

Rules and Administration - Subcommittee on Ethical Conduct

Meeting Minutes – March 10, 2004 8:30 a.m.

Present : Senator Dennis Frederickson Senator Thomas Neuville
 Senator Mee Moua Senator James Metzen

Senator Metzen called the meeting to order at 8:33a.m.

Senator Metzen explained the meeting was called to render an advisory opinion for Senator LeClair at his request based on a letter he submitted to Senator Metzen on February 9, 2004. Under 55.2 of the rules of the Minnesota Senate a member may seek the advice of the Subcommittee on Ethical Conduct as to a possible conflict of interest. Senate Counsel, Peter Wattson, was then asked to advise the committee.

Senate Counsel explained conflicts of interest as viewed by the Minnesota Senate in Minnesota Statutes, section 10A.07; Senate Rule 57; and Mason's Manual of Legislative Procedure, section 522.

Senator LeClair presented his reasons for bringing the question to the Subcommittee. (Issue is highlighted in his letter.)

Senator Frederickson said that based on the explanation given by Senate Counsel he felt there was no conflict of interest in the case of S.F. 15 or S.F.1602 for Senator LeClair.

Senator Moua asked whether his insurance business solely dealt with long term care insurance, which both these bills are dealing with.

Senator LeClair indicated that LeClair Insurance deals in all forms of Health and Life Insurance

Senator Moua asked how much of their business or what percentage of its interest is in the long term care arena.

Senator LeClair reported first to the committee that major portions of LeClair Insurance business is with out-state organizations. He also added that while long term care is not the majority of their business it is the fastest growing portion, but that trend holds true across the industry.

Senator Moua asked if there was any reason to believe that these bills would have greater benefit for Senator LeClair's company than any other insurance company in the state.

Senator LeClair said that he felt in no way would this affect his business any differently than other insurance businesses in the state of Minnesota.

Senator Neuville noted that Senator LeClair is a salaried employee and holds no ownership in the company but that his father holds sole ownership of the company. He wondered if a conflict of interest could occur if a legislator carried legislation or voted on legislation that would be a direct benefit to a family member.

Senate Counsel advised that the Campaign Finance and Public Disclosure Board recently submitted an advisory opinion stating that such an action does not constitute a conflict of interest. He did caution that one would arise if the member's own financial situation was directly affected by that of the family member.

Senator Neuville inquired of Senator LeClair as to the relationship his father's company earnings would have on his income.

Senator LeClair felt that although he maintains a salaried position, there is some correlation to the health of the business but there is not a direct relationship. For example, if the company was struggling it would not be surprising if he and other salaried employees would be asked to take cuts in salary.

Senator Metzen asked the committee for any further comments and then asked if they were in agreement with him that no conflict of interest could be found in senator LeClair's authoring of or voting on these two pieces of legislation.

Motion:

Senator Frederickson moved that the committee finds no conflict of interest in the case brought to them by Senator LeClair and that committee staff be instructed to draft a letter to Senator LeClair to that affect.

The motion prevailed.

Senator Metzen adjourned the committee at 8:56 a.m.