of providing the employees insurance for their individual benefit. Employees' dependents, consisting of husband, wife, children, and actual dependents residing in the same household, are not employees for purposes of this definition except for a spouse employed on a regular full-time basis by the same employer. This clause does not apply to chapter 62L;*

*(2) an association to provide insurance to its members; or*

*(3) a creditor to provide life insurance to insure its debtors in connection with real estate mortgage loans, in an amount not to exceed the actual or scheduled amount of their indebtedness.*

Sec. 5. Minnesota Statutes 1992, section 60A.03, subdivision 5, is amended to read:

*Subd. 5. [EXAMINATION FEES AND EXPENSES.] When any visitation, examination, or appraisal is made by order of the commissioner, the company being examined, visited, or appraised, including, but not limited to, fraternal, township mutuals, reciprocal exchanges, nonprofit service plan corporations, health maintenance organizations, vendors of risk management services licensed under section 60A.23, or self-insurance plans or pools established under section 176.181 or 471.982, shall pay to the department of commerce the necessary expenses of the persons engaged in the examination, visit, appraisal, or desk audits of annual statements and records performed by the department other than on the company premises plus the per diem salary fees of the employees of the department of commerce who are conducting or participating in the examination, visitation, appraisal, or desk audit. The per diem salary fees may be based upon the approved examination fee schedules of the National Association of Insurance Commissioners or otherwise determined by the commissioner. All of these fees and expenses must be paid into the department of commerce revolving fund.*

Sec. 6. Minnesota Statutes 1992, section 60A.052, subdivision 2, is amended to read:

Subd. 2. [SUMMARY SUSPENSION OR REVOCATION OF AUTHORITY OR CENSURE.] If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring the insurance company to show cause why any or all of the following should not occur: (1) revocation or suspension of any or all certificates of authority granted to the foreign or domestic insurance company or its agent; (2) censuring of the insurance company; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend or revoke a certificate pending final determination of any order to show cause. If a certificate is suspended or revoked pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the summary order. All hearings shall be conducted in accordance with chapter 14. *The insurer may waive its right to the hearing. If the insurer is under the supervision or control of the insurance department of the insurer's state of domicile, that insurance department, acting on behalf of the insurer, may waive the insurer's right to the hearing.* After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the insurance company fails to appear at a hearing after having been duly notified of it, the company shall be considered in default, and the proceeding may be determined against the company upon consideration of the order to show cause, the allegations of which may be considered to be true.

Sec. 7. Minnesota Statutes 1992, section 60A.082, is amended to read:

60A.082 [GROUP INSURANCE; BENEFITS CONTINUED IF INSURER CHANGED.]

A person covered under group life, group accidental death and dismemberment, group disability income or group medical expense insurance, shall not be denied benefits to which the person is otherwise entitled solely because of a change in the insurance company writing the coverage or in the group contract applicable to the person. In the case of one or more carriers replacing or remaining in place after one or more plans have been discontinued, each carrier shall accept any person who was covered under the discontinued plan or plans without denial of benefits to which other persons in the group covered by that carrier are entitled. "Insurance company" shall include a service plan corporation under chapter 62C or 62D.

*For purposes of satisfying any preexisting condition limitation, the insurance company shall credit the period of time the person was covered by the prior plan, if the person has maintained continuous coverage.*

The commissioner shall promulgate rules to carry out this section. Nothing in this section shall preclude an employer, union or association from reducing the level of benefits under any group insurance policy or plan.

Sec. 8. Minnesota Statutes 1992, section 60A.085, is amended to read:

60A.085 [CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.]

(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or

contract is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.

(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered. ~~The insurer shall obtain an update of the list at least once during each subsequent 12-month period while the policy, plan, or contract is in force.~~

*(c) Paragraph (a) does not apply if the group policy, plan, or contract is replaced by a substantially similar policy, plan, or contract.*

Sec. 9. Minnesota Statutes 1992, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

- (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- (2) for filing annual statements, \$15;
- (3) for each annual certificate of authority, \$15;
- (4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

- (1) for filing certified copy of certificate of articles of incorporation, \$100;
- (2) for filing annual statement, \$225;
- (3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
- (4) for filing bylaws, \$75 or amendments thereto, \$75;
- (5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

- (1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;
- (2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;
- (3) for license to procure insurance in unadmitted foreign companies, \$575;
- (4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating

service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) (5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$30 per license; for issuing an initial agent's license to a partnership or corporation, \$100; and for issuing an amendment (variable annuity) to a license, \$50; and for renewal of amendment, \$25;

(8) (6) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$30 per year per license, and for renewing a license issued to a corporation or partnership, \$60 per year;

(10) for issuing and renewing a surplus lines agent's license, \$250;

(11) for issuing duplicate licenses, \$10;

(12) for issuing licensing histories, \$20;

(13) (7) for filing forms and rates, \$50 per filing;

(14) (8) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 10. Minnesota Statutes 1992, section 60A.19, subdivision 4, is amended to read:

Subd. 4. **[FEES SERVICE OF PROCESS.]** The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process authorized by this section shall be made in compliance with section 45.028, subdivision 2.

Sec. 11. Minnesota Statutes 1992, section 60A.206, subdivision 3, is amended to read:

Subd. 3. **[STANDARDS TO BE MET BY INSURERS.]** (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of

at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061, *and are subject to section 60A.03, subdivision 5*, in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm.

Sec. 12. Minnesota Statutes 1992, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.]

(1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made in compliance with section 45.028, subdivision 2 ~~and the payment of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4).~~

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which

such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 13. Minnesota Statutes 1992, section 60A.36, is amended by adding a subdivision to read:

*Subd. 5. [RESCISSION.] (a) No insurer may rescind or void a contract of liability or property insurance unless there was material misrepresentation, material omission, or fraud made by or with the knowledge of the insured in obtaining the contract or in pursuing a claim under the policy.*

*(b) No misrepresentation or omission shall be material unless knowledge by the insurer of the facts misrepresented or omitted would have led to a refusal by the insurer to make such a contract. In determining the question of materiality, evidence of the practice of the insurer with respect to the acceptance or rejection of similar risks shall be admissible.*

*(c) For purposes of this section, a representation is a statement as to past or present fact, made to an insurer or the insurer's agent by the applicant as an inducement for issuing a contract of commercial liability or property insurance. A misrepresentation is a false representation, and the facts misrepresented are those facts which make the representation false.*

*(d) This subdivision does not limit the right to cancel the policy prospectively for the reasons stated in subdivision 1, clause (2).*

Sec. 14. Minnesota Statutes 1992, section 60K.06, is amended to read:

60K.06 ~~[RENEWAL FEE FEES.]~~



*Subdivision 1. [RENEWAL FEES.]* (a) Each agent licensed pursuant to section 60K.03 shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

(b) Every agent, corporation, and partnership license expires on October 31 of the year for which period a license is issued.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

~~(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three year period. If three year licenses are issued, the fee is three times the annual license fee.~~

*Subd. 2. [LICENSING FEES.]* (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

- (1) for issuing an initial license to an individual agent, \$30 per year;
- (2) for issuing an initial agent's license to a partnership or corporation, \$100 per year;
- (3) for issuing an amendment (variable annuity) to a license, \$50 per year;
- (4) for renewing an amendment, \$25 per year;
- (5) for renewing an individual agent's license, \$30 per year;
- (6) for renewing a license issued to a corporation or partnership, \$60 per year;
- (7) for issuing and renewing a surplus lines agent's license, \$250 per year;
- (8) for issuing duplicate licenses, \$10.

(b) Every agent, corporation, and partnership license expires on October 31.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

(d) All fees shall be retained by the commissioner and shall be nonreturnable, except that an overpayment of any fee shall be the subject of a refund upon proper application.

Sec. 15. Minnesota Statutes 1992, section 60K.14, subdivision 4, is amended to read:

Subd. 4. [SUITABILITY OF INSURANCE.] In recommending the purchase of any life, endowment, *individual accident and sickness*, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.

Sec. 16. Minnesota Statutes 1993 Supplement, section 61A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL REQUIRED.] No policy or certificate of life insurance or annuity contract, *issued to an individual, group, or multiple employer trust*, nor any rider of any kind or description which is made a part thereof shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been approved by the commissioner. In making a determination under this section, the commissioner may require the insurer to provide rates and advertising materials related to policies or contracts, *certificates, or similar evidence of coverage* issued or delivered in this state.

*This section applies to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section does not apply to a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.*

Sec. 17. Minnesota Statutes 1992, section 61A.07, is amended to read:

61A.07 [PROHIBITED PROVISIONS.]

No policy of life insurance shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, if it contains a provision:

(1) for forfeiture of the policy for failure to repay any loan on the policy or to pay interest on such loan while the total indebtedness on the policy is less than the loan value thereof; or for forfeiture for failure to repay any such loan or to pay interest thereon, unless such provision contain a stipulation that no such forfeiture shall occur until at least one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any, notice of whose address and contract of the assignment has been filed with the company, at its home office; or

(2) *in a life policy or annuity contract*, limiting the time within which any action at law or in equity may be commenced to less than five years after the cause of action shall accrue; or

(3) by which the policy shall purport to be issued or to take effect more than six months before the original application for the insurance was made; or

(4) for any mode of settlement at maturity of less value than the amount insured on the face of the policy plus any dividend additions, less any

indebtedness to the company on the policy, and less any premium that may be deducted by the terms of the policy.

Sec. 18. Minnesota Statutes 1992, section 61A.071, is amended to read:

61A.071 [APPLICATIONS.]

No individual life insurance policy, ~~except mass marketed life insurance as defined in section 72A.13, subdivision 2~~ *except life insurance marketed on a direct response basis*, shall be issued or delivered in this state to a person age 65 or older unless a signed and completed copy of the application for insurance is left with the applicant at the time application is made. *However, where an individual life policy is marketed on a direct response basis, a copy of any application signed by the applicant shall be delivered to the insured along with, or as part of, the policy.*

Sec. 19. Minnesota Statutes 1992, section 61A.074, subdivision 1, is amended to read:

Subdivision 1. [CORPORATION OR TRUSTEE.] A corporation or the trustee of a trust providing life, *annuity*, health, disability, retirement, or similar benefits to employees of one or more corporations, and acting in a fiduciary capacity with respect to the employees, retired employees, or their dependents or beneficiaries, has an insurable interest in the lives of employees for whom the benefits are to be provided. The written consent of the insured is required if the insurance purchased under this subdivision is payable to the corporation or to the trustee.

Sec. 20. Minnesota Statutes 1992, section 61A.08, is amended to read:

61A.08 [EXCEPTIONS.]

Sections 61A.02, 61A.03, 61A.07, 61A.23, and 61A.25 shall not, except as expressly provided in this chapter, apply to ~~annuities~~, industrial or group term policies, or to corporations or associations operating on the assessment or fraternal plan, ~~and in every case where a contract provides for both insurance and annuities, sections 61A.02, 61A.03 and 61A.07 shall apply only to that part of the contract which provides for insurance~~, but every contract issued prior to the operative date specified in section 61A.245 containing a provision for a deferred annuity on the life of the insured only, unless paid for by a single premium, shall provide that, in event of the nonpayment of any premium after three full years' premium shall have been paid, the annuity shall automatically become converted into a paid-up annuity for that proportion of the original annuity as the number of completed years' premiums paid bears to the total number of premiums required under the contract.

Sec. 21. Minnesota Statutes 1992, section 61A.09, subdivision 1, is amended to read:

Subdivision 1. No group life insurance policy or group annuity shall be issued for delivery in this state until the form thereof and the form of any certificates issued thereunder have been filed in accordance with and subject to the provisions of section 61A.02. Each person insured under such a group life insurance policy (excepting policies which insure the lives of debtors of a creditor or vendor to secure payment of indebtedness) shall be furnished a certificate of insurance issued by the insurer and containing the following:

(a) Name and location of the insurance company;

(b) A statement as to the insurance protection to which the certificate holder is entitled, including any changes in such protection depending on the age of the person whose life is insured;

(c) Any and all provisions regarding the termination or reduction of the certificate holder's insurance protection;

(d) A statement that the master group policy may be examined at a reasonably accessible place;

(e) The maximum rate of contribution to be paid by the certificate holder;

(f) Beneficiary and method required to change such beneficiary;

(g) In the case of a group term insurance policy if the policy provides that insurance of the certificate holder will terminate, in case of a policy issued to an employer, by reason of termination of the certificate holder's employment, or in case of a policy issued to an organization of which the certificate holder is a member, by reason of termination of membership, a provision to the effect that in case of termination of employment or membership, *or in case of termination of the group policy*, the certificate holder shall be entitled to have issued by the insurer, without evidence of insurability, upon application made to the insurer within 31 days after the termination ~~of employment or membership~~, and upon payment of the premium applicable to the class of risk to which that person belongs and to the form and amount of the policy at that person's then attained age, a policy of life insurance only, in any one of the forms customarily issued by the insurer except term insurance, in an amount equal to the amount of the life insurance protection under such group insurance policy at the time of such termination; and shall contain a further provision to the effect that upon the death of the certificate holder during such 31-day period and before any such individual policy has become effective, the amount of insurance for which the certificate holder was entitled to make application shall be payable as a death benefit by the insurer.

*This section applies to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section does not apply to a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.*

Sec. 22. Minnesota Statutes 1992, section 61A.092, is amended by adding a subdivision to read:

*Subd. 6. [APPLICATION.] This section applies to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section does not apply to a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.*

Sec. 23. [61A.093] [CERTIFICATE OF INSURANCE.]

*Subdivision 1. [COVERAGE.] A certificate of insurance or similar evidence of coverage issued to a Minnesota resident shall provide coverage for all benefits required to be covered in group policies in Minnesota by this chapter.*

*This subdivision supersedes any inconsistent provision of this chapter.*

*A policy of life insurance that is issued or delivered in this state and that covers a person residing in another state may provide coverage or contain provisions that are less favorable to that person than required by this chapter. Less favorable coverages or provisions must meet the requirements that the state in which the person resides would have required had the policy been issued or delivered in that state.*

*Subd. 2. [NONAPPLICATION.] Subdivision 1 does not apply to certificates issued in regard to a master policy issued outside the state of Minnesota if all of the following are true:*

*(1) the policyholder or certificate holder exists primarily for purposes other than to obtain insurance;*

*(2) the policyholder or certificate holder is not a Minnesota corporation and does not have its principal office in Minnesota;*

*(3) the policy or certificate covers fewer than 25 persons who are residents of Minnesota and the Minnesota residents represent less than 25 percent of all covered persons; and*

*(4) on request of the commissioner, the issuer files with the commissioner a copy of the policy and a copy of each form of certificate.*

*Subd. 3. [RELATION TO OTHER LAW.] Section 60A.08, subdivision 4, shall not be construed as requiring a certificate of insurance or similar evidence of insurance that meets the conditions of subdivision 2 to comply with this chapter.*

*Sec. 24. Minnesota Statutes 1992, section 61A.12, subdivision 1, is amended to read:*

*Subdivision 1. [PROCEEDS OF LIFE POLICY OR ANNUITY, WHO ENTITLED TO.] When any insurance is effected in favor of another, the beneficiary shall be entitled to its proceeds against the creditors and representatives of the person effecting the same. All premiums paid for insurance in fraud of creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, if the company be specifically notified thereof, in writing, before payment.*

*Sec. 25. Minnesota Statutes 1992, section 61A.282, subdivision 2, is amended to read:*

*Subd. 2. [LENDING OF SECURITIES.] A company may loan securities held by it under this chapter to a broker-dealer registered under the Securities and Exchange Act of 1934 or to a bank which is a member of the Federal Reserve System, under the following conditions:*

*(a) The market value of loaned securities outstanding at any one time, excluding securities held in a separate account established pursuant to section 61A.14, subdivision 1, or 61A.275, shall not exceed ~~50~~ 40 percent of the company's ~~capital and surplus~~ admitted assets as of the December 31 immediately preceding.*

*(b) The company is limited to no more than two percent of its admitted assets as of the December 31 immediately preceding being subject to lending of securities with any one borrower.*

*(c) Each loan must be evidenced by a written agreement which provides:*

(a) (1) that the loan will be fully collateralized by cash or obligations issued or guaranteed by the United States or an agency or an instrumentality thereof, and that the collateral will be adjusted each business day during the term of the loan to maintain the required collateral in the event of market value changes in the loaned securities or collateral;

(b) (2) that the loan may be terminated by the company at any time, and that the borrower must return the loaned securities or their equivalent within five business days after termination;

(c) (3) that the company has the right to retain the collateral or to use the collateral to purchase securities equivalent to the loaned securities if the borrower defaults under the terms of the agreement; and

(d) (4) that the borrower remains liable for any losses and expenses, not covered by the collateral, which are incurred by the company due to default.

Sec. 26. Minnesota Statutes 1992, section 62A.047, is amended to read:

**62A.047 [CHILDREN'S HEALTH SUPERVISION SERVICES AND PRENATAL CARE SERVICES.]**

A policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B, issued, renewed, or continued to provide coverage to a Minnesota resident, must provide coverage for child health supervision services and prenatal care services. The policy, contract, or certificate must specifically exempt reasonable and customary charges for child health supervision services and prenatal care services from a deductible, copayment, or other coinsurance or dollar limitation requirement. ~~For individual policies,~~ This section does not prohibit the use of *policy* waiting periods or preexisting condition limitations for these services. Minimum benefits may be limited to one visit payable to one provider for all of the services provided at each visit cited in this section subject to the schedule set forth in this section. Nothing in this section applies to a commercial health insurance policy issued as a companion to a health maintenance organization contract, a policy designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or a policy that provides only accident coverage.

"Child health supervision services" means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six as defined by Standards of Child Health Care issued by the American Academy of Pediatrics. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from 24 months to 72 months.

"Prenatal care services" means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, including risk assessment, serial surveillance, prenatal education, and use of specialized skills and technology, when needed, as defined by Standards for Obstetric-Gynecologic Services issued by the American College of Obstetricians and Gynecologists.

Sec. 27. [62A.105] [COVERAGES; TRANSFERS TO SUBSTANTIALLY SIMILAR PRODUCTS.]

*Subdivision 1. [SCOPE.] No individual policy of accident and sickness regulated under this chapter or subscriber contract regulated under chapter 62C shall be issued, renewed, or continued to provide coverage to a Minnesota resident unless it satisfies the requirements of subdivision 2.*

*Subd. 2. [REQUIREMENT.] If an issuer of policies or plans referred to in subdivision 1 ceases to offer a particular policy or subscriber contract to the general public or otherwise stops adding new insureds to the group of covered persons, the issuer shall allow any covered person to transfer to another substantially similar policy or contract currently being sold by the issuer. The issuer shall permit the transfer without any preexisting condition limitation, waiting period, or other restriction of any type other than those which applied to the insured under the prior policy or contract. This section does not apply to persons who were covered under an individual policy or contract prior to July 1, 1994.*

Sec. 28. [62A.136] [DENTAL AND VISION PLANS.]

*The following provisions do not apply to health plans providing dental or vision coverage only: sections 62A.041, 62A.047, 62A.149, 62A.151, 62A.152, 62A.154, 62A.155, 62A.26, 62A.28, and 62A.30.*

Sec. 29. Minnesota Statutes 1992, section 62A.148, is amended to read:

62A.148 [GROUP INSURANCE; PROVISION OF BENEFITS FOR DISABLED EMPLOYEES.]

No employer or insurer of that employer shall terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under any program or policy of group insurance to any covered employee who becomes totally disabled while employed by the employer solely on account of absence caused by such total disability. *This includes coverage of dependents of the employee.* If the employee is required to pay all or any part of the premium for the extension of coverage, payment shall be made to the employer, by the employee.

Sec. 30. Minnesota Statutes 1992, section 62A.153, is amended to read:

62A.153 ~~[FREE STANDING AMBULATORY SURGICAL CENTERS~~  
~~OUTPATIENT MEDICAL AND SURGICAL SERVICES.]~~

No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C *that provides coverage for services in a hospital* shall be issued, renewed, continued, delivered, issued for delivery or executed in this state, or approved for issuance or renewal in this state by the commissioner of commerce unless the policy, plan or contract specifically provides coverage for a health care treatment or service rendered by a free standing ambulatory surgical center or facilities offering ambulatory medical service 24 hours a day seven days a week, which are not part of a hospital, but have been reviewed and approved by the state commissioner of health to provide the treatment or service, surgery on an outpatient basis at a facility equipped to perform these services, whether or not the facility is part of a hospital. Coverage shall be on the same basis as coverage provided for the same health care treatment or service rendered by in a hospital.

Sec. 31. Minnesota Statutes 1992, section 62A.43, subdivision 4, is amended to read:

Subd. 4. [OTHER POLICIES NOT PROHIBITED.] The prohibition in this section *or the requirements of section 62A.31, subdivision 1*, against the sale of duplicate Medicare supplement coverage ~~does do~~ not preclude the sale of insurance coverage, such as travel, accident and sickness coverage, the effect or purpose of which is not to supplement Medicare coverage. Notwithstanding this provision, if the commissioner determines that the coverage being sold is in fact Medicare supplement insurance, the commissioner shall notify the insurer in writing of the determination. If the insurer does not thereafter comply with sections 62A.31 to 62A.44, the commissioner may, pursuant to chapter 14, revoke or suspend the insurer's authority to sell accident and health insurance in this state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 32. [62A.49] [HOME CARE SERVICES COVERAGE.]

*Subdivision 1. [GENERALLY.] Section 62A.48 does not prohibit the sale of policies, certificates, subscriber contracts, or other evidences of coverage that provide home care services only. This does not, however, remove the requirement that home care service benefits must be provided as part of a long-term care policy pursuant to that section. Home care services only policies may be sold, provided that they meet the requirements set forth in sections 62A.46 to 62A.56, except that they do not have to meet those conditions that relate to long-term care in nursing facilities. Disclosures and representations regarding these policies must be adjusted accordingly to remove references to coverage for nursing home care.*

*Subd. 2. [PROVIDER NETWORKS AND MANAGED CARE.] Home health care services issued pursuant to this section may be provided through a limited provider network and may employ managed care practices. If these methods are used, they must be adequately disclosed within the policy and any advertisements or representations regarding coverage. Policies may not be sold in areas where there are not sufficient providers to meet the needs of the policyholders located in that area.*

Sec. 33. [62A.615] [PREEXISTING CONDITIONS; LIMITATIONS ON CANCELLATIONS, RESCISSIONS, OR RESTRICTIONS ON COVERAGE.]

*No insurer may cancel or rescind a health insurance policy for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice. No insurer may restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice unless the coverage is restricted at the time the policy is issued and the restriction is disclosed in writing to the insured at the time the policy is issued.*

Sec. 34. Minnesota Statutes 1992, section 62E.05, is amended to read:

62E.05 [CERTIFICATION OF QUALIFIED PLANS.]

Upon application by an insurer, fraternal, or employer for certification of a plan of health coverage as a qualified plan or a qualified medicare supplement plan for the purposes of sections 62E.01 to 62E.16, the commissioner shall make a determination within 90 days as to whether the plan is qualified. All plans of health coverage, *except Medicare supplement policies*, shall be



labeled as "qualified" or "nonqualified" on the front of the policy or evidence of insurance. All qualified plans shall indicate whether they are number one, two, or three coverage plans.

Sec. 35. Minnesota Statutes 1992, section 62E.19, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER LIABILITY.] An employer is liable to the association for the costs of any preexisting conditions of the employer's former employees or their dependents during the first six months of coverage under the state comprehensive health insurance plan under the following conditions:

(1)(i) the employer has terminated or laid off employees and is required to meet the notice requirements under section 268.976, subdivision 3;

(2)(ii) the employer has failed to provide, arrange for, or make available continuation health insurance coverage required to be provided under federal or state law to employees or their dependents; and

(3)(iii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5; or

(4)(2)(i) the employer has terminated or allowed the employer's plan of health insurance coverage to lapse within 90 days prior to the date of termination or layoff of an employee; and

(5)(ii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5.

The employer shall pay a special assessment to the association for the costs of the preexisting conditions. The special assessment may be assessed before the association makes the annual determination of each contributing member's liability as required under this chapter. The association may enforce the obligation to pay the special assessment by action, as a claim in an insolvency proceeding, or by any other method not prohibited by law.

If the association makes the special assessment permitted by this subdivision, the association may also make any assessment of contributing members otherwise permitted by law, without regard to the special assessment permitted by this subdivision. Contributing members must pay the assessment, subject to refund or adjustment in the event of receipt by the association of any portion of the special assessment.

Sec. 36. Minnesota Statutes 1992, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits, or other benefits permitted under the *Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.* Joint plans must have a minimum of 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan

covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

**Sec. 37. [62H.10] [DEFINITIONS.]**

*Subdivision 1. [SCOPE.] For purposes of sections 62H.10 to 62H.17, the terms in this section have the meanings given them.*

*Subd. 2. [AGENT.] "Agent" means an agent as defined under section 60A.02, subdivision 7.*

*Subd. 3. [ARRANGEMENT.] "Arrangement" means a fund, trust, plan, program, or other mechanism by which a person provides, or attempts to provide, health care benefits to individuals.*

*Subd. 4. [BROKER.] "Broker" means an agent engaged in brokerage business pursuant to section 60K.08.*

*Subd. 5. [COLLECTIVELY BARGAINED ARRANGEMENT.] "Collectively bargained arrangement" means an arrangement which provides or represents that it is providing health care benefits or coverage under or pursuant to one or more collective bargaining agreements.*

*Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.*

*Subd. 7. [EMPLOYEE LEASING ARRANGEMENT.] "Employee leasing arrangement" means a labor leasing, staff leasing, employee leasing, contract labor, extended employee staffing or supply, or other arrangement, under contract or otherwise, whereby one business or entity leases or obtains all or a significant number of its workers from another business or entity.*

*Subd. 8. [EMPLOYEE WELFARE BENEFIT PLAN.] "Employee welfare benefit plan" means a plan, fund, or program established or maintained by an employer or by an employee organization, or by both, to the extent that the plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death, or unemployment.*

*Subd. 9. [FULLY INSURED BY A LICENSED INSURER.] "Fully insured by a licensed insurer" means that, for all of the health care benefits or coverage provided or offered by or through an arrangement:*

*(1) a licensed insurer is directly obligated by contract to provide all of the coverage to or under the arrangement;*

*(2) the licensed insurer assumes all of the risk for payment of all covered services or benefits; and*

*(3) the liability of the licensed insurer for payment of the covered services or benefits is directly to the individual employee, member, or dependent receiving the health care services.*

**Subd. 10. [LICENSED INSURER.]** "Licensed insurer" means an insurer having a certificate of authority to transact insurance in this state.

**Subd. 11. [REPORTABLE MEWA.]** "Reportable MEWA" means a person that provides health care benefits or coverage to the employees of two or more employers. Reportable MEWA does not include:

- (1) a licensed insurer;
- (2) an arrangement which is fully insured by a licensed insurer;
- (3) a collectively bargained arrangement;
- (4) an employee welfare benefit plan established or maintained by a rural electric cooperative or a rural telephone cooperative;
- (5) an employee leasing arrangement; or
- (6) a joint self-insurance employee health plan, which includes but is not limited to multiple employee welfare arrangements and multiple employer welfare arrangements (MEWAs), having a certificate of authority to transact insurance in this state pursuant to chapter 62H.

**Subd. 12. [RURAL ELECTRIC COOPERATIVE.]** "Rural electric cooperative" means:

- (1) an organization that is exempt from tax under United States Code, title 26, section 501(a), and which is engaged primarily in providing electric service on a mutual or cooperative basis; or
- (2) an organization described in United States Code, title 26, section 501(c), paragraph (4) or (6), which is exempt from tax under United States Code, title 26, section 501(a), and at least 80 percent of the members of which are organizations described in clause (1).

**Subd. 13. [RURAL TELEPHONE COOPERATIVE.]** "Rural telephone cooperative" means an organization described in United States Code, title 26, section 501(c), paragraph (4) or (6), which is exempt from tax under United States Code, title 26, section 501(a), and at least 80 percent of the members of which are organizations engaged primarily in providing telephone service to rural areas of the United States on a mutual, cooperative, or other basis.

**Subd. 14. [THIRD PARTY ADMINISTRATOR.]** "Third party administrator" means a vendor of risk management services or an entity administering a self-insurance or insurance plan under section 60A.23.

**Sec. 38. [62H.11] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING REPORTABLE MEWAS PRIOR TO FILING.]**

(a) No agent or broker may solicit, advertise, or market in this state health benefits or coverage from, or accept an application for, or place coverage for a person who resides in this state with, a reportable MEWA unless the agent or broker first files with the commissioner the information required under section 62H.16.

(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market services, health benefits, or coverage of a reportable MEWA unless the agent or broker first files with the commissioner the information required under section 62H.16.

**Sec. 39. [62H.12] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING EMPLOYEE LEASING ARRANGEMENTS PRIOR TO FILING.]**

*(a) No agent or broker may solicit, advertise, or market in this state the services, health benefits, or coverage of an employee leasing arrangement or a person or arrangement which represents itself as an employee leasing arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.*

*(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market the services, health benefits, or coverage of an employee leasing arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.*

**Sec. 40. [62H.13] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING COLLECTIVELY BARGAINED ARRANGEMENTS PRIOR TO FILING.]**

*(a) No agent or broker may solicit, advertise, or market in this state health benefits or coverage from, or accept an application for, or place coverage for a person who resides in this state with, a collectively bargained arrangement or an arrangement that represents itself as a collectively bargained arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.*

*(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market the health benefits or coverage of a collectively bargained arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.*

**Sec. 41. [62H.14] [THIRD PARTY ADMINISTRATORS AND LICENSED INSURERS PROHIBITED FROM ASSISTING REPORTABLE MEWAS PRIOR TO FILING.]**

*(a) No third party administrator may solicit or effect coverage of, underwrite for, collect charges or premium for, or adjust or settle claims of a resident of this state for, or enter into any agreement to perform any of those functions for, a reportable MEWA that provides coverage to residents of this state unless the third party administrator first files with the commissioner the information required under section 62H.16.*

*(b) No licensed insurer may solicit or effect coverage of, underwrite for, collect charges or premiums for, adjust or settle claims of a resident of this state for, or enter into any agreement to perform any of those functions for a reportable MEWA that provides coverage to residents of this state unless the insurer first files with the commissioner the information required under section 62H.16.*

*(c) A licensed insurer that issues or has issued any insurance coverage to a reportable MEWA that covers residents of this state, including, but not limited to, specific or aggregate stop-loss coverage, shall file with the commissioner the information required under section 62H.16 within 30 days after the coverage is issued or within 30 days after the date the reportable MEWA first provides coverage to a resident of this state, whichever is later.*

**Sec. 42. [62H.15] [LACK OF KNOWLEDGE NOT A DEFENSE.]**

(a) Lack of knowledge or intent to deceive with respect to the organization or status of insurance coverage of a reportable MEWA, employee leasing firm, or collectively bargained arrangement is not a defense to a violation of sections 62H.10 to 62H.17.

(b) A filing under sections 62H.10 to 62H.17 is solely for the purpose of providing information to the commissioner. Sections 62H.10 to 62H.17 and a filing under those sections do not authorize or license a reportable MEWA, employee leasing firm, collectively bargained arrangement, or any other arrangement to engage in business in this state if otherwise prohibited by law.

**Sec. 43. [62H.16] [INFORMATION REQUIRED TO BE FILED AND KEPT CURRENT.]**

(a) An agent, broker, third party administrator, or insurer required to file under sections 62H.10 to 62H.17 shall file with the commissioner all of the following information on a form prescribed by the commissioner:

(1) a copy of the organizational documents of the reportable MEWA, employee leasing firm, or collectively bargained arrangement, including the articles of incorporation and bylaws, partnership agreement, or trust instrument;

(2) a copy of each insurance or reinsurance contract that purports to insure or guarantee all or any portion of benefits or coverage offered by the reportable MEWA, employee leasing firm, or collectively bargained arrangement to a person who resides in this state;

(3) copies of the benefit plan description and other materials intended to be distributed to potential purchasers; and

(4) the names and addresses of all persons performing or expected to perform the functions of a third party administrator for the reportable MEWA, employee leasing firm, or collectively bargained arrangement.

(b) A filing under sections 62H.10 to 62H.17 is ineffective and is not in compliance with those sections if it is incomplete or inaccurate in a material respect.

(c) A person who has made a filing under sections 62H.10 to 62H.17 shall amend the filing within 30 days of the date the person becomes aware, or exercising due diligence should have become aware, of any material change to the information required to be filed. The amended filing must accurately reflect the material change to the information originally filed.

**Sec. 44. [62H.17] [LIABILITY FOR VIOLATION.]**

If an arrangement that is an unauthorized insurer fails to pay a claim or loss in this state within the provisions of its contract, a person who violates sections 62H.10 to 62H.17 with respect to the arrangement is liable to the insured for the full amount of the claim or loss in the manner provided by the provisions of the insurance contract.

**Sec. 45. Minnesota Statutes 1992, section 62I.02, is amended to read:**

**62I.02 [MINNESOTA JOINT UNDERWRITING ASSOCIATION.]**

**Subdivision 1. [CREATION.]** The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity unable to obtain insurance through ordinary methods if the insurance is required by

statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business and serves a public purpose, *including, but not limited to, liquor liability*. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard for the association to offer insurance coverage to a person or entity. For purposes of this subdivision, directors' and officers' liability insurance is considered to be a business necessity and not merely a prudent business practice. The association shall be specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes, developmental achievement centers, group homes, and rehabilitation facilities for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage. The association shall not offer environmental impairment liability or product liability insurance. The association shall not offer coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty insurance *and personal injury liability insurance* in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state.

Subd. 2. [DIRECTOR.] The association shall have a board of directors composed of 11 persons chosen as follows: five persons elected by members of the association at a meeting called by the commissioner; three public members, as defined in section 214.02, appointed by the commissioner; and three members, appointed by the commissioner representing groups to whom coverage has been extended by the association. The terms of the members shall be four years. Terms may be staggered so that no more than six members are appointed or elected every two years. Members may serve until their successors are appointed or elected. If at any time no coverage is currently extended by the association, then either additional public members may be appointed to fill these three positions or, at the option of the commissioner, representatives from groups who had previously been covered by the association may serve as directors.

Subd. 3. [REAUTHORIZATION.] The authorization to issue insurance to day care providers, foster parents, foster homes, developmental activity centers, group homes, and rehabilitation facilities for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383, is valid for a period of two years from the date it was made. The commissioner may reauthorize the issuance of insurance for these groups and other classes of business for additional two-year periods pursuant to sections 621.21 and 621.22. This subdivision is not a limitation on the number of times the commissioner may reauthorize the issuance of insurance.

Subd. 4. [LIQUOR LIABILITY.] *Policies and contracts of coverage issued under this section for the purposes of providing liquor liability insurance must contain the usual and customary provisions of liability insurance policies, and must contain at least the minimum coverage required by section 340A.409, subdivision 1, or the local governing unit.*

*Subd. 5. [ACCOUNTS.] For the purposes of administration and assessment, the association shall be divided into two separate accounts: (1) the property and casualty insurance account; and (2) the personal injury liability insurance account.*

Sec. 46. Minnesota Statutes 1992, section 62I.03, is amended to read:

62I.03 [DEFINITION.]

Subdivision 1. [SCOPE.] As used in sections 62I.01 to 62I.22 the following terms have the meanings given them in this section.

Subd. 2. [ASSOCIATION.] "Association" means the Minnesota joint underwriting association.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [DIRECT WRITTEN PREMIUMS.] "Direct written premiums" means that amount at column (2), lines 5, 8, 9, 17, 21.2, 22, 23, 24, 25, 26, and 27, page 14, of the annual statement filed annually with the department of commerce pursuant to section 60A.13.

Subd. 5. [DEFICIT.] "Deficit" means, for a particular policy year, that amount by which total paid and outstanding losses and loss adjustment expenses exceed premium revenue, including retrospective premium revenue.

*Subd. 6. [NET DIRECT PREMIUMS.] For purposes of liquor liability insurance, "net direct premiums" means gross direct premiums written on personal injury liability insurance, including the liability component of multiple peril package policies as computed by the commissioner, less return premiums for the unused or unabsorbed portions of premium deposits.*

*Subd. 7. [PERSONAL INJURY LIABILITY INSURANCE.] "Personal injury liability insurance" means insurance described in section 60A.06, subdivision 1, clause (13).*

Sec. 47. Minnesota Statutes 1992, section 62I.07, is amended to read:

62I.07 [MEMBERSHIP ASSESSMENTS.]

*Subdivision 1. [GENERAL ASSESSMENT.] Each member of the association that is authorized to write property and casualty insurance in the state shall participate in its losses and expenses in the proportion that the direct written premiums of the member on the kinds of insurance in that account bears to the total aggregate direct written premiums written in this state by all members on the kinds of insurance in that account. The members' participation in the association shall be determined annually on the direct written premiums written during the preceding calendar year as reported on the annual statements and other reports filed by the member with the commissioner.*

*Subd. 2. [PERSONAL INJURY LIABILITY INSURANCE ASSESSMENT.] A member of the association shall participate in its writings, expenses, servicing allowance, management fees, and losses in the proportion that the net direct premiums of the member, excluding that portion of premiums attributable to the operation of the association, written during the preceding calendar year on the kinds of insurance in that account bears to the aggregate net direct premiums written in this state by all members on the kinds of insurance in that account. The member's participation in the association*

*shall be determined annually on the basis of net direct premiums written during the preceding calendar year, as reported in the annual statements and other reports filed by the member with the commissioner.*

Sec. 48. Minnesota Statutes 1992, section 62I.13, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] *To be eligible to participate in the association, an applicant must apply for coverage through the market assistance program, as required by section 62I.08. Except as provided by subdivision 4, the market assistance program has 30 days from the receipt of the application to secure an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant and if the offer of coverage would not be considered a refusal for purposes of the association, then coverage may not be extended by the association. Eligibility for coverage by the association is also subject to the terms and conditions of subdivisions 2 and 3.*

Sec. 49. Minnesota Statutes 1992, section 62I.13, subdivision 2, is amended to read:

Subd. 2. [MINIMUM OF QUALIFICATIONS.] *Anyone who is unable to obtain insurance in the private market and who so certifies to the association in the application is eligible to make written application to the association for coverage. Payment of the applicable premium or required portion of it must be paid prior to coverage by the association. An offer of coverage at a rate in excess of the rate that would be charged by the association for similar coverage and risk shall be deemed to be a refusal of coverage for purposes of eligibility for participation in the association. It shall not be deemed to be a written notice of refusal if the rate for coverage offered is less than five percent in excess of the joint underwriting association rates for similar coverage and risk or 20 percent in excess of the joint underwriting association rates for liquor liability coverages. However, the offered rate must also be the rate that the insurer has filed with the department of commerce if the insurer is required to file its rates with the department. If the insurer is not required to file its rates with the department, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.*

Sec. 50. Minnesota Statutes 1992, section 62I.20, is amended to read:

62I.20 [MERGER OF OTHER PLANS.]

*Upon application by the governing body of the liquor liability assigned risk plan authorized by section 340A.409 or the joint underwriting association authorized by chapter 62F to be merged with the association, the commissioner shall, if the commissioner deems it appropriate, hold a public hearing in regard to the merger. The commissioner upon motion or upon the motion of any insured under plans shall hold a hearing. Unless it can be shown that the rights of the insured would be adversely affected by the merger or that it would be less efficient or more costly to merge the plans, the commissioner shall consent to the merger. The commissioner shall also consent to the merger at any time there are less than ten insureds in any plan.*

Sec. 51. Minnesota Statutes 1992, section 65A.01, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION AND SCOPE.] *The printed form of a policy of fire insurance, as set forth in subdivisions 3 and 3a, shall be known*



and designated as the "Minnesota standard fire insurance policy" to be used in the state of Minnesota. No policy or contract of fire insurance shall be made, issued or delivered by any insurer including reciprocals or interinsurance exchanges or any agent or representative thereof, on any property in this state, unless it shall provide the specified coverage and conform as to all provisions, stipulations, and conditions, with such form of policy, except as provided in ~~section~~ sections 60A.08, subdivision 9; 60A.30 to 60A.35; 65A.06; 65A.29; 72A.20, subdivision 17; and other statutes containing specific requirements that are inconsistent with the form of this policy. Any policy or contract otherwise subject to the provisions of this subdivision, subdivisions 3 and 3a which includes either on an unspecified basis as to coverage or for a single premium, coverage against the peril of fire and coverage against other perils may be issued without incorporating the exact language of the Minnesota standard fire insurance policy, provided: Such policy or contract shall, with respect to the peril of fire, afford the insured all the rights and benefits of the Minnesota standard fire insurance policy and such additional benefits as the policy provides; the provisions in relation to mortgagee interests and obligations in said Minnesota standard fire insurance policy shall be incorporated therein without change; such policy or contract is complete as to its terms of coverage; and, the commissioner is satisfied that such policy or contract complies with the provisions hereof.

Sec. 52. Minnesota Statutes 1992, section 65A.29, subdivision 7, is amended to read:

Subd. 7. [RENEWAL; NOTICE REQUIREMENT.] No insurer shall refuse to renew, or reduce limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it mails or delivers to the insured, at the address shown in the policy, at least 60 days advance notice of its intention. The notice must contain the specific underwriting or other reason or reasons for the indicated action.

*Proof of mailing this notice to the insured at the address shown in the policy is sufficient proof that the notice required by this section has been given.*

Sec. 53. Minnesota Statutes 1992, section 65B.49, subdivision 3, is amended to read:

Subd. 3. [RESIDUAL LIABILITY INSURANCE.] (1) Each plan of reparation security shall also contain stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is thereby granted, of not less than \$30,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$60,000 because of injury to two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, of not less than \$10,000 because of such injury to or destruction of property of others in any one accident.

(2) Under residual liability insurance the reparation obligor shall be liable to pay, on behalf of the insured, sums which the insured is legally obligated to pay as damages because of bodily injury and property damage arising out of the ownership, maintenance or use of a motor vehicle if the injury or damage occurs within this state, the United States of America, its territories or possessions, or Canada. A reparation obligor shall also be liable to pay sums which another reparation obligor is entitled to recover under the indemnity provisions of section 65B.53, subdivision 1.

(3) Every plan of reparation security shall be subject to the following provisions which need not be contained therein:

(a) The liability of the reparation obligor with respect to the residual liability coverage required by this clause shall become absolute whenever injury or damage occurs; such liability may not be canceled or annulled by any agreement between the reparation obligor and the insured after the occurrence of the injury or damage; no statement made by the insured or on the insured's behalf and no violation of said policy shall defeat or void said policy.

(b) The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the reparation obligor to make payment on account of such injury or damage.

(c) The reparation obligor shall have the right to settle any claim covered by the residual liability insurance policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability for the accident out of which such claim arose.

*(d) Except as provided in subdivision 5a, a residual liability insurance policy shall be excess of a nonowned vehicle policy whether the nonowned vehicle is borrowed or rented, or used for business or pleasure. A nonowned vehicle is one not used or provided on a regular basis.*

Sec. 54. Minnesota Statutes 1992, section 72A.20, subdivision 29, is amended to read:

Subd. 29. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal benefit society regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 611A.19 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has: *(i) had a test performed for the reason set forth in clause (1); or (ii) been the victim of an assault or any other crime which involves bodily contact with the offender.*

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1), *including any test to determine the presence of the human deficiency virus (HIV) antibody if such test was performed at the insurer's direction as part of the insurer's normal underwriting requirements.*

Sec. 55. Minnesota Statutes 1992, section 72A.20, is amended by adding a subdivision to read:

*Subd. 30. [RECORDS RETENTION.] An insurer shall retain copies of all underwriting documents, policy forms, and applications for three years from the effective date of the policy. This subdivision does not relieve the insurer of its obligation to produce these documents to the department after the retention period has expired in connection with an enforcement action or administrative proceeding against the insurer from whom the documents are requested, if the insurer has retained the documents. Records required to be retained by this section may be retained in paper, photograph, microprocess, magnetic, mechanical, or electronic media, or by any process which accurately reproduces or forms a durable medium for the reproduction of a record.*

Sec. 56. Minnesota Statutes 1992, section 72A.201, subdivision 9, is amended to read:

**Subd. 9. [STANDARDS FOR COMMUNICATIONS WITH THE DEPARTMENT.]** In addition to the acts specified elsewhere in this section and section 72A.20, the following acts by an insurer, adjuster, or a self-insured or self-insurance administrator constitute unfair settlement practices:

(1) failure to respond, within 15 working days after receipt of an inquiry from the commissioner, about a claim, to the commissioner;

(2) failure, upon request by the commissioner, to make specific claim files available to the commissioner;

(3) failure to include in the claim file all written communications and transactions emanating from, or received by, the insurer, as well as all notes and work papers relating to the claim. All written communications and notes referring to verbal communications must be dated by the insurer;

(4) failure to submit to the commissioner, when requested, any summary of complaint data reasonably required;

(5) failure to compile and maintain a file on all complaints. If the complaint deals with a loss, the file must contain adequate information so as to permit easy retrieval of the entire file. If the complaint alleges that the company, or agent of the company, or any agent producing business written by the company is engaged in any unfair, false, misleading, dishonest, fraudulent, untrustworthy, coercive, or financially irresponsible practice, or has violated any insurance law or rule, the file must indicate what investigation or action was taken by the company. The complaint file must be maintained for at least four years after the date of the complaint.

*For purposes of clause (1) the term insurer includes an agent of the insurer. The insurer must have been sent a copy of any communication to an agent to be held in violation of this provision.*

Sec. 57. Minnesota Statutes 1992, section 72A.41, subdivision 1, is amended to read:

**Subdivision 1.** It is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state, as set forth in subdivision 2, without a certificate of authority from the commissioner; provided that this subdivision does not apply to: (a) contracts of insurance procured by agents under the authority of sections 60A.195 to 60A.209; (b) contracts of reinsurance and contracts of ocean or wet marine

and transportation insurance; (c) transactions in this state involving a policy lawfully solicited, written and delivered outside of this state covering only subjects of insurance not resident, located, or expressly to be performed in this state at the time of issuance and which transactions are subsequent to the issuance of the policy; (d) ~~transactions in this state involving group or blanket insurance and group annuities where the master policy of such groups was lawfully issued and delivered in a state in which the company was authorized to do an insurance business where, except for group annuities, the insurer complies with section 72A.13. The commissioner may require the insurer which has issued such master policy to submit any information as the commissioner reasonably requires in order to determine if probable cause exists to convene a hearing to determine whether the total charges for the insurance to the persons insured are unreasonable in relation to the benefits provided under the policy;~~ (e) transactions in this state involving a policy of insurance or annuity issued prior to July 1, 1967; or ~~(f)~~ (e) contract of insurance procured under the authority of section 60A.19, subdivision 8; or ~~(g)~~ (f) transactions in this state involving contracts of insurance covering property or risks not located in this state.

Sec. 58. Minnesota Statutes 1992, section 72B.03, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT; EXCEPTIONS.] Except as otherwise provided, no person shall act as an independent adjuster, public adjuster, or public adjuster solicitor for money, a commission, or any other thing of value, unless such person shall first obtain from the commissioner a license. No license shall be required for a person:

(a) Undergoing a training or education program under the guidance of a licensed adjuster and who is registered with the commissioner for a one year temporary permit;

(b) (1) a person acting in a catastrophe or emergency situation, and who has registered with the commissioner for that purpose;

(c) (2) a nonresident adjuster who occasionally is in this state to adjust a single loss; provided, however, that if a nonresident adjusts more than six losses in this state in one year the adjuster must qualify for and receive a nonresident's license as provided in sections 72B.01 to 72B.14, and provided the adjuster's domiciliary state affords a like privilege.

Sec. 59. Minnesota Statutes 1992, section 72B.04, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] An applicant for licensing as an adjuster under sections 72B.01 to 72B.14 shall be at least 18 years of age, and shall have one year's training and experience in adjusting insurance claims for damage or loss from risks in the field stated in the application. The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

An applicant for licensing as a public adjuster solicitor under sections 72B.01 to 72B.14 shall be at least 18 years of age, shall be competent and trustworthy, and shall not have been engaged in any practice which would be

grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

In the case of any applicant who has been convicted of a felony within the ten years next preceding the date of the application, and who in the judgment of the commissioner, meets the other qualifications, the commissioner may impose the additional requirement of the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.

Sec. 60. Minnesota Statutes 1992, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than \$100,000. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, consistent with subdivision 2b. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury.

to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed, *or exempt from licensure, pursuant to section 60A.23, subdivision 8*, to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines consistent with subdivision 2b to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision. *The rules may not require excessive cash payments to a common claims fund by group self-insurers. However, a level of funding in the common claims fund must always be maintained at not less than one year's claim losses paid in the most recent year.*

Sec. 61. Minnesota Statutes 1992, section 340A.409, subdivision 2, is amended to read:

Subd. 2. [MARKET ASSISTANCE.] The commissioner of commerce shall advise licensees and municipalities subject to the financial responsibility requirements of subdivision 1 of those persons offering insurance coverage. The commissioner of commerce shall establish a program to assist licensees in obtaining insurance coverage. The program shall include a committee appointed by the commissioner of commerce that is representative of insurance carriers and producers, liquor vendors, and the public. No less than one-half of the committee members shall represent casualty insurers and surplus lines agents or brokers. The commissioner of commerce or the commissioner's designated representative shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications. If the committee finds that it cannot assist in securing insurance coverage, it shall notify the applicant in writing with a full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of commerce shall, if necessary, establish an assigned risk plan pursuant to subdivision 3. *The market assistance plan of the Minnesota joint underwriting association shall assist licensees in obtaining insurance coverage.*

Sec. 62. Minnesota Statutes 1992, section 340A.409, subdivision 3, is amended to read:

Subd. 3. [ASSIGNED RISK PLAN MINNESOTA JOINT UNDERWRITING ASSOCIATION.] (a) *The purpose of the assigned risk plan is to Minnesota joint underwriting association shall provide coverage required by subdivision 1 to persons rejected under this subdivision.*

(b) *An insurer who offers liquor liability insurance that refuses to write the coverage required by subdivision 1 shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the commissioner of public safety at the time of application for coverage to the assigned risk plan and the market assistance program.*

*A written notice of refusal must be provided to any applicant who has requested only liquor liability insurance if the insurer chooses to only offer liquor liability insurance in combination with other types of insurance.*

*A written notice of refusal must be provided by an insurer to any applicant who receives an offer of coverage from that insurer that is in excess of the rate charged by the assigned risk plan for similar coverage and risk. A notice is not required if the rate for the coverage offered is less than 20 percent in excess of the assigned risk plan rates, provided that the offered rate is the rate that the insurer has filed with the commissioner of commerce if the insurer is required to file its rates with the commissioner. If the insurer is not required to file its rates with the commissioner, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.*

*A notice of refusal is not required to be filed if there is not an insurer offering liquor liability insurance in the state.*

*To be eligible to participate in the assigned risk plan an applicant must apply for coverage through the market assistance program. Application to the market assistance program must be made no later than the time of application*

to the assigned risk plan. If the market assistance program is unable to secure coverage then coverage may be extended by the assigned risk plan.

(c) The commissioner of commerce may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages must be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13), or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services must possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for are an obligation of the assigned risk plan.

(d) The commissioner of commerce may assess all insurers licensed under section 60A.06, subdivision 1, clause (13), an amount sufficient to fully fund the obligations of the assigned risk plan if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer must be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multiperil, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

(e) Policies and contracts of coverage issued under this subdivision must contain the usual and customary provisions of liability insurance policies, and must contain at least the minimum coverage required by subdivision 1 of the local governing unit.

(f) Assigned risk policies and contracts of coverage are subject to premium tax pursuant to section 60A.15.

(g) Insureds served by the assigned risk plan must be charged premiums based upon a rating plan approved by the commissioner of commerce. Assigned risk premiums must be on an actuarially sound basis. The rating plan approved by the commissioner shall provide for surcharge factors based upon claims reported and losses paid. The commissioner of commerce shall fix the compensation received by the agent of record.

(h) The rating plan may be amended by rule pursuant to chapter 14 or by the following expedited procedures:

(1) Any person may, by written petition served upon the commissioner, request that a hearing be held to amend the rating plan.

(2) The commissioner shall forward a copy of the petition to the chief administrative law judge within three business days of its receipt. The chief administrative law judge shall, within three business days of receipt of the copy of the petition or a request for a hearing by the commissioner, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The hearing date must be set no less than 60 days nor more than 90 days from the date of receipt of the petition by the commissioner.

(3) The commissioner of commerce shall publish a notice of the hearing in the State Register at least 30 days before the hearing date. The notice should



be similar to that used for rulemaking under the administrative procedure act. Approval by the administrative law judge of the notice prior to publication is not required.

(4) The hearing and all matters taking place after the hearing are a contested case under chapter 14. Within 45 days from the commencement of the hearing and within 15 days of the completion of the hearing the administrative law judge shall submit a report to the commissioner of commerce. The parties, or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedure to conform with the 45-day requirement.

(5) The commissioner shall render a decision within ten business days of the receipt of the administrative law judge's report.

(6) If all parties to the proceeding agree, any of the previous requirements may be waived or modified.

(7) A petition for a hearing to amend the rating plan received by the commissioner within 180 days of the date of the commissioner's decision in a prior proceeding to amend the rating plan is invalid and requires no action.

(4) (b) A liquor vendor shall be denied or terminated from coverage through the assigned risk plan *Minnesota joint underwriting association* if the liquor vendor disregards safety standards, laws, rules, or ordinances pertaining to the offer, sale, or other distribution of liquor.

The commissioner may by rule establish other conditions for denial or termination from coverage through the assigned risk plan.

(4) The commissioner of commerce shall adopt rules needed to implement this subdivision. The rules may include:

(1) appeal procedures from actions of the assigned risk plan;

(2) formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of commerce regarding operation of the plan; and

(3) applicable rating plans and rating standards.

#### Sec. 63. [LIQUOR LIABILITY ASSIGNED RISK PLAN OBLIGATIONS AND LIABILITIES.]

*The Minnesota joint underwriting association shall assume the obligations of existing contracts and existing liabilities of the liquor liability assigned risk plan.*

Sec. 64. Laws 1993, chapter 372, section 8, is amended to read:

#### Sec. 8. [EFFECTIVE DATE.]

Sections 1 and 2 apply to all franchise contracts or franchise transfer agreements entered into or renewed on or after the effective date, and apply as of July 1, 1993, to franchise contracts in effect on the effective date that have no expiration date.

Sections 4 to 7 apply to all agreements for private label purchases entered into or renewed on or after July 1, 1993, and to all private label purchases occurring on or after that date.

Sec. 65. [REVISOR INSTRUCTIONS.]

(a) *The revisor shall recodify Minnesota Statutes, section 72A.20, subdivision 4a, as section 72A.201, subdivision 4a.*

(b) *The revisor shall recodify Minnesota Statutes, section 60A.30 as section 60A.351 and section 60A.31 as section 60A.352 and correct internal references in Minnesota Statutes and Minnesota Rules.*

Sec. 66. [REPEALER.]

(a) *Minnesota Statutes 1992, sections 72A.45; and 72B.07, are repealed.*

(b) *Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100, are repealed. The rates set pursuant to these rules shall continue to apply until changed pursuant to Minnesota Statutes, section 621.06.*

Sec. 67. [EFFECTIVE DATE.]

*Sections 61 to 63 and 66, paragraph (b), are effective the day following final enactment.*

*Section 64 is effective July 1, 1993."*

Delete the title and insert:

"A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; amending Minnesota Statutes 1992, sections 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60K.06; 60K.14, subdivision 4; 61A.07; 61A.071; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.05; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29, and by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; Minnesota Statutes 1993 Supplement, section 61A.02, subdivision 2; Laws 1993, chapter 372, section 8; proposing coding for new law in Minnesota Statutes, chapters 45; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Brad Stanius, Leo J. Reding, Jeff Bertram, Tom Osthoff, Jim Farrell

Senate Conferees: (Signed) William P. Luther, Sam G. Solon, Cal Larson, Deanna Wiener, Linda Berglin

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1094 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1094 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Morse	Riveness
Anderson	Finn	Kroening	Murphy	Robertson
Beckman	Flynn	Laidig	Neuville	Runbeck
Belanger	Frederickson	Langseth	Novak	Sams
Benson, D.D.	Hanson	Lesewski	Oliver	Samuelson
Benson, J.E.	Hottinger	Lessard	Olson	Solon
Berg	Janezich	Luther	Pappas	Spear
Berglin	Johnson, D.E.	Marty	Pariseau	Stevens
Bertram	Johnson, D.J.	McGowan	Piper	Stumpf
Betzold	Johnson, J.B.	Merriam	Pogemiller	Terwilliger
Chandler	Johnston	Metzen	Price	Vickerman
Cohen	Kiscaden	Moe, R.D.	Ranum	Wiener
Day	Knutson	Mondale	Reichgott Junge	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2260 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 2260

A bill for an act relating to public safety; making technical corrections; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers' licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; imposing a penalty for displaying invalid driver's license as being valid; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a.

April 8, 1994

The Honorable Allan H. Spear  
President of the Senate

The Honorable Irv Anderson  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2260, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2260 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 168.012, is amended by adding a subdivision to read:

*Subd. 1d. [STATE LOTTERY VEHICLES.] Unmarked passenger vehicles used by the state lottery for the purpose of conducting security or criminal investigations or ensuring that lottery retailers are in compliance with law and with their contracts are not required to display tax-exempt number plates, but must be registered and must display passenger vehicle license plates. The registrar shall furnish the license plates to the director of the state lottery at cost. On applying for initial registration or renewal of a registration under this subdivision, the director of the state lottery must certify, on a form prescribed by the registrar and signed by the director, that the vehicles will be used exclusively for the purposes of this subdivision.*

Sec. 2. Minnesota Statutes 1992, section 168.042, subdivision 12, is amended to read:

Subd. 12. [ISSUANCE OF SPECIAL REGISTRATION PLATES.] A violator or registered owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. The commissioner may authorize the issuance of special plates if:

(1) ~~a member of the violator's household~~ *violator has a valid driver's license qualified licensed driver whom the violator must identify;*

(2) the violator or registered owner has a limited license issued under section 171.30;

(3) the registered owner is not the violator and the registered owner has a valid or limited driver's license; or

(4) a member of the registered owner's household has a valid driver's license.

The commissioner may issue the special plates on payment of a \$25 fee for each vehicle for which special plates are requested.

Sec. 3. Minnesota Statutes 1993 Supplement, section 171.06, subdivision 4, is amended to read:

Subd. 4. [APPLICATION, FILING; FEE RETAINED FOR EXPENSES.] Any applicant for an instruction permit, a driver's license, restricted license, or duplicate license may file an application with a court administrator of the district court or at a state office. The administrator or state office shall receive and accept the application. To cover all expenses involved in receiving, accepting, or forwarding to the department applications and fees, the court administrator of the district court may retain a county fee of \$3.50 for each application for a Minnesota identification card, instruction permit, duplicate license, driver license, or restricted license. The amount allowed to be retained by the court administrator of the district court shall be paid into the county

treasury and credited to the general revenue fund of the county. Before the end of the first working day following the final day of an established reporting period, the court administrator shall forward to the department all applications and fees collected during the reporting period, less the amount herein allowed to be retained for expenses. The court administrators of the district courts may appoint agents to assist in accepting applications, but the administrators shall require every agent to forward to the administrators by whom the agent is appointed all applications accepted and fees collected by the agent, except that an agent ~~may~~ *shall* retain the county fee to cover the agent's expenses involved in receiving, accepting or forwarding the applications and fees. The court administrators shall be responsible for the acts of agents appointed by them and for the forwarding to the department of all applications accepted and those fees collected by agents and by themselves as are required to be forwarded to the department.

Sec. 4. Minnesota Statutes 1992, section 171.12, subdivision 1, is amended to read:

Subdivision 1. [LICENSES FILED IN ALPHABETICAL ORDER.] The department shall file every application for a *driver's* license received by it and shall maintain suitable indices containing, in alphabetical order:

- (1) all applications denied; and ~~on each thereof~~ the reason for ~~such~~ denial;
- (2) all applications granted; and
- (3) the name of every person whose license has been suspended ~~or~~, revoked, *or canceled or who has been disqualified from operating a commercial motor vehicle* by the department, and after each ~~such~~ name the reasons for ~~such~~ the action.

Sec. 5. Minnesota Statutes 1992, section 171.12, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS AND RECORDS, WHEN DESTROYED.] The department may cause ~~the application~~ *applications* for drivers' licenses and instruction permits, and *related* records ~~in connection therewith~~, to be destroyed immediately after the period for which issued, except that the driver's record pertaining to revocations, suspensions, *cancellations*, *disqualifications*, convictions, and accidents shall be cumulative and kept for a period of at least five years.

Sec. 6. Minnesota Statutes 1992, section 171.12, subdivision 3a, is amended to read:

Subd. 3a. [RECORD DESTROYED WHEN ~~REVOCATION OR SUSPENSION ORDER RESCINDED~~.] Notwithstanding subdivision 3 or section 138.163, when an order for revocation ~~or~~, suspension, *or cancellation* of a driver's license *or disqualification of a driver from operating a commercial motor vehicle* is rescinded and all rights of appeal have been exhausted or have expired, the commissioner shall remove the record of that revocation ~~or~~, suspension, *cancellation, or disqualification* from the computer records that are disclosed to persons or agencies outside the driver and vehicle services division, department of public safety.

Sec. 7. Minnesota Statutes 1992, section 171.165, subdivision 4, is amended to read:

Subd. 4. [SERIOUS TRAFFIC VIOLATIONS.] On receiving a record of conviction and subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles for 60 days if the person is convicted of two serious traffic violations, or 120 days if convicted of three serious traffic violations. The violations must involve separate incidents and must have been committed in a commercial motor vehicle within a three-year period. For purposes of this subdivision, a serious traffic offense includes the following:

- (1) *following too closely under section 169.18, subdivision 8;*
- (2) *erratic lane change under sections 169.18, subdivisions 3 and 7; and 169.19, subdivision 4;*
- (3) *operating the commercial vehicle at a speed 15 miles per hour or more above the posted speed limit;*
- ~~(2)~~ (4) *reckless or careless driving under section 169.13;*
- ~~(3)~~ (5) *fleeing a peace officer under section 609.487; and*
- (4) (6) *a violation of a moving traffic statute of Minnesota or any state, or an ordinance in conformity with a Minnesota statute, that arose in connection with a fatal accident.*

Sec. 8. Minnesota Statutes 1993 Supplement, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [VIOLATIONS.] With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:

- (1) to display, cause or permit to be displayed, or have in possession, any:
  - (i) ~~canceled, revoked, or suspended driver's license;~~
  - (ii) ~~driver's license for which the person has been disqualified; or~~
  - (iii) ~~fictitious or fraudulently altered driver's license or Minnesota identification card;~~
- (2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;
- (3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;
- (4) to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;
- (5) to alter any driver's license or Minnesota identification card;
- (6) to take any part of the driver's license examination for another or to permit another to take the examination for that person;
- (7) to make a counterfeit driver's license or Minnesota identification card;  
or
- (8) to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer; or

(9) to display as a valid driver's license any canceled, revoked, or suspended driver's license. A person whose driving privileges have been withdrawn may display a driver's license only for identification purposes.

Sec. 9. Minnesota Statutes 1993 Supplement, section 171.29, subdivision 2, is amended to read:

Subd. 2. [FEES, ALLOCATION.] (a) A person whose ~~drivers~~ driver's license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the ~~person's drivers~~ driver's license is reinstated.

(b) A person whose ~~drivers~~ driver's license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$250 fee before the ~~person's drivers~~ driver's license is reinstated, to be credited as follows:

(1) ~~20~~ Twenty percent shall be credited to the trunk highway fund;

(2) ~~55~~ Fifty-five percent shall be credited to the general fund;

(3) Eight percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and ~~the appropriated amount shall be divided as follows: eight apportioned 80 percent for laboratory costs; two and 20 percent for carrying out the provisions of section 299C.065;~~

(4) ~~42~~ Twelve percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for programs in elementary and secondary schools; ~~and.~~

(5) Five percent shall be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. \$100,000 is annually appropriated from the account to the commissioner of human services for traumatic brain injury case management services. The remaining money in the account is annually appropriated to the commissioner of health to establish and maintain the traumatic brain injury and spinal cord injury registry created in section 144.662 and to reimburse the commissioner of jobs and training for the reasonable cost of services provided under section 268A.03, clause (o).

Sec. 10. Minnesota Statutes 1993 Supplement, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. [OTHER WAITING PERIODS.] Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a violation of section 169.121 ~~or~~, 169.123, or a statute or ordinance from another state in conformity with either of those sections;

(2) 90 days, to a person who submitted to testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 ~~or~~, 169.123, or a statute or ordinance from another state in conformity with either of those sections;

(3) 180 days, to a person who refused testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or

subsequent violation of section 169.121 ~~or~~, 169.123, or a statute or ordinance from another state in conformity with either of those sections; or

(4) one year, to a person whose license or privilege has been revoked or suspended for ~~commission of the offense of committing~~ manslaughter resulting from the operation of a motor vehicle ~~or, committing~~ criminal vehicular homicide or injury under section 609.21, or violating a statute or ordinance from another state in conformity with either of those offenses.

Sec. 11. Minnesota Statutes 1992, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of ~~public safety~~ human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts."

Delete the title and insert:

"A bill for an act relating to public safety; making technical corrections; exempting state lottery from registration tax for license plates on vehicles used for conducting security or criminal investigations; requiring district court agents to retain filing fee for receiving and forwarding drivers' license applications and fees; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers'



licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.012, by adding a subdivision; 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.06, subdivision 4; 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Terry D. Johnston, Arlene J. Lesewski, Jim Vickerman

House Conferees: (Signed) Betty McCollum, Tom Osthoff, Bernard L. "Bernie" Lieder

Ms. Johnston moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2260 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2260 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Mondale	Reichgott Junge
Anderson	Finn	Kroening	Morse	Riveness
Beckman	Flynn	Laidig	Murphy	Robertson
Belanger	Frederickson	Langseth	Neuville	Runbeck
Benson, D.D.	Hanson	Larson	Novak	Sams
Benson, J.E.	Hottinger	Lesewski	Oliver	Samuelson
Berg	Janezich	Lessard	Olson	Solon
Berglin	Johnson, D.E.	Luther	Pappas	Spear
Bertram	Johnson, D.J.	Marty	Pariseau	Stevens
Betzold	Johnson, J.B.	McGowan	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Meitzen	Price	Vickerman
Day	Knutson	Moe, R.D.	Ranum	Wiener

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

### RECONSIDERATION

Ms. Runbeck moved that the vote whereby S.F. No. 1758 was passed by the Senate on April 14, 1994, be now reconsidered.

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the

proceedings on S.F. No. 1758. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Ms. Runbeck.

The roll was called, and there were yeas 41 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Luther	Oliver	Runbeck
Belanger	Flynn	Marty	Pappas	Solon
Benson, D.D.	Hottinger	McGowan	Piper	Spear
Benson, J.E.	Janezich	Metzen	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	Moe, R.D.	Price	Wiener
Betzold	Johnson, J.B.	Mondale	Ranum	
Chandler	Kiscaden	Morse	Reichgott Junge	
Cohen	Krentz	Murphy	Riveness	
Dille	Lesewski	Novak	Robertson	

Those who voted in the negative were:

Adkins	Frederickson	Kroening	Neuville	Stumpf
Beckman	Hanson	Laidig	Olson	Vickerman
Berg	Johnson, D.J.	Langseth	Pariseau	
Bertram	Johnston	Larson	Sams	
Chmielewski	Kelly	Lessard	Samuelson	
Day	Knutson	Merriam	Stevens	

The motion prevailed. So the vote was reconsidered.

## RECONSIDERATION

Mr. Johnson, D.E. moved that the vote whereby the Senate concurred in the House amendments to S.F. No. 1758 on April 14, 1994, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 40 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Krentz	Murphy	Reichgott Junge
Belanger	Finn	Lesewski	Novak	Riveness
Benson, D.D.	Flynn	Luther	Oliver	Robertson
Benson, J.E.	Hottinger	Marty	Pappas	Runbeck
Berglin	Janezich	Metzen	Piper	Solon
Betzold	Johnson, D.E.	Moe, R.D.	Pogemiller	Spear
Chandler	Johnson, J.B.	Mondale	Price	Terwilliger
Cohen	Kiscaden	Morse	Ranum	Wiener

Those who voted in the negative were:

Adkins	Frederickson	Kroening	Merriam	Stevens
Beckman	Hanson	Laidig	Neuville	Stumpf
Berg	Johnson, D.J.	Langseth	Olson	Vickerman
Bertram	Johnston	Larson	Pariseau	
Chmielewski	Kelly	Lessard	Sams	
Day	Knutson	McGowan	Samuelson	

The motion prevailed. So the vote was reconsidered.

Mr. Samuelson moved that S.F. No. 1758 be laid on the table. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1662: Ms. Piper, Messrs. Cohen, Betzold, Knutson and Ms. Robertson.

S.F. No. 1766: Ms. Reichgott Junge, Messrs. Betzold and Knutson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

### SPECIAL ORDER

H.F. No. 524: A bill for an act relating to traffic regulations; authorizing rural postal carriers to operate rural mail delivery vehicles equipped with tires having metal studs, with restrictions; requiring permit from commissioner of transportation; providing a penalty; amending Minnesota Statutes 1992, section 169.72, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Morse	Sams
Anderson	Finn	Laidig	Murphy	Samuelson
Beckman	Frederickson	Larson	Neuville	Solon
Belanger	Hottinger	Lesewski	Novak	Stevens
Benson, D.D.	Janezich	Lessard	Olson	Stumpf
Benson, J.E.	Johnson, D.E.	Luther	Pariseau	Terwilliger
Berg	Johnson, D.J.	Marty	Piper	Vickerman
Bertram	Johnson, J.B.	McGowan	Price	Wiener
Chmielewski	Johnston	Merriam	Riveness	
Cohen	Kelly	Metzen	Robertson	
Day	Knutson	Mondale	Runbeck	

Those who voted in the negative were:

Berglin	Chandler	Oliver	Pogemiller	Spear
Betzold	Flynn	Pappas	Ranum	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

H.F. No. 2360: A bill for an act relating to transportation; authorizing commissioner of transportation to contract with state of Wisconsin to build and operate truck inspection station in Wisconsin.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Novak	Sams
Anderson	Dille	Laidig	Oliver	Samuelson
Beckman	Finn	Lesewski	Olson	Solon
Belanger	Flynn	Lessard	Pappas	Spear
Benson, D.D.	Frederickson	Luther	Pariseau	Stevens
Benson, J.E.	Hanson	Marty	Piper	Stumpf
Berg	Hottinger	McGowan	Pogemiller	Terwilliger
Berglin	Johnson, D.J.	Merriam	Price	Vickerman
Bertram	Johnson, J.B.	Metzen	Ranum	Wiener
Betzold	Johnston	Mondale	Reichgott Junge	
Chandler	Kelly	Morse	Riveness	
Chmielewski	Knutson	Murphy	Robertson	
Cohen	Krentz	Neuville	Runbeck	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

H.F. No. 2124: A bill for an act relating to retirement; state university and state community college individual retirement account plans; clarifying various plan provisions; providing for plan coverage for technical college teachers; providing for an optional election of plan coverage for certain state university and community college teachers; mandating the preparation of plan recodification legislation; amending Minnesota Statutes 1992, sections 353.27, subdivision 7a; 354.05, subdivision 2a; 354.42, subdivision 7; 354B.01, by adding a subdivision; 354B.015; and 354B.02, subdivision 2, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 352.04, subdivision 9; 354A.011, subdivision 27; 354B.02, subdivision 1; and 354B.05, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354B; proposing coding for new law as Minnesota Statutes, chapter 354C.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Murphy	Riveness
Anderson	Dille	Knutson	Neuville	Robertson
Beckman	Finn	Krentz	Novak	Runbeck
Belanger	Flynn	Laidig	Oliver	Sams
Benson, D.D.	Frederickson	Lessard	Olson	Solon
Benson, J.E.	Hanson	Luther	Pappas	Spear
Berg	Hottinger	Marty	Pariseau	Stevens
Berglin	Johnson, D.E.	McGowan	Piper	Stumpf
Bertram	Johnson, D.J.	Merriam	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Metzen	Price	Wiener
Chandler	Johnston	Mondale	Ranum	
Cohen	Kelly	Morse	Reichgott Junge	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

S.F. No. 1948: A bill for an act relating to agriculture; providing for family farm limited liability companies and authorized farm limited liability companies; removing limitation on number of shareholders or partners for authorized farm corporations and partnerships; amending Minnesota Statutes 1992, section 500.24, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kroening	Murphy	Riveness
Beckman	Day	Langseth	Neuville	Robertson
Belanger	Dille	Larson	Novak	Runbeck
Benson, D.D.	Frederickson	Lesewski	Oliver	Sams
Benson, J.E.	Hanson	Lessard	Olson	Spear
Berg	Janezich	Luther	Pappas	Stevens
Berglin	Johnson, D.E.	McGowan	Pariseau	Stumpf
Bertram	Johnston	Metzen	Pogemiller	Terwilliger
Betzold	Kiscaden	Mondale	Price	Vickerman
Chmielewski	Knutson	Morse	Reichgott Junge	Wiener

Those who voted in the negative were:

Anderson	Flynn	Krentz	Merriam	Ranum
Chandler	Johnson, D.J.	Marty	Piper	
Finn	Johnson, J.B.			

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

H.F. No. 3053: A bill for an act relating to unemployment compensation; changing its name; modifying provisions relating to reporting requirements, eligibility conditions, and liability for benefits; amending Minnesota Statutes 1992, sections 268.03; 268.08, subdivision 1; and 268.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 268.08, subdivision 6; 268.09, subdivision 1; 268.10, subdivision 2; and 268.161, subdivision 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kroening	Neuville	Robertson
Beckman	Finn	Laidig	Novak	Runbeck
Belanger	Frederickson	Langseth	Oliver	Sams
Benson, D.D.	Hanson	Larson	Olson	Solon
Benson, J.E.	Janezich	Lesewski	Pappas	Spear
Berglin	Johnson, D.E.	Lessard	Pariseau	Stevens
Bertram	Johnson, D.J.	Luther	Piper	Stumpf
Betzold	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Chandler	Johnston	Metzen	Price	Wiener
Chmielewski	Kiscaden	Mondale	Ranum	
Cohen	Knutson	Morse	Reichgott Junge	
Day	Krentz	Murphy	Riveness	

Ms. Flynn, Messrs. Marty and Merriam voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 1736: A bill for an act relating to metropolitan government; providing for financial assistance and capital expenditures of the regional transit board; amending Minnesota Statutes 1992, sections 473.375, subdivision 13; and 473.39, subdivision 1b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Krentz	Morse	Runbeck
Beckman	Finn	Kroening	Murphy	Sams
Belanger	Flynn	Laidig	Neuville	Solon
Benson, D.D.	Frederickson	Langseth	Oliver	Spear
Benson, J.E.	Hanson	Larson	Olson	Stevens
Berg	Hottinger	Lesewski	Pappas	Stumpf
Berglin	Janezich	Lessard	Pariseau	Terwilliger
Bertram	Johnson, D.E.	Luther	Piper	Vickerman
Betzold	Johnson, D.J.	Marty	Price	Wiener
Chandler	Johnson, J.B.	McGowan	Ranum	
Chmielewski	Johnston	Merriam	Reichgott Junge	
Cohen	Kiscaden	Metzen	Riveness	
Day	Knutson	Mondale	Robertson	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 1757: A bill for an act relating to solid waste management; postponing the prohibition on disposing of unprocessed mixed municipal solid waste at substandard landfills under specific circumstances; amending Minnesota Statutes 1993 Supplement, section 115A.415.

Mr. Stumpf moved to amend S.F. No. 1757 as follows:

Page 1, strike lines 22 to 25

Page 2, line 8, delete "and"

Page 2, line 12, delete the period and insert ";

*(6) serves one or more counties, each of which is implementing aggressive waste reduction efforts, aggressive household hazardous waste management programs, and has met and exceeded its recycling goals under section 115A.551; and*

*(7) receives an annual volume of waste disposal that does not exceed 1993 levels by more than five percent or serves only the host county.*

*Subd. 3. [DEFINITION; UNPROCESSED.] (a) For the purpose of this section, waste is "unprocessed" if it has not, after collection and before disposal, undergone separation of materials for resource recovery through recycling, incineration for energy production, production and use of refuse-derived fuel, composting, or any combination of these processes so that the percentage, by weight, of the collected waste that must be disposed of in a*

*mixed municipal solid waste disposal facility, on an annual average, is not more than:*

*(1) 35 percent for waste collected from generators for whom a waste collector or local government unit provides collection and management of recyclables separately from collection and management of mixed municipal solid waste; or*

*(2) 20 percent for waste collected from generators for whom a waste collector or local government unit provides collection of recyclables combined with mixed municipal solid waste.*

*(b) For the purposes of paragraph (a), a mixed municipal solid waste generator is provided separate collection and management of recyclables if the generator has the opportunity to separately recycle as described in section 115A.552 and the waste collector that serves the generator does not override the opportunity to separately recycle by collecting recyclables combined with mixed municipal solid waste for separate or combined management of the recyclables after collection.*

*(c) Nothing in this section affects the responsibility of counties for recycling activities under chapter 115A."*

The motion prevailed. So the amendment was adopted.

S.F. No. 1757 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Day	Knutson	Murphy	Runbeck
Beckman	Dille	Krentz	Neuville	Sams
Belanger	Flynn	Langseth	Novak	Samuelson
Benson, D.D.	Frederickson	Larson	Oliver	Spear
Benson, J.E.	Hanson	Lesewski	Olson	Stevens
Berg	Hottinger	Luther	Pariseau	Stumpf
Berglin	Janezich	Marty	Piper	Terwilliger
Bertram	Johnson, D.E.	McGowan	Price	Vickerman
Betzold	Johnson, D.J.	Merriam	Ranum	Wiener
Chandler	Johnson, J.B.	Metzen	Reichgott Junge	
Chmielewski	Johnston	Mondale	Riveness	
Cohen	Kiscaden	Morse	Robertson	

Mr. Finn voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 2433: A bill for an act relating to the city of Duluth; authorizing the issuance of general obligation bonds to finance improvements to the Duluth entertainment convention center.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Novak	Runbeck
Beckman	Hanson	Larson	Oliver	Sams
Belanger	Hottinger	Lesewski	Olson	Samuelson
Benson, D.D.	Janezich	Lessard	Pappas	Solon
Benson, J.E.	Johnson, D.E.	Luther	Pariseau	Spear
Berg	Johnson, D.J.	Marty	Piper	Stumpf
Berglin	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Bertram	Johnston	Metzen	Price	Vickerman
Chandler	Kiscaden	Mondale	Ranum	Wiener
Chmielewski	Knutson	Morse	Reichgott Junge	
Dille	Krentz	Murphy	Rivenness	
Finn	Laidig	Neuville	Robertson	

Mr. Betzold, Ms. Flynn, Messrs. Merriam and Stevens voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 1963: A bill for an act relating to local government; permitting the establishment of a special service district in the city of Hopkins; providing taxing and other authority for the city.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kroening	Morse	Reichgott Junge
Beckman	Finn	Laidig	Murphy	Rivenness
Belanger	Flynn	Langseth	Neuville	Robertson
Benson, D.D.	Frederickson	Larson	Novak	Runbeck
Benson, J.E.	Hottinger	Lesewski	Oliver	Samuelson
Berg	Janezich	Lessard	Olson	Solon
Berglin	Johnson, D.E.	Luther	Pappas	Spear
Bertram	Johnson, J.B.	Marty	Pariseau	Stevens
Betzold	Johnston	McGowan	Piper	Stumpf
Chandler	Kiscaden	Merriam	Pogemiller	Terwilliger
Chmielewski	Knutson	Metzen	Price	Vickerman
Cohen	Krentz	Mondale	Ranum	Wiener

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 2329: A bill for an act relating to taxation; property; providing an exemption for power facilities containing cogeneration systems; amending Minnesota Statutes 1993 Supplement, section 272.02, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:



Those who voted in the affirmative were:

Anderson	Dille	Kroening	Neuville	Runbeck
Beckman	Finn	Langseth	Novak	Sams
Belanger	Flynn	Larson	Oliver	Samuelson
Benson, D.D.	Frederickson	Lesewski	Olson	Solon
Benson, J.E.	Hanson	Lessard	Pappas	Spear
Berg	Janezich	Luther	Pariseau	Stevens
Berglin	Johnson, D.E.	Marty	Piper	Stumpf
Bertram	Johnson, D.J.	McGowan	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Merriam	Price	Wiener
Chandler	Johnston	Metzen	Ranum	
Chmielewski	Kiscaden	Mondale	Reichgott Junge	
Cohen	Knutson	Morse	Riveness	
Day	Krentz	Murphy	Robertson	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 1921: A bill for an act relating to housing projects; providing for a housing bond credit enhancement program administered by the metropolitan council; authorizing the metropolitan council to provide additional security for bonds issued for qualifying housing projects; proposing coding for new law in Minnesota Statutes, chapter 473.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kroening	Neuville	Runbeck
Beckman	Finn	Langseth	Novak	Sams
Belanger	Flynn	Larson	Oliver	Samuelson
Benson, D.D.	Frederickson	Lesewski	Olson	Solon
Benson, J.E.	Hanson	Lessard	Pappas	Spear
Berg	Janezich	Luther	Pariseau	Stevens
Berglin	Johnson, D.E.	Marty	Piper	Stumpf
Bertram	Johnson, D.J.	McGowan	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Merriam	Price	Vickerman
Chandler	Johnston	Metzen	Ranum	Wiener
Chmielewski	Kiscaden	Mondale	Reichgott Junge	
Cohen	Knutson	Morse	Riveness	
Day	Krentz	Murphy	Robertson	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 1416: A bill for an act relating to retirement; Austin fire department relief association; modifying health insurance benefit coverage for the spouses of certain retired firefighters; providing survivor benefit coverage for the spouses of certain retired firefighters; amending Laws 1992, chapter 455, section 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Riveness
Beckman	Flynn	Langseth	Neuville	Robertson
Belanger	Frederickson	Larson	Novak	Runbeck
Benson, D.D.	Hanson	Lesewski	Oliver	Sams
Benson, J.E.	Janezich	Lessard	Olson	Samuelson
Berglin	Johnson, D.E.	Luther	Pappas	Solon
Bertram	Johnson, D.J.	Marty	Pariseau	Spear
Betzold	Johnson, J.B.	McGowan	Piper	Stevens
Chandler	Johnston	Merriam	Pogemiller	Stumpf
Chmielewski	Kiscaden	Metzen	Price	Terwilliger
Cohen	Knutson	Mondale	Ranum	Vickerman
Dille	Krentz	Morse	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 1909: A bill for an act relating to retirement; local police and salaried firefighters relief associations and consolidation accounts; requiring continuation of surviving spouse benefits upon remarriage; amending Minnesota Statutes 1992, section 423A.17; Minnesota Statutes 1993 Supplement, section 353B.11, subdivision 6.

Ms. Piper moved that the amendment made to H.F. No. 1909 by the Committee on Rules and Administration in the report adopted April 6, 1994, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1909 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Langseth	Novak	Sams
Beckman	Flynn	Larson	Oliver	Samuelson
Belanger	Frederickson	Lesewski	Olson	Solon
Benson, D.D.	Hanson	Lessard	Pappas	Spear
Benson, J.E.	Janezich	Luther	Pariseau	Stevens
Berg	Johnson, D.E.	Marty	Piper	Stumpf
Berglin	Johnson, D.J.	McGowan	Pogemiller	Terwilliger
Bertram	Johnson, J.B.	Merriam	Price	Vickerman
Betzold	Johnston	Metzen	Ranum	Wiener
Chandler	Kiscaden	Mondale	Reichgott Junge	
Chmielewski	Knutson	Morse	Riveness	
Day	Krentz	Murphy	Robertson	
Dille	Kroening	Neuville	Runbeck	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 1938: A bill for an act relating to employment; providing for enforcement of an employees' right to review personnel records; proposing coding for new law in Minnesota Statutes, chapter 181.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called; and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Krentz	Morse	Reichgott Junge
Beckman	Finn	Kroening	Murphy	Riveness
Belanger	Flynn	Langseth	Neuville	Robertson
Benson, J.E.	Frederickson	Larson	Novak	Runbeck
Berg	Hanson	Lesewski	Oliver	Sams
Berglin	Janezich	Lessard	Olson	Solon
Bertram	Johnson, D.E.	Luther	Pappas	Spear
Betzold	Johnson, D.J.	Marty	Pariseau	Stevens
Chandler	Johnson, J.B.	McGowan	Piper	Stumpf
Chmielewski	Johnson	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Knutson	Mondale	Ranum	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S.F. No. 2467: A bill for an act relating to game and fish; modifying size limits for walleye; changing the boundary of the West Central Goose Zone; amending Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2.

Mr. Berg moved to amend S.F. No. 2467 as follows:

Page 1, line 17, strike "30" and insert "36"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 2467 as follows:

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1992, section 103G.405, is amended to read:  
103G.405 [WATER LEVEL CONTROL FOR LANDLOCKED LAKES.]

(a) The commissioner must issue a water level control permit to establish control elevations for landlocked lakes up to three feet below the ordinary high water level for the lake if:

(1) the commissioner finds that control is necessary to prevent flooding of homesteads;

(2) other reasonable or cost-effective alternatives are not available; and

(3) a change in the control elevation is prescribed in an approved stormwater plan under section 103B.235.

(b) *Notwithstanding any other rule or statute, the commissioner is authorized to adjust up to two feet below the ordinary high water level for Lake Francis, Elysian, Minnesota. The commissioner shall take all necessary steps to alleviate current and future water problems within the provisions of this authorization which do not harm fishery.*

Page 1, line 24, delete "and 2" and insert "to 3"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 2467 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Langseth	Neuville	Robertson
Beckman	Finn	Larson	Novak	Runbeck
Belanger	Flynn	Lesewski	Oliver	Sams
Benson, D.D.	Frederickson	Lessard	Olson	Samuelson
Benson, J.E.	Janezich	Luther	Pappas	Spear
Berg	Johnson, D.E.	Marty	Pariseau	Stevens
Berglin	Johnson, J.B.	McGowan	Piper	Stumpf
Bertram	Kiscaden	Merriam	Pogemiller	Terwilliger
Betzold	Knutson	Metzen	Price	Vickerman
Chandler	Krentz	Mondale	Ranum	Wiener
Cohen	Kroening	Morse	Reichgott Junge	
Day	Laidig	Murphy	Riveness	

Ms. Johnston voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS – CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate revert to the Order of Business of Reports of Committees. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. Mondale, for Mrs. Adkins, from the Committee on Metropolitan and Local Government, to which was re-referred

S.F. No. 1991: A bill for an act relating to metropolitan government; requiring the metropolitan council to adopt rules allocating comprehensive choice housing among cities and towns in the metropolitan area; requiring metropolitan council review of efforts of cities and towns to comply with the allocation; establishing penalties for noncompliance; proposing coding for new law in Minnesota Statutes, chapters 16A; and 473.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1 and 2, delete section 1

Page 3, line 12, delete "RULES" and insert "GUIDELINES"

Page 3, lines 14 and 18, delete "rules" and insert "guidelines"

Page 3, line 24, delete "Rules" and insert "Guidelines"

Page 5, line 27, delete the semicolon and insert a period

Page 5, line 28, delete from "Subd." through page 7, line 23, to "project."

Page 7, line 25, delete "Sections" and insert "Section" and delete "and 2 apply" and insert "applies"

Page 7, line 28, delete "to 3" and insert "and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "rules" and insert "guidelines"

Page 1, line 7, delete "establishing penalties for"

Page 1, line 8, delete "noncompliance;"

Page 1, line 9, delete "chapters 16A; and" and insert "chapter"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

### MEMBERS EXCUSED

Mr. Novak was excused from the Session of today from 8:00 to 9:10 a.m. Mr. Kelly was excused from the Session of today from 8:00 to 10:00 a.m. and at 10:40 a.m. Mr. Chmielewski was excused from the Session of today from 8:00 to 9:48 a.m. Mrs. Adkins was excused from the Session of today at 11:15 a.m. Mr. Hottinger was excused from the Session of today from 10:50 to 11:10 a.m. and at 11:25 a.m. Ms. Kiscaden was excused from the Session of today from 10:20 to 10:45 a.m. Mr. Moe, R.D. was excused from the Session of today at 10:30 a.m.

### ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 10:00 a.m., Monday, April 18, 1994. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate