

Senators Hann and LeClair introduced--

S.F. No. 631: Referred to the Committee on Judiciary.

1 A bill for an act  
2 relating to civil actions; prohibiting actions against  
3 certain persons for weight gain as a result of  
4 consuming certain foods; proposing coding for new law  
5 in Minnesota Statutes, chapter 604.

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

7 Section 1. [604.17] [ACTIONS ALLEGING WEIGHT GAIN OR  
8 OBESITY FROM FOOD CONSUMPTION.]

9 Subdivision 1. [ACTIONS PROHIBITED.] An action may not be  
10 brought against a manufacturer or seller of a food or a trade  
11 association for a food to recover damages or obtain injunctive  
12 relief for alleged injury resulting from consumption of food and  
13 weight gain, obesity, or any health condition associated with  
14 weight gain or obesity.

15 Subd. 2. [ACTIONS PERMITTED.] Subdivision 1 does not  
16 prohibit an action:

17 (1) against a manufacturer or seller of a food that  
18 knowingly and willfully violated a state law applicable to the  
19 manufacturing, marketing, distribution, advertisement, labeling,  
20 or sale of the food, and the violation was a proximate cause of  
21 injury related to a person's weight gain, obesity, or any health  
22 condition associated with a person's weight gain or obesity; or

23 (2) an action for breach of express contract or express  
24 warranty in connection with the purchase of food.

25 Subd. 3. [PLEADINGS.] In an action described in

1 subdivision 2, the complaint must state with particularity each  
2 and every state statute that was violated and the facts that  
3 caused the alleged injuries.

4 Subd. 4. [DISCOVERY IN CERTAIN ACTIONS.] (a) In an action  
5 described in subdivision 2, discovery and other proceedings must  
6 be stayed during the pendency of a motion to dismiss unless the  
7 court finds on motion of a party that particularized discovery  
8 is necessary to preserve evidence or prevent undue prejudice to  
9 that party.

10 (b) During the pendency of a stay of discovery under this  
11 subdivision, unless otherwise ordered by the court, a party to  
12 the action with actual notice of the allegations contained in  
13 the complaint shall treat every tangible object or document in  
14 that party's control or custody that is relevant to the  
15 allegations as if the object or document was the subject of a  
16 continuing request for production of documents from any opposing  
17 party under the Rules of Civil Procedure. "Document" includes  
18 any written or electronically recorded or stored compilation of  
19 data.

20 (c) A party aggrieved by the failure of another party to  
21 comply with this subdivision may apply to the court for an order  
22 awarding appropriate sanctions.

23 Sec. 2. [EFFECTIVE DATE.]

24 Section 1 is effective August 1, 2005, and applies to  
25 actions commenced on or after that date.

1                                   A bill for an act

2           relating to environment; enacting the Minnesota  
3           Electronics Recycling Act of 2005; authorizing  
4           rulemaking; providing penalties; amending Minnesota  
5           Statutes 2004, section 16C.03, by adding a  
6           subdivision; proposing coding for new law in Minnesota  
7           Statutes, chapter 116F.

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

9           Section 1. Minnesota Statutes 2004, section 16C.03, is  
10   amended by adding a subdivision to read:

11           Subd. 18. [CONTRACTS WITH RETAILERS.] (a) For the purposes  
12   of this subdivision, the definitions in section 116F.505 have  
13   the meanings given.

14           (b) A public entity, as defined in section 16B.122, may not  
15   contract for the purchase or lease of a covered electronic  
16   device from a retailer or manufacturer which has not registered  
17   to collect the fee imposed under chapter 116F on its sales in  
18   Minnesota or to a destination in Minnesota.

19           (c) Beginning on or after September 1, 2005, each retailer  
20   or manufacturer that is offered a contract to sell or lease a  
21   covered electronic device subject to a fee under chapter 116F to  
22   a public entity must submit to the public entity certification  
23   that the retailer or manufacturer is registered to collect fees  
24   and acknowledging that the contract may be declared void if the  
25   certification is false.

26           (d) The commissioner of administration must ensure that

1 acquisitions of covered electronic devices are certified by the  
2 vendor to be in compliance with this subdivision.

3 (e) The bid solicitation documents must specify that the  
4 prospective bidder is required to cooperate fully in providing  
5 reasonable access to its records and documents that evidence  
6 compliance with this subdivision.

7 (f) Any person awarded a contract for purchase or lease of  
8 covered electronic devices that is found to be in violation of  
9 this subdivision is subject to the following sanctions:

10 (1) the contract must be voided;

11 (2) the contractor is ineligible to bid on any state  
12 contract for a period of three years; and

13 (3) if the attorney general establishes that any money,  
14 property, or benefit was obtained by a contractor as a result of  
15 violating this subdivision, the court may, in addition to any  
16 other remedy, order the disgorgement of the unlawfully obtained  
17 money, property, or benefit.

18 [EFFECTIVE DATE.] This section is effective for all  
19 contracts entered into on or after September 1, 2005.

20 Sec. 2. [116F.505] [DEFINITIONS.]

21 Subdivision 1. [SCOPE.] For the purposes of sections  
22 116F.505 to 116F.593, the following terms have the meanings  
23 given.

24 Subd. 2. [COMPUTER.] "Computer" means an electronic,  
25 magnetic, optical, electrochemical, or other high speed data  
26 processing device performing logical, arithmetic, or storage  
27 functions, but does not include an automated typewriter or  
28 typesetter, a portable handheld calculator or device, or other  
29 similar device.

30 Subd. 3. [CONSUMER.] "Consumer" means a person who  
31 purchases a covered electronic device in a transaction that is a  
32 sale.

33 Subd. 4. [CORPORATION.] "Corporation" means the  
34 not-for-profit organization established under section 116F.540.

35 Subd. 5. [COVERED ELECTRONIC DEVICE.] "Covered electronic  
36 device" means a desktop or personal computer, computer monitor,

1 portable computer, desktop printer, television, or video display  
2 device. Covered electronic device does not include those items  
3 when they are:

4 (1) part of a motor vehicle, or any component part of a  
5 motor vehicle assembled by or for a vehicle manufacturer or  
6 franchised dealer, including replacement parts for use in a  
7 motor vehicle;

8 (2) part of a piece of industrial, commercial, or medical  
9 equipment, including monitoring or control equipment; or

10 (3) contained within a clothes washer, clothes dryer,  
11 refrigerator, refrigerator and freezer, microwave oven,  
12 conventional oven or range, dishwasher, room air conditioner,  
13 dehumidifier, or air purifier.

14 Subd. 6. [MANUFACTURER.] "Manufacturer" means any person  
15 that:

16 (1) manufactures a covered electronic device under its own  
17 brand;

18 (2) manufactures a covered electronic device without  
19 affixing a brand;

20 (3) resells a covered electronic device produced by other  
21 suppliers under its own brand and label; or

22 (4) imports a covered electronic device into the United  
23 States.

24 Subd. 7. [MONITOR.] "Monitor" means a separate visual  
25 display component of a computer, whether sold separately or  
26 together with a computer central processing unit or computer  
27 box, and includes a cathode ray tube, liquid crystal display,  
28 gas plasma, digital light processing, or other image projection  
29 technology, greater than nine inches when measured diagonally;  
30 its case; interior wires and circuitry; cable to the central  
31 processing unit; and power cord.

32 Subd. 8. [OFFICE.] "Office" means the Office of  
33 Environmental Assistance.

34 Subd. 9. [PORTABLE COMPUTER.] "Portable computer" means a  
35 computer and video display that can be carried by an individual.

36 Subd. 10. [PURCHASE.] "Purchase" means the taking, by

1 sale, of title or of the right to use.

2 Subd. 11. [RECYCLING.] "Recycling" has the meaning given  
3 in section 115A.03.

4 Subd. 12. [RETAILER.] "Retailer" means a person who owns  
5 or operates a business that sells new covered electronic devices.

6 Subd. 13. [REUSE.] "Reuse" means an operation by which a  
7 covered electronic device changes ownership to be used for the  
8 same purpose for which it was originally put on the market  
9 without additional processing or remanufacturing.

10 Subd. 14. [SELL OR SALE.] "Sell" or "sale" means any  
11 transfer for consideration of title or of the right to use to a  
12 consumer, by lease or sales contract, including, but not limited  
13 to, transactions conducted through sales outlets, catalogs, or  
14 the Internet, or any other similar electronic means, and  
15 excluding wholesale transactions with distributors or dealers.

16 Subd. 15. [TELEVISION.] "Television" means a stand-alone  
17 display system having a viewable area greater than nine inches  
18 when measured diagonally and able to adhere to any standard  
19 consumer video formats such as PAL, SECAM, NTSC, and HDTV and  
20 has the capability of selecting different broadcast channels and  
21 support sound capability.

22 Subd. 16. [VIDEO DISPLAY DEVICE.] "Video display device"  
23 means a device with an output surface having a viewable area  
24 greater than nine inches when measured diagonally that displays  
25 moving graphical images or a visual representation of image  
26 sequences or pictures, showing a number of quickly changing  
27 images on a screen in fast succession to create the illusion of  
28 motion, including, if applicable, a device that is an integral  
29 part of the display, and cannot be easily removed from the  
30 display by the consumer, that produces the moving image on the  
31 screen. Displays typically use a cathode ray tube, liquid  
32 crystal display, gas plasma, digital light processing, or other  
33 image projection technology.

34 Sec. 3. [116F.515] [FEE; EXPENDITURE OF PROCEEDS.]

35 (a) Beginning on September 1, 2005, a fee of \$10 is imposed  
36 upon every sale to a consumer in Minnesota of a new covered

1 electronic device as required by section 116F.530.

2 (b) A retailer that sells a new covered electronic device  
3 must collect at the time of sale the fee imposed under paragraph  
4 (a) for each new covered electronic device sold to a consumer in  
5 the state.

6 (c) A retailer shall transmit all fees collected under this  
7 section, minus three percent of total fee revenues which may be  
8 retained by the retailer for administrative costs associated  
9 with collecting the fee, to the corporation on or before the  
10 last day of the month following each quarter, accompanied by any  
11 forms prescribed by the corporation. If a covered electronic  
12 device for which the fee has been paid is returned to a retailer  
13 under warranty, the fee may be refunded, and the retailer may  
14 deduct the amount of the returned fee from the remittance to the  
15 corporation.

16 (d) Fees collected by the corporation must be used only for  
17 the administrative cost of the corporation to perform its  
18 responsibilities under section 116F.540; to fund collection,  
19 transportation, and recycling of covered electronic devices; and  
20 to promote the collection and recycling of covered electronic  
21 devices and market development. Fees may not be used to pay for  
22 activities associated with refurbishment and reuse of covered  
23 electronic devices, or for the collection, transportation, or  
24 recycling of covered electronic devices that are refurbished and  
25 reused.

26 (e) The fee imposed under this section must be clearly  
27 identified separately on sales documents from the product price  
28 and is not included in the price for purposes of sales taxes.

29 Sec. 4. [116F.520] [OFFICE RESPONSIBILITIES.]

30 (a) Beginning on July 1, 2007, the office shall report to  
31 the legislature on a biennial basis regarding the progress on  
32 the implementation of sections 116F.505 to 116F.593, including  
33 recommendations for changes to sections 116F.505 to 116F.593  
34 that will ensure the most effective collection of electronic  
35 product recycling fees and whether the cap on the fee imposed  
36 under section 116F.515 should be adjusted.

1 (b) The report must include the following:

2 (1) a list of all parties participating in the system;

3 (2) current collection, transportation, and recycling costs  
4 of covered electronic devices;

5 (3) projected sales of covered electronic devices;

6 (4) projected volume of returns of covered electronic  
7 devices;

8 (5) actual collection rates during the previous 12-month  
9 period plus a yearly growth projection;

10 (6) the total weight of covered electronic devices received  
11 during the preceding year by product category, together with the  
12 total weight of the products recycled in each product category;  
13 and

14 (7) any surplus funds carried forward.

15 (c) The report due on July 1, 2007, shall include an  
16 assessment of the ratio of discarded CRTs to other discarded  
17 covered electronic devices. The office shall also publish on  
18 the office's Web site its assessment and evaluation of covered  
19 electronic device collection, transportation, and reuse,  
20 refurbish, or recycling programs in the state.

21 (d) In addition to the report described in this section,  
22 the director shall evaluate in each odd-numbered year beginning  
23 in 2007, the amount and composition of other household  
24 electronic wastes such as computer central processing units, and  
25 shall recommend the addition or deletion of products to be  
26 covered under sections 116F.505 to 116F.593.

27 Sec. 5. [116F.525] [PROHIBITIONS.]

28 (a) A person who is receiving reimbursement from the  
29 corporation under sections 116F.505 to 116F.593 must not impose  
30 a drop-off or other fee for the collection, transportation, and  
31 recycling of covered electronic devices. Sections 116F.505 to  
32 116F.593 do not apply to end-of-life fees in effect for products  
33 not covered by those sections.

34 (b) Retailers and manufacturers of covered electronic  
35 devices are prohibited from selling covered electronic devices  
36 in Minnesota unless they have registered with the corporation



1 and they collect and remit the fees for covered electronic  
2 devices required by section 116F.515.

3 Sec. 6. [116F.530] [NOT-FOR-PROFIT CORPORATION.]

4 A corporation must be established by the office as a  
5 nonprofit corporation organized under chapter 317A that  
6 qualifies for tax exempt status under United States Code, title  
7 26, section 501(c)(3), to administer collected fee proceeds from  
8 the retail sale of covered electronic devices. Retailers of  
9 covered electronic devices to consumers in Minnesota are  
10 considered to have consented to be members of the not-for-profit  
11 corporation. The corporation shall submit a budget annually to  
12 the office and spend no more than five percent of the total fees  
13 collected under section 116F.515 for administrative expenses.

14 Sec. 7. [116F.540] [CORPORATION RESPONSIBILITIES AND  
15 STRUCTURE.]

16 Subdivision 1. [RESPONSIBILITIES.] (a) The corporation  
17 must be governed and operated by a multistakeholder board for  
18 fulfilling the responsibility for management of a collection,  
19 transportation, and recycling system for covered electronic  
20 devices.

21 (b) The corporation must serve, to the extent feasible, all  
22 consumers in the state. The corporation must also rely  
23 primarily on existing collection and consolidation  
24 infrastructure for handling covered electronic devices to the  
25 extent this infrastructure is cost effective and meets the  
26 environmentally sound management requirements of section  
27 116F.545.

28 (c) The corporation must receive funds collected by the  
29 retailers and administer the system for reimbursement of  
30 collectors and recyclers.

31 (d) The corporation shall organize and coordinate public  
32 outreach. The corporation shall utilize local and regional  
33 authorities to reach local residents and determine appropriate  
34 methods for education.

35 Subd. 2. [STRUCTURE.] (a) The corporation shall use the  
36 funding for the sole purpose of carrying out the duties of

1 sections 116F.505 to 116F.593. In the event that expenses from  
2 collection, transportation, and recycling activities exceed  
3 revenues, the corporation may borrow up to ten percent of the  
4 projected annual net fee funds from outside sources. Borrowed  
5 funds must be repaid within two years.

6 (b) On April 1 of each year, the office shall report to the  
7 legislature on the implementation of the system during the  
8 previous year. The report must identify the total weight of  
9 covered electronic devices received during the preceding year by  
10 product category, together with the total weight of products  
11 recycled in each product category. The report must also include  
12 a list of all parties participating in the system.

13 (c) The corporation must have a board of directors  
14 consisting of 11 members appointed by the director. The board  
15 members shall be appointed for two-year terms, except that for  
16 the initial term, three members shall be appointed to one-year  
17 terms and four members shall be appointed to two-year terms.  
18 The director shall appoint a replacement if any vacancy occurs.  
19 The board shall consist of representatives from:

20 (1) five manufacturers of covered electronic devices;

21 (2) two retailers of covered electronic devices;

22 (3) one environmental not-for-profit organization with  
23 experience in the recycling of covered electronic devices;

24 (4) one for-profit organization with experience in the  
25 recycling of covered electronic devices; and

26 (5) two government representatives, including one from  
27 local government who shall be compensated pursuant to section  
28 15.059, subdivision 3.

29 (d) The board shall hire a director who shall run the  
30 day-to-day operations of the corporation and report to the board  
31 at least once a year.

32 Subd. 3. [COORDINATING CONTRACTS.] The corporation shall  
33 encourage collectors, transporters, and recyclers of covered  
34 electronic devices to coordinate their efforts in order to  
35 minimize costs. All contracts issued by the corporation for  
36 recyclers must be competitively bid under a process created by

1 the corporation and may not prohibit or affect any contract,  
2 franchise, permit, or other arrangement regarding the collection  
3 or recycling of other solid or household hazardous waste.

4 Subd. 4. [REPORTING.] By February 1, 2007, and each year  
5 thereafter, the corporation must provide information to the  
6 office that specifies the following information regarding  
7 covered electronic devices from Minnesota households:

8 (1) the total number and pounds of covered electronic  
9 devices collected during the preceding year, together with the  
10 total number and pounds of covered electronic devices reused or  
11 refurbished for reuse, and the total number and pounds of  
12 covered electronic devices recycled or resold; and

13 (2) a general description of the processes and methods used  
14 to recycle, refurbish, or reuse the covered electronic devices  
15 and any disassembly, physical recovery operation, or other  
16 operation that was used, the location where these activities  
17 occurred, and whether these activities were conducted in  
18 accordance with applicable rules, standards, and requirements  
19 for the environmentally sound management of covered electronic  
20 devices.

21 Sec. 8. [116F.545] [PERFORMANCE REQUIREMENTS.]

22 (a) The corporation shall establish performance  
23 requirements for recyclers eligible to receive funds from the  
24 corporation. Recyclers shall, at a minimum, demonstrate  
25 compliance with the United States Environmental Protection  
26 Agency's Guidance on Environmentally Sound Management of  
27 Electronic Products as issued and available on the office's Web  
28 site in addition to any other requirements mandated by state law.

29 (b) The office shall keep on file and update a list of  
30 recyclers approved to recycle covered electronic devices. A  
31 copy of the list, including all changes to the list since the  
32 previous year, must be sent to the corporation annually for use  
33 in fulfilling its requirements under section 116F.540.

34 (c) The office is authorized to remove from the list any  
35 recycler, who, as the result of an audit by the corporation or  
36 the office, has failed to meet the criteria established under

1 section 116F.591 or who has been convicted of violating any  
2 federal, state, or local law related to the collection,  
3 transport, or processing of covered electronic products.

4 (d) The corporation and its board may not be held  
5 financially liable for any violation of a federal, state, or  
6 local law by a recycler appearing on the list created and  
7 updated by the office.

8 Sec. 9. [116F.550] [LEVEL PLAYING FIELD PENALTIES.]

9 (a) Beginning September 1, 2005, a manufacturer may not  
10 offer for sale in Minnesota a covered electronic device unless a  
11 visible, permanent label clearly identifying the brand or  
12 manufacturer of that device is affixed to it and, if the  
13 manufacturer is also a retailer, the fee under section 116F.515  
14 is collected.

15 (b) By July 15, 2005, manufacturers of covered electronic  
16 devices must notify retailers that the covered electronic device  
17 is subject to the fee in section 116F.515.

18 (c) A violation of this section is subject to a civil  
19 penalty in the amount of \$1,000 per violation.

20 (d) The money collected and distributed shall be used to  
21 offset enforcement expenses.

22 (e) Manufacturers and retailers, upon providing 60-day  
23 notice to the attorney general and to a retailer who is not  
24 collecting and remitting the fee in section 116F.515, or a  
25 manufacturer who is not complying with this section, have the  
26 right to sue that manufacturer or retailer for failure to  
27 collect or remit the fee to the corporation. During the 60-day  
28 notice period, if the attorney general initiates action against  
29 the manufacturer or retailer, then the ability of the  
30 manufacturer to sue is extinguished. The money collected by the  
31 attorney general must be used to offset enforcement expenses.  
32 Money in excess of the enforcement expenses shall be deposited  
33 with the corporation. Manufacturers and retailers that  
34 successfully challenge a noncompliant manufacturer or retailer  
35 are entitled to receive their litigation costs as well as double  
36 the penalties assessed under paragraph (c).

1       Sec. 10. [116F.560] [MARKET DEVELOPMENT.]

2       The corporation shall establish a market development  
3 program to enhance existing and develop new end markets for  
4 remanufactured products and recycled materials. No more than  
5 one percent of corporation funds may be spent on this program.

6       Sec. 11. [116F.575] [MANUFACTURERS DUTIES.]

7       (a) Beginning September 1, 2005, a manufacturer must:

8       (1) collect and remit the fee in section 116F.515 on all  
9 sales in which the manufacturer acts as a retailer;

10       (2) make information available to consumers describing  
11 where and how to return, recycle, and dispose of covered  
12 electronic devices through the use of product operation manuals,  
13 industry or manufacturer Web sites, product labels, packaging  
14 inserts, or toll-free telephone numbers; and

15       (3) provide recyclers with information on the type and  
16 location of hazardous substances in the covered products.

17       (b) Beginning January 1, 2007, a manufacturer must not  
18 offer for sale in the state any product or electronic device  
19 that is prohibited from being sold or offered for sale in the  
20 European Union on or after its date of manufacture, to the  
21 extent that Directive 2002/95/EC adopted by the European  
22 Parliament on January 27, 2003, and as amended thereafter by the  
23 Commission of European Communities, prohibits the sale due to  
24 the presence of heavy metals. This prohibition does not include  
25 any product that contains a substance that is used to comply  
26 with consumer health or safety requirements that are required by  
27 Underwriters Laboratories, the federal government, or the state.

28       (c) Beginning July 1, 2008, and annually thereafter,  
29 manufacturers shall make available to the public upon request a  
30 report that contains:

31       (1) the total estimated amounts of lead, mercury,  
32 hexavalent chromium, cadmium, and polybrominated biphenyls  
33 (PBBs) contained in products sold within the state in the  
34 previous year;

35       (2) the total estimated amounts of recyclable materials  
36 contained in covered electronic devices sold within the state in

1 the previous year, and increases the use of those materials over  
2 previous years; and

3 (3) any efforts to design covered electronic devices for  
4 recycling and goals or plans for further increasing design for  
5 recycling.

6 (d) In lieu of an individual report, manufacturers may  
7 submit the information in a collated report submitted via a  
8 trade association provided that information about an individual  
9 company can be made available to the office upon written request  
10 by the office. The office may only make such a request for  
11 auditing purposes and not more than once during a five-year  
12 period. The office may not make public any confidential  
13 business information claimed by the manufacturer in the report.

14 (e) A report submitted to another state or to the federal  
15 government that contains the same information as required in  
16 this section must be accepted by the office in lieu of a  
17 separate report for the state.

18 Sec. 12. [116F.580] [PROCEDURES; RULES.]

19 Subdivision 1. [REGISTRATION PROCEDURES.] The office shall  
20 by November 1, 2005, establish procedures for registering with  
21 the corporation and maintaining fee collection registrations and  
22 the means for making registration information easily available  
23 on a Web site to manufacturers, distributors, retailers, and  
24 members of the public.

25 Subd. 2. [RULES.] The office may adopt rules for the  
26 purpose of administering sections 116F.505 to 116F.593.

27 Sec. 13. [116F.590] [PROGRAM REVIEW.]

28 On or after January 1, 2014, the office shall convene a  
29 stakeholder group to evaluate the program and make  
30 recommendations to the legislature by January 1, 2015, as to  
31 whether to:

32 (1) continue or modify the fee under section 116F.515;

33 (2) implement another financing alternative; or

34 (3) determine that no outside financing mechanism is  
35 required to ensure that the system is financially solvent.

36 Sec. 14. [116F.591] [REGULATION OF COVERED ELECTRONIC

1 DEVICES.]

2 Covered electronic devices must be recycled, refurbished,  
3 or reused in compliance with all applicable federal, state, and  
4 local laws, regulations, and ordinances, and must not be  
5 exported for disposal in a manner that poses a significant risk  
6 to the public health or environment.

7 Sec. 15. [116F.592] [ENFORCEMENT.]

8 Sections 116F.505 to 116F.591 may be enforced under  
9 sections 115.071, subdivisions 1, 3, 4, 5, and 6; and 116.072.

10 Sec. 16. [116F.593] [TERMINATION.]

11 The requirements under sections 116F.505 to 116F.592 shall  
12 terminate 30 days after the director publishes a notice in the  
13 State Register that a national program for effectively  
14 collecting, transporting, and reusing or recycling waste covered  
15 electronic devices is established and implemented throughout the  
16 state.

17 Sec. 17. [EFFECTIVE DATE.]

18 Except as otherwise specified, sections 1 to 16 are  
19 effective July 1, 2005.


1 TO: Senator Johnson, D.E., Chair  
 2 Committee on Rules and Administration  
 3 Senator Rest,

4 Chair of the Subcommittee on Bill Referral, to which was  
 5 referred under Rule 21, together with the committee report  
 6 thereon,

7 S.F. No. 631: A bill for an act relating to civil actions;  
 8 prohibiting actions against certain persons for weight gain as a  
 9 result of consuming certain foods; proposing coding for new law  
 10 in Minnesota Statutes, chapter 604.

11 Reports the same back with the recommendation that the  
 12 report from the Committee on Judiciary, shown in the Journal for  
 13 April 21, 2005, be adopted; that committee recommendation being:

14 "the bill be amended and when so amended the bill do pass".  
 15 Amendments adopted. Report adopted.

16   
 .....  
 (Subcommittee Chair)

17  
 18  
 19  
 20 May 3, 2005.....  
 21 (Date of Subcommittee recommendation)



1 TO: Senator Johnson, D.E., Chair  
 2 Committee on Rules and Administration  
 3 Senator Rest,


4 Chair of the Subcommittee on Bill Referral, to which was  
 5 referred under Rule 21, together with the committee report  
 6 thereon,

7 S.F. No. 1298: A bill for an act relating to environment;  
 8 enacting the Minnesota Electronics Recycling Act of 2005;  
 9 authorizing rulemaking; providing penalties; amending Minnesota  
 10 Statutes 2004, section 16C.03, by adding a subdivision;  
 11 proposing coding for new law in Minnesota Statutes, chapter 116F.

12 Reports the same back with the recommendation that the  
 13 report from the Committee on State and Local Government  
 14 Operations, shown in the Journal for April 21, 2005, be adopted;  
 15 that committee recommendation being:

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

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 22  
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 .....  
 (Subcommittee Chair)  
 May 3, 2005.....  
 (Date of Subcommittee recommendation)

**Rules & Administration Committee  
Subcommittee on Bill Referral**

Chair: Senator Ann H. Rest

April 6, 2006

9:45a.m.

Room 107 Capitol

Present:

Rest, Chair; Belanger, Metzen

Absent:

Senator Rest began the meeting at 9:50 a.m. There was a quorum present.

**AGENDA ITEM #1: SF3398**

Senator Nienow explained his objection to the Jobs, Energy and Community Development committee report that recommended that SF3398 pass and be placed on General Orders. Senator Nienow testified that SF3398 should be re-referred to the Environment and Natural Resources Committee.

Senator Anderson, Chair of the Jobs, Energy and Community Development Committee, Senator Dibble, author of SF3398, and Senator Marty, Chair of the Environment and Natural Resources Committee testified in support of adopting the Jobs, Energy and Community Development committee report.

Senator Metzen moved that the committee report from Jobs, Energy and Community Development be adopted.

The motion prevailed.

**AGENDA ITEM #2: SF3359**

Senator Tomassoni explained his objection to the State and Local Government Operations committee report that recommended that SF3359 pass and be re-referred to the Health and Family Security Committee. Senator Tomassoni testified that SF3359 should be re-referred to the Commerce Committee.

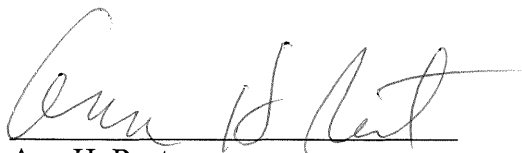
William Wilson, Committee Administrator for the Health and Family Security Committee testified.

Senator Rest read aloud a letter submitted by Senator Scheid, Chair of the Commerce Committee, in support of adopting the committee report from the State and Local Government Operations Committee.

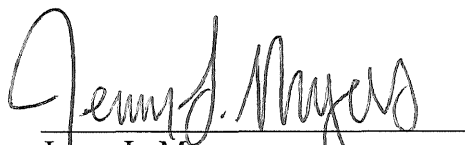
Senator Metzen moved that the committee report from the State and Local Government Operations Committee be adopted and that the subcommittee recommend to the Rules and Administration Committee that the policy committee deadline be waived for SF3359.

Motion was adopted.

Senator Rest adjourned the meeting at 10:23 a.m.



Ann H. Rest  
Chair of Rules and Administration Committee  
Subcommittee on Bill Referrals



Jenny L. Myers  
Subcommittee Secretary

**Rules and Administration**  
**Subcommittee on Bill Referral**  
April 6, 2006  
Room 107 Capitol  
Chair, Senator Ann H. Rest

Agenda

Rule 21

S.F. 3398-Dibble: Mercury Emissions Reduction Act of 2006.

S.F. 3359-Senjem: Public employee insurance provisions modifications.

1.1 To: Senator Johnson, D.E., Chair  
 1.2 Committee on Rules and Administration

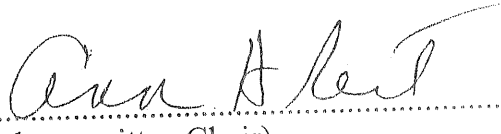
1.3 From: Senator Rest,

1.4 Chair of the Subcommittee on Bill Referral, to which was referred under Rule 21,  
 1.5 together with the Committee Report thereon,

1.6 S.F. No. 3398: A bill for an act relating to the environment; extending life of utility  
 1.7 emissions-reduction program; requiring mercury emissions reductions by public utilities;  
 1.8 amending Minnesota Statutes 2004, section 216B.1692, subdivision 8; proposing coding  
 1.9 for new law in Minnesota Statutes, chapter 216B.

1.10 Reports the same back with the recommendation that the report from the Committee  
 1.11 on Jobs, Energy and Community Development, shown in the Journal for March 29, 2006,  
 1.12 be adopted; that committee recommendation being:

1.13 "the bill be amended and when so amended the bill do pass". Amendments adopted.  
 1.14 Report adopted.

1.15   
 1.16 (Subcommittee Chair)

1.17 April 6, 2006 .....  
 1.18 (Date of Subcommittee action)

To: Senator Johnson, D.E., Chair

Committee on Rules and Administration

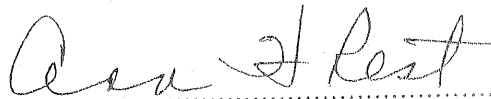
From: Senator Rest,

Chair of the Subcommittee on Bill Referral, to which was referred under Rule 21,  
together with the Committee Report thereon,

**S.F. No. 3359:** A bill for an act relating to public employees; modifying public  
employee insurance provisions; appropriating money; amending Minnesota Statutes 2004,  
section 43A.316, subdivisions 1, 2, 3, 4, 5, 10, by adding subdivisions.

Reports the same back with the recommendation that the report from the Committee  
on State and Local Government Operations, shown in the Journal for April 3, 2006, be  
amended to read:

"the bill be amended and when so amended the bill do pass and be re-referred to the  
Committee on Health and Family Security and that Joint Rule 2.03 be suspended for all  
further proceedings on S.F. No. 3359". Report adopted.



.....  
(Subcommittee Chair)

April 6, 2006 .....  
(Date of Subcommittee action)

A bill for an act

relating to the environment; extending life of utility emissions-reduction program; requiring mercury emissions reductions by public utilities; amending Minnesota Statutes 2004, section 216B.1692, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Section 1. Minnesota Statutes 2004, section 216B.1692, subdivision 8, is amended to read:

Subd. 8. **Sunset.** This section is effective until ~~June 30, 2006~~ December 31, 2011, and applies to projects and riders approved before that date.

**Sec. 2. [216B.1695] MERCURY EMISSIONS REDUCTIONS.**

**Subdivision 1. Definitions.** For the purpose of this section, the following terms have the meanings given them:

(1) "coal-fired electric generating unit" means any electric generating power plant in Minnesota that supplied more than one-third of its potential output capacity and 250 megawatts or more of electrical output from coal-fired generation to any public utility as of January 1, 2006;

(2) "dry-scrubbed units" means a coal-fired electric generating unit at which pollution control technology that uses a spray dryer and fabric filter system to remove pollutants from air emissions is installed; and

(3) "wet-scrubbed units" means a coal-fired electric generating unit at which pollution control technology that uses water or solutions to remove pollutants from air emissions is installed.

2.1 Subd. 2. Monitoring. By January 1, 2007, a public utility that owns or operates  
2.2 a coal-fired electric generating unit shall install, maintain, and operate a continuous  
2.3 mercury emissions-monitoring system approved by the Pollution Control Agency on each  
2.4 coal-fired electrical generating unit. The data from six months of continuous emissions  
2.5 monitoring or its equivalent must be used to establish a baseline for mercury emissions  
2.6 reductions under subdivision 3. The public utility shall report to the Pollution Control  
2.7 Agency as public data the quality assured data produced from monitoring implemented  
2.8 pursuant to this subdivision on a quarterly basis on a form prescribed by the agency.

2.9 Subd. 3. Mercury emissions limits. Subject to commission approval, mercury  
2.10 emissions from coal-fired electric generating units relative to the baseline established by  
2.11 monitoring under subdivision 2 must be reduced as follows:

2.12 (1) mercury emissions from dry-scrubbed units must be reduced by 90 percent  
2.13 by January 1, 2009; and

2.14 (2) mercury emissions from wet-scrubbed units must be reduced by 90 percent  
2.15 by January 1, 2011.

2.16 Subd. 4. Compliance plans. (a) By September 1, 2007, for dry-scrubbed units, a  
2.17 public utility that owns or operates a coal-fired electrical generating unit shall submit to  
2.18 the Pollution Control Agency and the commission a plan for compliance with the mercury  
2.19 emissions limit in subdivision 3, clause (1).

2.20 (b) By July 1, 2008, for wet-scrubbed units, a public utility that owns or operates  
2.21 a coal-fired electrical generating unit shall submit to the Pollution Control Agency and  
2.22 the commission a plan for compliance with the mercury emissions limit in subdivision  
2.23 3, clause (2).

2.24 (c) Plans under paragraphs (a) and (b) shall provide the cost, technical feasibility,  
2.25 operational conditions, and mercury emissions reductions expected for each option.  
2.26 The plans may specify permit conditions proposed by the public utility for each  
2.27 mercury emission control option, including, but not limited to, numeric emission target,  
2.28 percent removal expectations, emission control technology installation, and operative  
2.29 requirements or work practice standards.

2.30 (d) The public utility may also submit one or more alternatives to the plans required  
2.31 under subdivision 3. For each required and alternative plan submitted pursuant to this  
2.32 subdivision, the utility shall present information assessing the plan's ability to optimize  
2.33 human health benefits and achieve cost efficiencies.

2.34 Subd. 5. Multiple pollutant reductions. A utility required to submit a compliance  
2.35 plan under this section may also propose plans and associated emissions-reduction  
2.36 riders to reduce emissions of multiple pollutants. The plans must propose to implement

3.1 emission control initiatives that exceed and are implemented in advance of state or federal  
3.2 requirements.

3 Subd. 6. Emission-reduction rider. A public utility required to file a compliance  
3.4 plan under subdivision 4 may also file for approval of an emissions-reduction rate  
3.5 rider, under section 216B.1692, subdivision 3, for its compliance and multiple pollutant  
3.6 reduction plans under this section. The emissions-reduction rate rider may include  
3.7 recovery of capital, operating, and maintenance costs associated with continuous  
3.8 monitoring, mercury emissions reduction, multiple pollutant emissions reduction, and any  
3.9 studies undertaken by the utility in support of the compliance plan, in addition to the cost  
3.10 recovery under section 216B.1692, subdivision 3. The utility may propose to phase in  
3.11 the emissions-reduction riders to recover these costs over the development and life of the  
3.12 projects.

3.13 Subd. 7. Compliance assessment. (a) The Pollution Control Agency shall evaluate  
3.14 a utility's compliance plan and alternatives, and within 90 days for dry-scrubbed units  
3.15 and within 180 days for wet-scrubbed units from the date the plan was submitted, assess  
3.16 the following:

3.17 (1) whether the plan will result in compliance with subdivision 3; and

3.18 (2) the technical feasibility and effectiveness of the technologies proposed in  
3.19 achieving maximum mercury reductions.

3.20 (b) For multiple pollutant emissions-reduction plans, the Pollution Control Agency  
3.21 shall evaluate within 180 days whether the plan complies with the requirements of  
3.22 subdivisions 3 and 5, in addition to providing an environmental assessment under section  
3.23 216B.1692, subdivision 4.

24 Subd. 8. Commission approval. (a) Within 90 days of receiving the Pollution  
3.25 Control Agency's compliance assessment for dry-scrubbed units, and within 180 days of  
3.26 receiving the Pollution Control Agency's compliance assessment for wet-scrubbed units,  
27 the commission shall approve a utility's compliance plan that has been assessed to comply  
3.28 with subdivision 3, clause (1) or (2), unless the applicant or other party establishes that the  
3.29 plan would impose excessive customer costs.

3.30 (b) If the commission is unable to approve a plan under paragraph (a), the  
3.31 commission shall, in consultation with the Pollution Control Agency, order the utility to  
3.32 implement the most stringent mercury reduction alternative proposed that does not impose  
3.33 excessive costs. The commission shall not require the replacement of existing pollution  
3.34 control equipment for that unit. The order must include provisions:



4.1 (1) requiring the utility to optimize the operation of installed equipment to obtain  
4.2 maximum mercury reductions and report its efforts and results quarterly to the Pollution  
4.3 Control Agency; and

4.4 (2) stating that if compliance with the 90 percent reduction requirement has not been  
4.5 met by January 1, 2013, the Pollution Control Agency and the commission shall conduct a  
4.6 de novo review to determine the technical feasibility of compliance with subdivision 3.

4.7 (c) Within 180 days of receiving the Pollution Control Agency's assessments, the  
4.8 commission may approve a utility's multiple pollutant emissions-reduction plan if it:

4.9 (1) results in compliance with subdivision 3 in a manner that is technically feasible  
4.10 without excessive consumer costs; and

4.11 (2) provides greater environmental and public health benefits by reducing multiple  
4.12 emissions simultaneously, including, but not limited to, emissions of mercury, sulfur  
4.13 oxides, nitrogen oxides, and particulate matter.

4.14 (d) The commission shall defer to the expertise of the Pollution Control Agency  
4.15 on compliance issues under subdivision 3, technical feasibility of emission control  
4.16 technology, and environmental and public health benefits.

4.17 (e) Section 216B.1692 applies to plans and emission control riders proposed  
4.18 under this section, and projects included in a plan approved under this section are  
4.19 considered qualifying projects under section 216B.1692. Section 216B.1692, subdivision  
4.20 5, paragraph (c), and subdivision 6, do not apply to plans or riders submitted under this  
4.21 section. Commission approval of an emissions-reduction plan under this section shall  
4.22 include approval of an emissions-reduction rider associated with that plan, if one was  
4.23 submitted by the utility.

4.24 Subd. 9. Implementation and operation. (a) A public utility required to file a  
4.25 compliance plan shall implement the plan as approved under subdivision 8.

4.26 (b) For the first year of operation, except as required by federal regulation, any  
4.27 mercury emission limit incorporated into the permit of a coal-fired electric generating unit  
4.28 for which a plan has been approved, shall be a state-only condition of the permit and is not  
4.29 enforceable by the Pollution Control Agency.

4.30 (c) After one year, the Pollution Control Agency shall incorporate the mercury limit  
4.31 as an enforceable state-only limit for any coal-fired electric generating unit that is in  
4.32 compliance with its plan.

4.33 (d) For any coal-fired electric generating unit that is not in compliance with the  
4.34 limits of subdivision 3 after one year, the Pollution Control Agency shall:

4.35 (1) provide public notice and revise the mercury limit for that unit, incorporating  
4.36 that limit as an enforceable state-only limit in the facility's permit; and

5.1 (2) revise the unit's air permit on a biannual basis or as the plan for mercury  
5.2 reduction at that unit is modified to ensure optimal mercury emissions reduction in light of  
5.3 technical and operational advances made since the date of plan approval.

5.4 (e) For any coal-fired electric generating unit that is not in compliance with the  
5.5 limits of subdivision 3 after one year, the public utility shall report its efforts to optimize  
5.6 the operation of installed equipment quarterly to the Pollution Control Agency until  
5.7 compliance with the emission limits set in subdivision 3 is attained.

A bill for an act  
relating to public employees; modifying public employee insurance provisions;  
appropriating money; amending Minnesota Statutes 2004, section 43A.316,  
subdivisions 1, 2, 3, 4, 5, 10, by adding subdivisions.

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

Section 1. Minnesota Statutes 2004, section 43A.316, subdivision 1, is amended to read:

Subdivision 1. **Intent.** The legislature finds that the creation of a statewide program using best purchasing practices and innovative benefit design and administration to provide public employees, school districts employees, and other eligible persons with life insurance and hospital, medical, and dental benefit coverage through provider organizations would result in a ~~greater utilization~~ more efficient use of government resources and would advance the health and welfare of the citizens of the state.

Sec. 2. Minnesota Statutes 2004, section 43A.316, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purpose of this section, the terms defined in this subdivision have the meaning given them.

(a) **Commissioner.** "Commissioner" means the commissioner of employee relations.

(b) **Employee.** "Employee" means:

(1) a person who is a public employee within the definition of section 179A.03, subdivision 14, who is insurance eligible and is employed by an eligible employer;

(2) an elected public official of an eligible employer who is insurance eligible;

(3) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public

2.1 employer approved by the commissioner, so long as the plan meets the requirements of a  
 2.2 governmental plan under United States Code, title 29, section 1002(32); or

2.3 (4) a person employed by a county or municipal hospital.

2.4 (c) **Eligible employer.** "Eligible employer" means:

2.5 (1) a public employer within the definition of section 179A.03, subdivision 15, that  
 2.6 is a town, county, city, school district as defined in section 120A.05, service cooperative  
 2.7 as defined in section 123A.21, intermediate district as defined in section 136D.01,  
 2.8 Cooperative Center for Vocational Education as defined in section 123A.22, regional  
 2.9 management information center as defined in section 123A.23, or an education unit  
 2.10 organized under the joint powers action, section 471.59; or

2.11 (2) an exclusive representative of employees, as defined in paragraph (b);

2.12 (3) a county or municipal hospital; or

2.13 (4) another public employer approved by the commissioner.

2.14 (d) **Exclusive representative.** "Exclusive representative" means an exclusive  
 2.15 representative as defined in section 179A.03, subdivision 8.

2.16 (e) **Labor-Management Committee.** "Labor-Management Committee" means the  
 2.17 committee established by subdivision 4.

2.18 (f) **Program.** "Program" means the statewide public ~~employees insurance buyers~~  
 2.19 group program created by subdivision 3.

2.20 Sec. 3. Minnesota Statutes 2004, section 43A.316, subdivision 3, is amended to read:

2.21 Subd. 3. **Public ~~employee insurance buyers group~~ program.** The commissioner  
 2.22 shall be the administrator of the public ~~employee insurance buyers group~~ program and  
 2.23 may determine its funding arrangements. The commissioner shall model the program  
 2.24 after the plan established in section 43A.18, subdivision 2, but may modify that plan,  
 2.25 in consultation with the Labor-Management Committee. The commissioner, or the  
 2.26 commissioner's designated representatives, shall be consulted in discussions or studies  
 2.27 by state agencies related to improving statewide health care quality, outcomes, and costs.

2.28 The commissioner may:

2.29 (1) Develop and administer separately rated programs within the public buyers  
 2.30 group program, including a separately rated and administered program for employees of  
 2.31 public school districts. Separate programs within the public buyers group program may be  
 2.32 pilot or demonstration programs, or permanent programs.

2.33 (2) Develop, implement, and administer demonstration or pilot programs to help  
 2.34 explore methods for improving the effectiveness and value of the public buyers group  
 2.35 program.

3.1 (3) Conduct evaluations and studies to determine the effectiveness and impact of  
3.2 pilot, demonstration, or other programs as part of the public buyers group program.

3.4 (4) Develop, adopt, modify, and implement strategies to control health care costs  
3.5 and to improve health care outcomes, including, but not limited to, health care cost and  
3.6 quality measurement and reporting strategies, pay-for-performance strategies, value-based  
3.7 purchasing strategies, and other demonstrated or emerging best practices in health care  
3.8 purchasing.

3.9 (5) In consultation with the labor management committee described in subdivision  
3.10 4, develop, adopt, modify and administer innovative health benefit designs, including  
3.11 possible tiered arrangements, high-deductible plans with health care savings accounts,  
3.12 special provider networks, limited benefit plans, incentive programs for healthy behaviors  
3.13 and health improvement, and other health benefit designs.

3.14 (6) Temporarily suspend or limit new entrant groups into the public buyers group  
3.15 program if necessary to maintain the quality, effectiveness, and viability of the program.

3.16 (7) Participate as part of broader community, regional, or national alliances or  
3.17 initiatives, including joint public-private sector efforts, improve health care purchasing,  
3.18 and health care costs, quality, and outcomes.

3.19 (8) Develop, implement, and administer a Web site and related capabilities to  
3.20 provide members and the public with information and a means to make inquiries to the  
3.21 public buyers group program. The Web site may include information on the program's  
3.22 goals and its performance in reaching the goals.

3.23 Sec. 4. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision  
3.24 to read:

3.25 Subd. 3a. Health improvement programs. The commissioner is authorized to plan,  
3.26 develop, purchase, administer, and evaluate disease management and other programs,  
3.27 strategies, and incentives to improve the health and health outcomes of members.

3.28 Sec. 5. Minnesota Statutes 2004, section 43A.316, subdivision 4, is amended to read:

3.29 Subd. 4. Labor-Management Committee. The Labor-Management Committee  
3.30 consists of ten members appointed by the ~~commissioner~~ governor. The Labor-Management  
3.31 Committee must comprise five members who represent employees, including at least  
3.32 one retired employee, and five members who represent eligible employers. Committee  
3.33 members are eligible for expense reimbursement in the same manner and amount as  
3.34 authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The  
3.35 commissioner shall consult with the labor-management committee in major decisions that

4.1 affect the program. The committee shall study issues relating to the insurance program  
4.2 including, but not limited to, flexible benefits, utilization review, quality assessment, and  
4.3 cost efficiency. The committee continues to exist while the program remains in operation.

4.4 Sec. 6. Minnesota Statutes 2004, section 43A.316, subdivision 5, is amended to read:

4.5 Subd. 5. **Public employee participation.** (a) Participation in the program is subject  
4.6 to the conditions in this subdivision.

4.7 (b) Each exclusive representative for an eligible employer determines whether the  
4.8 employees it represents will participate in the program. The exclusive representative shall  
4.9 give the employer notice of intent to participate at least 30 days before the expiration date  
4.10 of the collective bargaining agreement preceding the collective bargaining agreement that  
4.11 covers the date of entry into the program. The exclusive representative and the eligible  
4.12 employer shall give notice to the commissioner of the determination to participate in the  
4.13 program at least 30 days before entry into the program. Entry into the program is governed  
4.14 by a schedule established by the commissioner.

4.15 (c) Employees not represented by exclusive representatives may become members  
4.16 of the program upon a determination of an eligible employer to include these employees  
4.17 in the program. Either all or none of the employer's unrepresented employees must  
4.18 participate. The eligible employer shall give at least 30 days' notice to the commissioner  
4.19 before entering the program. Entry into the program is governed by a schedule established  
4.20 by the commissioner.

4.21 (d) Participation in the program is for a ~~two-year~~ three-year term. Participation is  
4.22 automatically renewed for an additional two-year term unless the exclusive representative,  
4.23 or the employer for unrepresented employees, gives the commissioner notice of  
4.24 withdrawal at least 30 days before expiration of the participation period. A group that  
4.25 withdraws must wait two years before rejoining. An exclusive representative, or employer  
4.26 for unrepresented employees, may also withdraw if premiums increase 50 percent or more  
4.27 from one insurance year to the next. The commissioner may modify the participation  
4.28 requirement as part of a demonstration or pilot effort. Any modifications must be clearly  
4.29 communicated to all employers who are members of the public buyers group program, and  
4.30 incorporated in any information about the program, at least 60 days prior to the change  
4.31 becoming effective. The modifications must apply on an equal basis to all current and  
4.32 prospective employers enrolled in the program.

4.33 (e) The commissioner, in consultation with the Labor-Management Committee and  
4.34 other experts, may explore mutual gain-sharing arrangements, discounts, incentives,  
4.35 or penalties for public employers based on the length of their continuous membership

5.1 in the public buyers group program and other factors. Any incentives for long-term  
5.2 membership in the program must be consistent with the program's goals; maintaining the  
5.3 overall integrity and viability of the program; other applicable laws, rules, and policies;  
5.4 and available to all groups on equal terms. The terms of any incentives for long-term  
5.5 participation in the program must be clearly communicated to all employers who are  
5.6 members of the public buyers group program, and incorporated in any information about  
5.7 the program. Any administration of, or changes to the incentives, must be communicated  
5.8 at least 180 days prior to each employer's renewal date before the change may become  
5.9 effective. The commissioner, in consultation with the Labor-Management Committee,  
5.10 shall report to the legislature and the governor by January 15, 2008, and annually  
5.11 thereafter, on the adequacy of the participation requirement and any special incentives  
5.12 based on the length of participation, in helping maintain the stability and effectiveness of  
3 the public buyers group program.

5.14 (e) (f) The exclusive representative shall give the employer notice of intent to  
5.15 withdraw to the commissioner at least 30 days before the expiration date of a collective  
5.16 bargaining agreement that includes the date on which the term of participation expires.

5.17 (f) (g) Each participating eligible employer shall notify the commissioner of  
5.18 names of individuals who will be participating within two weeks of the commissioner  
5.19 receiving notice of the parties' intent to participate. The employer shall also submit other  
5.20 information as required by the commissioner for administration of the program.

5.21 Sec. 7. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision  
5.22 to read:

3 Subd. 5a. Participating employer rights to data. Employers participating in  
5.24 the public buyers group program shall not be refused or impeded by the program in  
5.25 their efforts to obtain the utilization or claims data needed by the employer to seek  
5.26 alternative bids for insurance coverage. The ability of participating employers to secure  
5.27 their data for the purposes of seeking alternative bids for coverage exists regardless of  
5.28 any other program participation requirements or incentives for long-term participation  
5.29 in the program. Participating employers will not be charged for the report generated to  
5.30 satisfy this subdivision.

5.31 Sec. 8. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision  
5.32 to read:

5.33 Subd. 5b. School districts. School districts eligible for the public buyers group  
5.34 program must request bids for insurance coverage through the public buyers group

6.1 program at least once every four years. This subdivision does not require school districts  
6.2 eligible for the program to purchase coverage through the program. Other public  
6.3 employers are encouraged to seek bids from the public buyers group program at least  
6.4 once every four years.

6.5 Sec. 9. Minnesota Statutes 2004, section 43A.316, is amended by adding a subdivision  
6.6 to read:

6.7 Subd. 9a. Report. The commissioner shall report biennially to the governor and  
6.8 legislature on March 1 of each odd-numbered year. The report will include information on  
6.9 membership, finances, operations, effectiveness, and impact of the public buyers group  
6.10 program. The report may include discussion of changes and innovations, particularly with  
6.11 respect to improving health care costs, quality, and outcomes, and any issues or challenges  
6.12 faced by the program and how they might be addressed. The report will be posted on a  
6.13 Web site maintained by or for the public buyers group program, and must be available  
6.14 to the public.

6.15 Sec. 10. Minnesota Statutes 2004, section 43A.316, subdivision 10, is amended to read:

6.16 Subd. 10. Exemption. The public ~~employee insurance~~ buyers group program  
6.17 and, where applicable, the employers participating in it are exempt from chapters 60A,  
6.18 62A, 62C, 62D, 62E, and 62H, section 471.617, subdivisions 2 and 3, and the bidding  
6.19 requirements of section 471.6161. Nothing in this statute or other statutes shall limit the  
6.20 commissioner's ability to develop and test innovative health insurance benefit designs for  
6.21 the public buyers group program.

6.22 Sec. 11. **APPROPRIATION.**

6.23 Notwithstanding Minnesota Statutes, section 295.581, \$60,000 in fiscal year 2006  
6.24 and \$2,260,000 in fiscal year 2007 are appropriated from the health care access fund to  
6.25 the commissioner of employee relations for onetime administrative costs for marketing,  
6.26 communication, plan administration, and the development of a data warehouse to support  
6.27 the Public Buyers Group.

6.28 Sec. 12. **REVISOR'S INSTRUCTION.**

6.29 The revisor of statutes shall change the headnote for Minnesota Statutes, section  
6.30 43A.316, to read "PUBLIC BUYERS GROUP PROGRAM."



## Linda Scheid

State Senator – District 46  
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# Senate

State of Minnesota

April 4, 2006

Sen. Dean E. Johnson, chair  
Senate Rules Committee  
208 State Capitol

**RE: SF 3359 (Senjem) modifying public employee insurance provisions**

Dear Senator Johnson,

I reviewed SF 3359 (Senjem) as amended by the State and Local Government committee and reported to the Senate on April 3, 2006. I also reviewed the legislative history related to the creation, implementation and revision of the Public Employees Insurance Program and the committee jurisdiction document dated January 29, 2004.

I consulted with senate counsel and the commerce department to determine whether the Senate Commerce Committee has ever taken on an oversight role to PEIP.

After careful consideration, it is my opinion that the provisions of SF 3359 do not fall under the oversight jurisdiction of the Commerce Committee. Therefore, I support the recommendation of the Senate State and Local Government Committee that the file be re-referred to the Senate Health and Family Security Committee as they requested.

Best wishes,

A handwritten signature in cursive script that reads "Linda".

Linda Scheid  
State Senator

LS/kmb

