

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 1689 - Unlawful Trafficking in Persons - Judiciary Issues**

**Author:** Senator Sandra L. Pappas

**Prepared by:** Kathleen Pontius, Senate Counsel (651/296-4394) 

**Date:** April 5, 2005

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This bill contains civil and criminal provisions relating to unlawful trafficking in persons. Following is a summary of the judiciary issues.

**Section 4** contains civil liability and corporate liability provisions for labor or sex trafficking crimes.

**Subdivision 2** provides that a labor trafficking victim may bring a cause of action against a person who violates the criminal trafficking provisions. The court may award damages, including punitive damages, reasonable attorney fees, and other litigation costs reasonably incurred by the victim.

**Subdivision 3** contains provisions relating to corporate liability in cases where a corporation or other business enterprise is convicted of violating the trafficking laws. In addition to the criminal penalties and other remedies under law, the court may order dissolution or reorganization; the suspension or revocation of a license permit or prior approval granted by a state agency; or order the surrender of its charter if it is organized under Minnesota law or the revocation of its certificate to conduct business in Minnesota.

**Sections 10 to 12** add the new trafficking crimes to the forfeiture statute.

KP:cs

## BILL SUMMARY

SF 1956 (Berglin)

### HENNEPIN COUNTY MEDICAL CENTER GOVERNANCE CHANGES

Date: April 4, 2005

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Article I of this bill creates a public subsidiary of Hennepin County, Hennepin Healthcare System, Inc, (HHS) which will be responsible for the day-to-day management of Hennepin County Medical Center (HCMC). Under current law, HCMC is governed by the Hennepin County Board of Commissioners (County Board). This article will provide for a separate board appointed by the County Board, a new human resources system, different public reporting requirements, and the ability to joint venture. However, as a subsidiary of the County, HHS will be subject to substantial oversight by the County Board.

Article II of this bill provides changes to various Minnesota Statutes to make HHS subject to the Public Employees Labor Relations Act ("PELRA") rather than the Charitable Hospitals Act. This article establishes 11 conforming units and a procedure for transferring non-conforming units into conforming units. The article amends various Minnesota Statutes to conform or clarify these provisions to the changes outlined in Article I.

Article III of this bill provides changes to various Minnesota Statutes to conform or clarify these provisions to the changes outlined in Article I governing the HHS employee retirement options.

## ARTICLE I

### Section

1     **Creation of a public corporation.** Creates a public corporation as a subsidiary of Hennepin County to operate and manage Hennepin County Medical Center. The sole member of the corporation shall be Hennepin County, as represented by the Hennepin County Board.

2     **Definitions.** Terms are defined to include "county board" and "county."

3     **Board.**

**Subdivision 1. Governance.** HHS shall have between 11 and 15 directors, including two Hennepin County Commissioners. The County Board shall appoint the County Commissioners to the HHS Board on a majority vote. Current law provides that the County Board may create a 3-9 person board and does not permit County Commissioners to serve on the board. Current

law also provides that directors must reside in the hospital service area and 80% of the directors must reside in the County in which the hospital is located. This geographic restriction will no longer apply.

**Subd. 2. Term, Quorum, and Manner of Acting.** A majority vote by the HHS Board is required for issues related to the hospital administrator, annual budget, and actions requiring County Board approval. The HHS Board can hold conferences using electronic equipment. All other rules governing terms, quorum, and actions by the board will be determined in the bylaws.

**Subd. 3. Appointment of Board Members.** The County Board will appoint the initial board, after which the County Board will appoint board members nominated by the HHS Board by slate. The corporation may fill a vacancy that occurs mid-term so long as the individual filling the vacancy is included in the next slate submitted to the County Board for approval.

**Subd. 4. Removal.** With the exception of the Hennepin County Commissioners, the HHS Board may remove a fellow director by a supermajority vote. The County Board may remove the entire board upon a supermajority vote and may remove individual directors for violating their ethical or legal duties to the corporation or for a repeated failure to act in the best interests of the corporation.

**4 Officers.**

**Subdivision 1. Election.** Officers are appointed by a majority vote of the board and any office, with the exception of the chair and vice-chair, may be held by the same person.

**Subd. 2. Removal.** Officers are removed by a two-thirds majority vote of the board.

**5 Authority and Duties of Officers and Directors.**

**Subdivision 1.** The duties of officers and directors shall be prescribed in the bylaws.

**Subd. 2.** Officers and directors shall discharge their duties in good faith and with the care of an ordinary prudent person in a like position.

**Subd. 3.** Officers and directors are not considered to be trustees with respect to the corporation or to the property held or administered by HHS.

**6 Bylaws.** The County Board will approve the initial bylaws prior to the appointment of the first HHS Board. Following appointment of the HHS Board, the County Board will approve any bylaw change relating to:

- Board composition and qualifications;
- The County Board's reserved powers described in the bylaws;
- Joint ventures;
- Indebtedness;
- Subsidiaries;
- Mergers or dissolutions;
- Ability of the corporation to use a subsidiary to do the work of a current employee; or
- The mission of the corporation.

**7 Corporate Powers.**

**Subdivision 1. Authority and Powers of the Board.** The corporation shall have the same corporate powers as a non-profit corporation including the ability to create a human resources system and personnel policies, accept grants, enter into joint ventures, sue and be sued, and create subsidiaries. This is similar to current laws governing a hospital owned by a government entity, except that these powers are subject to the County Board's reserved powers.

**Subd. 2. Other Powers.** Subject to the County Board's reserved powers in Section 3, subdivision 3, and Section 8, the corporation shall have all powers necessary to administer and manage HCMC.

**8 Limitations on Corporate Powers; Reserved Powers.**

**Subdivision 1. Powers Reserved to the County.** The County Board retains control over the corporation's mission, ability to incur debt, indigent care, and governance. These specific powers will be outlined in the bylaws, which will be approved by the County Board before implementation.

**Subd. 2. Restrictions on Disposition of the Assets.** HHS will not have the ability to dissolve, merge, consolidate, or dispose of its assets without County Board approval.

**Subd. 3. Distribution of Assets upon Dissolution.** If HHS dissolves, its assets will revert back to the County for public use.

**Subd. 4. Compensation and Payment Limitations.** No earnings or assets shall benefit private individuals.

**Subd. 5. Financial Oversight.** The County Board will approve the annual budget of the corporation and receive an annual audited financial statement. The County Board also retains the right to audit the corporation.

**Subd. 6. County Services.** The County Board retains the right to require the corporation to provide additional health care services so long as the County Board provides funding.

**Subd. 7. Dissolution or Reorganization of the Corporation.** The County Board may dissolve, reorganize, or remove the entire HHS Board upon a supermajority vote.

9 **Corporate Seal.** HHS shall not have a corporate seal.

10 **Board Meetings.** HHS shall have annual, regular, and special board meetings throughout the year as specified in the bylaws.

11 **Public Depository.** HHS has control over its accounts and payrolls and may maintain or use the County as a public depository for these funds. This provision is required to allow HHS to retain public funds for its use.

12 **Transfer of Rights.**

**Subdivision 1. Corporation as Continuation of HCMC.** HHS shall succeed all rights and obligations of the County as it relates to HCMC.

**Subd. 2. Pending Matters.** Once created, HHS may conduct and complete any legal action commenced by or against HCMC or the County on behalf of HCMC.

**Subd. 3. Transfer of Documents Required.** Once created, the County shall have the ability to transfer all documents related to the administration and management of HCMC including contracts, personnel, and medical records to HHS.

**Subd. 4. Transfer of Funds.** When created, the County shall have the ability to transfer funds set aside for use by HCMC to HHS.

13 **Lease and/or Transfer of Assets.**

**Subdivision 1. Corporate Status.** The Corporation shall be considered a “public corporation” for purposes of the County’s ability to lease HCMC buildings to HHS for a nominal consideration.

**Subd. 2. Lease of the Real Property.** The County may entered into a lease, mutually agreeable to both the County and HHS, for the real property used by the County for HCMC. The County shall lease this property exclusively to HHS.

**Subd. 3. Requirements of Lease.** For the County to enter into the lease described above, the following must be addressed in the lease:

- use of the property for health and hospital services;
- continuation of indigent care;
- ability to conduct capital improvements;
- ability to joint venture;
- ability to assign or sublease the property; and
- changes to hospital capacity.

**Subd. 4. Transfer of Assets.** Once the lease is entered into, the County shall transfer equipment and other personnel property used by the County for the operations of HCMC to HHS.

**Subd. 5. No Advertising or Bids.** The County can enter into the lease with HHS without advertising for or soliciting bids.

**14 Status of Present Employees; Bargaining Units; Retirement Coverage.**

**Subdivision 1. Health System Human Resources System.** The employees of HHS will be subject to a human resources system that will replace the Hennepin County Civil Services rules. HHS will have the right to establish all personnel policies, negotiate labor agreements, and set levels of compensation and benefits. However, the human resources system will be subject to the following requirements:

- Pay Equity
- Veterans' Preference
- An appeals process for employees who are discharged, demoted, or suspended.

**Subdivision 2. Employee Transfer.** All employees employed by the County whose employment is accounted for in the County Enterprise Fund for HCMC shall be transferred to HHS. This transfer will not trigger severance or termination benefits.

**Subd. 3. Current Positions.** Employees who are transferred shall keep their accrued sick time and vacation benefits and shall be recorded by their most recent date of employment. The County civil service requirements shall not apply to HHS employees.

**Subd. 4. Bargaining Units.** Bargaining units shall be recognized by HHS and HHS will adopt all current labor agreements, except for those provisions that apply county-wide or to County human resources rules.

**Subd. 5. General Employee Retirement Benefits.** With the exception of the paramedics, emergency medical technicians, and protection officers who are covered by a different retirement plan, employees transferred from the

County to HHS will remain part of the general employees retirement plan under the Public Employees Retirement Associate (PERA). New employees will also be eligible for the general employees retirement plan under the PERA. However, for managers, supervisors, physicians and independent health practitioners who bill independently for their time, HHS may design an alternative retirement plan which would then replace PERA for these groups of employees.

**Subd. 6. Employees Eligible to Continue Participation in Public Employee Retirement Association Correctional, Police, and Fire Benefit Plans.** Paramedics, emergency medical technicians, both newly hired and those who are transferred from the County to HHS, are entitled to continue participation in the Public Employees Police and Fire Retirement Plan. Protection officers, new and those transferred from the County, are entitled to participate in the local government correctional retirement plan.

**Subd. 7. Participation in State Deferred Compensation Plan.** HHS employees, may at the election of HHS, participate in the Hennepin County supplemental retirement plan or other state or county retirement plans if deemed eligible by HHS.

**Subd. 8. Subsidiaries.** Any subsidiary created by HSS will be subject to the same requirements listed in subdivision 1 of this section.

**15 Bonding Authority of the Corporation.**

**Subdivision 1. Municipality.** HHS has the authority as a municipality to issue bonds.

**Subd. 2. Sale of Bonds.** HHS can issue and sell revenue bonds to finance capital improvements subject to the County Board's reserved powers.

**Subd. 3. Security for Bonds.** The bonds may be secured by a mortgage of or security interest in any property owned by HHS or any interest of HHS in any property, subject to the County Board's reserved powers.

**16 Financing through the County.** The County may finance capital improvements at HCMC and may issue bonds to finance these capital improvements.

**17 Open Meeting Law; Government Data Practices Act.**

**Subdivision 1. Corporation Not Subject to Open Meeting Law and Data Practices Act.** HHS shall not be subject to the requirements of the Minnesota Open Meeting Law or Minnesota Government Data Practices Act. While this removes traditional public disclosure requirements, because of the relationship

between the County Board and HHS the information impacting the public will still be disclosed.

**Subd. 2. Corporation to Make Information Publicly Available.** While the Open Meeting Law and Data Practices Act do not apply, other public disclosure requirements apply. HHS must make the following information available to the public:

- HHS' audited financial statements, including all information that a charitable organization is required to disclose;
- HHS' current federal tax or informational return;
- HHS' bylaws;
- HHS' health services plan; and
- Any material provided to the County Board that the County Board would be required to release under the Minnesota Data Practices Act.

**Subd. 3. Public Meetings.** Each year HHS is required to hold an annual meeting at which the administrator or the HHS Board reports on the status of the hospital. HHS shall also hold public meetings during the development and implementation of the health services plan and during the portion of the HHS Board meeting at which the annual budget is approved prior to submission to the County Board. The County Board shall also hold public meetings if so required under the Minnesota Open Meeting law for those issues involving the HHS budget, health services plan, and any other matter subject to County Board approval.

**18 Health Services Plan.** HHS is required to prepare a health services plan that discusses the role of the hospital in providing care to the community, including the indigent, education, and research. The health services plan shall also contain a description of how HHS will continue to coordinate with Hennepin County to provide services to Hennepin County residents, including the indigent.

**19 Tort Liability.** Tort liability limits for governmental entities shall apply to HHS.

**20 Revenue Recapture Act.** HHS will still be able to place liens on the tax returns of individuals who fail to pay for services provided.

**21 Purchasing.**

**Subdivision 1. Public Procurement.** HHS will not be subject to the public procurement requirements. Currently HCMC is not subject to the public procurement requirements for equipment and supplies. Under this section, HCMC would no longer be subject to Personal Services Agreements.

**Subd. 2. Purchasing and Service Contracts.** HHS may purchase or use the services of a nonprofit, county, state, or other governmental agency to purchase goods or services that HHS needs.

22 **Legal Counsel.** The Hennepin County Attorney's office will continue to provide legal services to HHS. HHS may enter into an agreement with the County Attorney's office regarding the hiring of outside counsel. Currently the County Attorney's office has a similar agreement with the County Board.

23 **Self-Insurance.**

**Subdivision 1. Self-Insurance.** HHS may self-insure.

**Subd. 2. Additional Benefits to Employees.** HHS has the ability to provide for payment of additional benefits to employees who are entitled to leave for a compensable workers' compensation injury. HHS may provide additional benefits under the Minnesota workers' compensation law under a collective bargaining agreement.

24 **Hospital Authorities.** The laws governing hospitals and hospital districts will not apply. This results in the removal of the statutory limitation on the ability to joint venture. However, HHS's ability to joint venture will still be subject to the County Board's reserved powers.

25 **Tax Exempt Status.** HHS will be exempt from state taxation.

26 **Prepaid Health Plan.** HHS will be considered as a public teaching hospital so that it is eligible to receive higher reimbursement rates from government programs.

27 **Intergovernmental Transfers.** HHS will be able to receive monies related to Medical Assistance, Medicaid, Medicare, and other government programs from the state and Hennepin County through intergovernmental transfers.

28 **Indigent Care.**

**Subdivision 1. Services.** HHS will provide services to the indigent as required under the lease with the County.

**Subd. 2. Funds.** The County may provide funds for health care and related services provided to the indigent by a provider of the County's choice.

29 **Effective Date.** The provisions relating to the establishment of personnel policies, Open Meeting Laws and Data Practices Act, and governance and corporate powers are effective when the County Board appoints the first board of HHS. The remaining provisions are effective when the County Board files

a certificate of local approval authorizing the commencement of operations and management by HHS.

## ARTICLE II

### Section

- 1 **Essential Employees.** Makes all employees of HHS “essential employees” under the Public Employee Labor Relations Act (“PELRA”).
- 2 **Public Employer.** Includes HHS under the definition of “Public Employer” under PELRA.
- 3 **Hennepin Healthcare System, Inc.**

**Subdivision 1. Units.** Establishes 11 classes of employees for the purposes of establishing bargaining units.

**Subd. 2. Non-conforming Units.** Allows the current bargaining units covered by existing labor agreements to be recognized once HHS is created. Provides a process by which the non-conforming units can become conforming units using an election process, unless otherwise agreed to by both parties.

- 4 **Capital Notes.** The County Board may issue capital notes to finance the purchasing of ambulances or other medical equipment for use at HCMC. This provision conforms current statutory language and requires an evaluation of both the County budget and the HHS budget for determining the amount of capital notes that can be issued in any year.
- 5 **Statutory Amendment & Repealed.** The current statute governing the purchasing and marketing abilities of the HCMC and the Metropolitan Health Plan is amended to remove references to the hospital.
- 6 **Transition.**

**Subdivision 1. Initial Board.** Establishes that for three years the HHS Board shall have 13 members.

**Subd. 2. Initial Human Resources System.** Establishes that input from the employees of HCMC will be gathered prior to the implementation of the new human resources rules. The County Board shall approve the rules and policies and ratify labor agreements prior to the County Board’s vote to file the certificate of local approval. For a set number of years, an arbitrator or panel has no jurisdiction or

authority to entertain any matter or issue established in the human resources rules, policies, benefit manuals, or labor agreements.

- 7 **Repealer.** The statute creating HCMC is repealed.
- 8 **Effective Date.** With the exception of section 6, the sections in Article II are effective when the County Board files the certificate of local approval. Section 6 is effective the day following final enactment.

### ARTICLE III

#### Section

- 1 **Excluded Employees.** This provision clarifies the application of the Hennepin County exception to the foreign citizen PERA-General Plan exclusion and extends this exception to HHS.
- 2 **Optional Membership.** This provision adds the appropriate election language to the PERA-General operational membership provision for future employees of HHS that will apply if HHS implements an alternative defined contribution retirement plan.
- 3 **Governmental Subdivisions.** This provision adds HHS to the definition of “governmental subdivision” under PERA law.
- 4 **Pension Coverage for Hennepin County Paramedics and Emergency Medical Technicians.** This provision clarifies the employer references related to the paramedic and EMT coverage by the Public Employees Police and Fire Retirement Plan (PERA – P&F).
- 5 **Medical Center Protection Officer.** This provision clarifies the employer references with respect to the protection officers covered by the Local Government Correctional Retirement Plan (PERA-Correctional).
- 6 **Supplemental Retirement Account.** This provision adds appropriate references to the Hennepin County Supplemental Retirement Plan coverage provision for the long-term Hennepin County employees who are transferred to HHS.

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G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 1307 - Consumer Notice Requirement for Breach of Computerized Data Security**

**Author:** Senator Satveer Chaudhary

**Prepared by:** Kathleen Pontius, Senate Counsel (651/296-4394) *K.P.*

**Date:** April 5, 2005

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**Section 1, subdivision 1,** contains the definitions.

**Subdivision 2** contains the notice requirements under which a business in Minnesota that owns or licenses computerized data that includes personal information must disclose any breach of the security of its system following discovery or notification of the breach to a resident of Minnesota whose data was or is reasonably believed to have been acquired by an unauthorized person. Disclosure requirements are included.

**Subdivision 3** provides for notice to the owner or licensee of personal information in cases where the person or business maintains computerized data but does not own the personal information.

**Subdivision 4** provides for a delayed notice under certain circumstances where law enforcement is involved in a criminal investigation.

**Subdivision 5** specifies the method of notice.

**Subdivision 6** contains provisions for alternative compliance with respect to the notification requirements.

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1                                   A bill for an act

2           relating to public safety; criminalizing certain acts  
3           related to the unlawful trafficking in persons;  
4           providing for the forfeiture of certain property of  
5           the offender in these cases; specifically including  
6           conduct involving trafficking in the promoting of  
7           prostitution crime; modifying the distribution formula  
8           for prostitution and sex trafficking-related  
9           forfeiture proceeds; amending Minnesota Statutes 2004,  
10          sections 609.321, subdivisions 1, 7, by adding  
11          subdivisions; 609.325, by adding a subdivision;  
12          609.531, subdivision 1; 609.5315, subdivision 1, by  
13          adding a subdivision; 628.26; proposing coding for new  
14          law in Minnesota Statutes, chapter 609.

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

16           Section 1. [609.281] [DEFINITIONS.]

17           Subdivision 1. [GENERALLY.] As used in sections 609.281 to  
18 609.284, the following terms have the meanings given.

19           Subd. 2. [BLACKMAIL.] "Blackmail" means a threat to expose  
20 any fact or alleged fact tending to cause shame or to subject  
21 any person to hatred, contempt, or ridicule.

22           Subd. 3. [DEBT BONDAGE.] "Debt bondage" means the status  
23 or condition of a debtor arising from a pledge by the debtor of  
24 the debtor's personal services or those of a person under the  
25 debtor's control as a security for debt, if the value of those  
26 services as reasonably assessed is not applied toward the  
27 liquidation of the debt or the length and nature of those  
28 services are not respectively limited and defined.

29           Subd. 4. [FORCED LABOR OR SERVICES.] "Forced labor or  
30 services" means labor or services that are performed or provided

1 by another person and are obtained or maintained through an  
2 actor's:

3 (1) threat, either implicit or explicit, scheme, plan, or  
4 pattern, or other action intended to cause a person to believe  
5 that, if the person did not perform or provide the labor or  
6 services, that person or another person would suffer bodily harm  
7 or physical restraint;

8 (2) physically restraining or threatening to physically  
9 restrain a person;

10 (3) abuse or threatened abuse of the legal process;

11 (4) knowingly destroying, concealing, removing,  
12 confiscating, or possessing any actual or purported passport or  
13 other immigration document, or any other actual or purported  
14 government identification document, of another person; or

15 (5) use of blackmail.

16 Subd. 5. [LABOR TRAFFICKING.] "Labor trafficking" means  
17 the recruitment, transportation, transfer, harboring,  
18 enticement, provision, obtaining, or receipt of a person by any  
19 means, whether a United States citizen or foreign national, for  
20 the purpose of:

21 (1) debt bondage or forced labor or services;

22 (2) slavery or practices similar to slavery; or

23 (3) the removal of organs through the use of coercion or  
24 intimidation.

25 Subd. 6. [LABOR TRAFFICKING VICTIM.] "Labor trafficking  
26 victim" means a person subjected to the practices in subdivision  
27 5.

28 Sec. 2. [609.282] [LABOR TRAFFICKING.]

29 Whoever knowingly engages in the labor trafficking of  
30 another is guilty of a crime and may be sentenced to  
31 imprisonment for not more than 15 years or to payment of a fine  
32 of not more than \$30,000, or both.

33 Sec. 3. [609.283] [UNLAWFUL CONDUCT WITH RESPECT TO  
34 DOCUMENTS IN FURTHERANCE OF LABOR OR SEX TRAFFICKING.]

35 Unless the person's conduct constitutes a violation of  
36 section 609.282, a person who knowingly destroys, conceals,

1 removes, confiscates, or possesses any actual or purported  
2 passport or other immigration document, or any other actual or  
3 purported government identification document, of another person:

4 (1) in the course of a violation of section 609.282 or  
5 609.322;

6 (2) with intent to violate section 609.282 or 609.322; or

7 (3) to prevent or restrict or to attempt to prevent or  
8 restrict, without lawful authority, a person's liberty to move  
9 or travel, in order to maintain the labor or services of that  
10 person, when the person is or has been a victim of a violation  
11 of section 609.282 or 609.322;

12 is guilty of a crime and may be sentenced to imprisonment for  
13 not more than five years or to payment of a fine of not more  
14 than \$10,000, or both.

15 Sec. 4. [609.284] [LABOR OR SEX TRAFFICKING CRIMES;  
16 DEFENSES; CIVIL LIABILITY; CORPORATE LIABILITY.]

17 Subdivision 1. [CONSENT OR AGE OF VICTIM NOT A  
18 DEFENSE.] In a prosecution under section 609.282 or 609.283, the  
19 consent or age of the victim is not a defense.

20 Subd. 2. [CIVIL LIABILITY.] A labor trafficking victim may  
21 bring a cause of action against a person who violates section  
22 609.282 or 609.283. The court may award damages, including  
23 punitive damages, reasonable attorney fees, and other litigation  
24 costs reasonably incurred by the victim.

25 Subd. 3. [CORPORATE LIABILITY.] If a corporation or other  
26 business enterprise is convicted of violating section 609.282,  
27 609.283, or 609.322, in addition to the criminal penalties  
28 described in those sections and other remedies provided  
29 elsewhere in law, the court may, when appropriate:

30 (1) order its dissolution or reorganization;

31 (2) order the suspension or revocation of any license,  
32 permit, or prior approval granted to it by a state agency; or

33 (3) order the surrender of its charter if it is organized  
34 under Minnesota law or the revocation of its certificate to  
35 conduct business in Minnesota if it is not organized under  
36 Minnesota law.

1 Sec. 5. Minnesota Statutes 2004, section 609.321,  
2 subdivision 1, is amended to read:

3 Subdivision 1. [SCOPE.] For the purposes of sections  
4 609.321 to ~~609.324~~ 609.325, the following terms have the  
5 meanings given.

6 Sec. 6. Minnesota Statutes 2004, section 609.321,  
7 subdivision 7, is amended to read:

8 Subd. 7. [PROMOTES THE PROSTITUTION OF AN INDIVIDUAL.]  
9 "Promotes the prostitution of an individual" means any of the  
10 following wherein the person knowingly:

11 (1) solicits or procures patrons for a prostitute; or

12 (2) provides, leases or otherwise permits premises or  
13 facilities owned or controlled by the person to aid the  
14 prostitution of an individual; or

15 (3) owns, manages, supervises, controls, keeps or operates,  
16 either alone or with others, a place of prostitution to aid the  
17 prostitution of an individual; or

18 (4) owns, manages, supervises, controls, operates,  
19 institutes, aids or facilitates, either alone or with others, a  
20 business of prostitution to aid the prostitution of an  
21 individual; or

22 (5) admits a patron to a place of prostitution to aid the  
23 prostitution of an individual; or

24 (6) transports an individual from one point within this  
25 state to another point either within or without this state, or  
26 brings an individual into this state to aid the prostitution of  
27 the individual; or

28 (7) engages in the sex trafficking of an individual.

29 Sec. 7. Minnesota Statutes 2004, section 609.321, is  
30 amended by adding a subdivision to read:

31 Subd. 7a. [SEX TRAFFICKING.] "Sex trafficking" means  
32 receiving, recruiting, enticing, harboring, providing, or  
33 obtaining by any means an individual to aid in the prostitution  
34 of the individual.

35 Sec. 8. Minnesota Statutes 2004, section 609.321, is  
36 amended by adding a subdivision to read:

1        Subd. 7b. [SEX TRAFFICKING VICTIM.] "Sex trafficking  
2 victim" means a person subjected to the practices in subdivision  
3 7a.

4        Sec. 9. Minnesota Statutes 2004, section 609.325, is  
5 amended by adding a subdivision to read:

6        Subd. 4. [AFFIRMATIVE DEFENSE.] It is an affirmative  
7 defense to a charge under section 609.324 if the defendant  
8 proves by a preponderance of the evidence that the defendant is  
9 a labor trafficking victim, as defined in section 609.281, or a  
10 sex trafficking victim, as defined in section 609.321, and that  
11 the defendant committed the act only under compulsion by another  
12 who by explicit or implicit threats created a reasonable  
13 apprehension in the mind of the defendant that if the defendant  
14 did not commit the act, the person would inflict bodily harm  
15 upon the defendant.

16        Sec. 10. Minnesota Statutes 2004, section 609.531,  
17 subdivision 1, is amended to read:

18        Subdivision 1. [DEFINITIONS.] For the purpose of sections  
19 609.531 to 609.5318, the following terms have the meanings given  
20 them.

21        (a) "Conveyance device" means a device used for  
22 transportation and includes, but is not limited to, a motor  
23 vehicle, trailer, snowmobile, airplane, and vessel and any  
24 equipment attached to it. The term "conveyance device" does not  
25 include property which is, in fact, itself stolen or taken in  
26 violation of the law.

27        (b) "Weapon used" means a dangerous weapon as defined under  
28 section 609.02, subdivision 6, that the actor used or had in  
29 possession in furtherance of a crime.

30        (c) "Property" means property as defined in section 609.52,  
31 subdivision 1, clause (1).

32        (d) "Contraband" means property which is illegal to possess  
33 under Minnesota law.

34        (e) "Appropriate agency" means the Bureau of Criminal  
35 Apprehension, the Minnesota Division of Driver and Vehicle  
36 Services, the Minnesota State Patrol, a county sheriff's

1 department, the Suburban Hennepin Regional Park District park  
2 rangers, the Department of Natural Resources Division of  
3 Enforcement, the University of Minnesota Police Department, or a  
4 city or airport police department.

5 (f) "Designated offense" includes:

6 (1) for weapons used: any violation of this chapter,  
7 chapter 152, or chapter 624;

8 (2) for driver's license or identification card  
9 transactions: any violation of section 171.22; and

10 (3) for all other purposes: a felony violation of, or a  
11 felony-level attempt or conspiracy to violate, section 325E.17;  
12 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222;  
13 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282;  
14 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f);  
15 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision  
16 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1,  
17 clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466;  
18 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53;  
19 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59;  
20 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions  
21 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88;  
22 609.89; 609.893; 609.895; 617.246; or a gross misdemeanor or  
23 felony violation of section 609.891 or 624.7181; or any  
24 violation of section 609.324.

25 (g) "Controlled substance" has the meaning given in section  
26 152.01, subdivision 4.

27 Sec. 11. Minnesota Statutes 2004, section 609.5315,  
28 subdivision 1, is amended to read:

29 Subdivision 1. [DISPOSITION.] (a) Subject to paragraph  
30 (b), if the court finds under section 609.5313, 609.5314, or  
31 609.5318 that the property is subject to forfeiture, it shall  
32 order the appropriate agency to do one of the following:

33 (1) unless a different disposition is provided under clause  
34 (3) or (4), either destroy firearms, ammunition, and firearm  
35 accessories that the agency decides not to use for law  
36 enforcement purposes under clause (8), or sell them to federally

1 licensed firearms dealers, as defined in section 624.7161,  
2 subdivision 1, and distribute the proceeds under subdivision  
3 5 or 5b;

4 (2) sell property that is not required to be destroyed by  
5 law and is not harmful to the public and distribute the proceeds  
6 under subdivision 5 or 5b;

7 (3) sell antique firearms, as defined in section 624.712,  
8 subdivision 3, to the public and distribute the proceeds under  
9 subdivision 5 or 5b;

10 (4) destroy or use for law enforcement purposes  
11 semiautomatic military-style assault weapons, as defined in  
12 section 624.712, subdivision 7;

13 (5) take custody of the property and remove it for  
14 disposition in accordance with law;

15 (6) forward the property to the federal drug enforcement  
16 administration;

17 (7) disburse money as provided under subdivision 5 or 5b;  
18 or

19 (8) keep property other than money for official use by the  
20 agency and the prosecuting agency.

21 (b) Notwithstanding paragraph (a), the Hennepin or Ramsey  
22 county sheriff may not sell firearms, ammunition, or firearms  
23 accessories if the policy is disapproved by the applicable  
24 county board.

25 Sec. 12. Minnesota Statutes 2004, section 609.5315, is  
26 amended by adding a subdivision to read:

27 Subd. 5b. [DISPOSITION OF CERTAIN FORFEITED PROCEEDS;  
28 TRAFFICKING OF PERSONS; REPORT REQUIRED.] (a) For forfeitures  
29 resulting from violations of section 609.282, 609.283, or  
30 609.322, the money or proceeds from the sale of forfeited  
31 property, after payment of seizure, storage, forfeiture, and  
32 sale expenses, and satisfaction of valid liens against the  
33 property, must be distributed as follows:

34 (1) 40 percent of the proceeds must be forwarded to the  
35 appropriate agency for deposit as a supplement to the agency's  
36 operating fund or similar fund for use in law enforcement;

1       (2) 20 percent of the proceeds must be forwarded to the  
2 county attorney or other prosecuting agency that handled the  
3 forfeiture for deposit as a supplement to its operating fund or  
4 similar fund for prosecutorial purposes; and

5       (3) the remaining 40 percent of the proceeds must be  
6 forwarded to the commissioner of public safety and are  
7 appropriated to the commissioner for distribution to crime  
8 victims services organizations that provide services to victims  
9 of trafficking offenses.

10       (b) By February 15 of each year, the commissioner of public  
11 safety shall report to the chairs and ranking minority members  
12 of the senate and house committees or divisions having  
13 jurisdiction over criminal justice funding on the money  
14 collected under paragraph (a), clause (3). The report must  
15 indicate the following relating to the preceding calendar year:

16       (1) the amount of money appropriated to the commissioner;  
17       (2) how the money was distributed by the commissioner; and  
18       (3) what the organizations that received the money did with  
19 it.

20       Sec. 13. Minnesota Statutes 2004, section 628.26, is  
21 amended to read:

22       628.26 [LIMITATIONS.]

23       (a) Indictments or complaints for any crime resulting in  
24 the death of the victim may be found or made at any time after  
25 the death of the person killed.

26       (b) Indictments or complaints for a violation of section  
27 609.25 may be found or made at any time after the commission of  
28 the offense.

29       (c) Indictments or complaints for violation of section  
30 609.282 may be found or made at any time after the commission of  
31 the offense if the victim was under the age of 18 at the time of  
32 the offense.

33       (d) Indictments or complaints for violation of section  
34 609.282 where the victim was 18 years of age or older at the  
35 time of the offense, or 609.42, subdivision 1, clause (1) or  
36 (2), shall be found or made and filed in the proper court within

1 six years after the commission of the offense.

2 ~~(d)~~ (e) Indictments or complaints for violation of sections  
3 609.342 to 609.345 if the victim was under the age of 18 years  
4 at the time the offense was committed, shall be found or made  
5 and filed in the proper court within nine years after the  
6 commission of the offense or, if the victim failed to report the  
7 offense within this limitation period, within three years after  
8 the offense was reported to law enforcement authorities.

9 ~~(e)~~ (f) Notwithstanding the limitations in paragraph (d),  
10 indictments or complaints for violation of sections 609.342 to  
11 609.344 may be found or made and filed in the proper court at  
12 any time after commission of the offense, if physical evidence  
13 is collected and preserved that is capable of being tested for  
14 its DNA characteristics. If this evidence is not collected and  
15 preserved and the victim was 18 years old or older at the time  
16 of the offense, the prosecution must be commenced within nine  
17 years after the commission of the offense.

18 ~~(f)~~ (g) Indictments or complaints for violation of sections  
19 609.466 and 609.52, subdivision 2, clause (3), item (iii), shall  
20 be found or made and filed in the proper court within six years  
21 after the commission of the offense.

22 ~~(g)~~ (h) Indictments or complaints for violation of section  
23 609.52, subdivision 2, clause (3), items (i) and (ii), (4),  
24 (15), or (16), 609.631, or 609.821, where the value of the  
25 property or services stolen is more than \$35,000, shall be found  
26 or made and filed in the proper court within five years after  
27 the commission of the offense.

28 ~~(h)~~ (i) Except for violations relating to false material  
29 statements, representations or omissions, indictments or  
30 complaints for violations of section 609.671 shall be found or  
31 made and filed in the proper court within five years after the  
32 commission of the offense.

33 ~~(i)~~ (j) Indictments or complaints for violation of sections  
34 609.561 to 609.563, shall be found or made and filed in the  
35 proper court within five years after the commission of the  
36 offense.

1        ~~(j)~~ (k) In all other cases, indictments or complaints shall  
2 be found or made and filed in the proper court within three  
3 years after the commission of the offense.

4        ~~(k)~~ (l) The limitations periods contained in this section  
5 shall exclude any period of time during which the defendant was  
6 not an inhabitant of or usually resident within this state.

7        ~~(l)~~ (m) The limitations periods contained in this section  
8 for an offense shall not include any period during which the  
9 alleged offender participated under a written agreement in a  
10 pretrial diversion program relating to that offense.

11        ~~(m)~~ (n) The limitations periods contained in this section  
12 shall not include any period of time during which physical  
13 evidence relating to the offense was undergoing DNA analysis, as  
14 defined in section 299C.155, unless the defendant demonstrates  
15 that the prosecuting or law enforcement agency purposefully  
16 delayed the DNA analysis process in order to gain an unfair  
17 advantage.

18        Sec. 14. [EFFECTIVE DATE.]

19        Sections 1 to 13 are effective August 1, 2005, and apply to  
20 crimes committed on or after that date.

1 Senator Betzold from the Committee on Judiciary, to which  
2 was re-referred

3 S.F. No. 1689: A bill for an act relating to public  
4 safety; criminalizing certain acts related to the unlawful  
5 trafficking in persons; providing for the forfeiture of certain  
6 property of the offender in these cases; specifically including  
7 conduct involving trafficking in the promoting of prostitution  
8 crime; modifying the distribution formula for prostitution and  
9 sex trafficking-related forfeiture proceeds; amending Minnesota  
10 Statutes 2004, sections 609.321, subdivisions 1, 7, by adding  
11 subdivisions; 609.325, by adding a subdivision; 609.531,  
12 subdivision 1; 609.5315, subdivision 1, by adding a subdivision;  
13 628.26; proposing coding for new law in Minnesota Statutes,  
14 chapter 609.

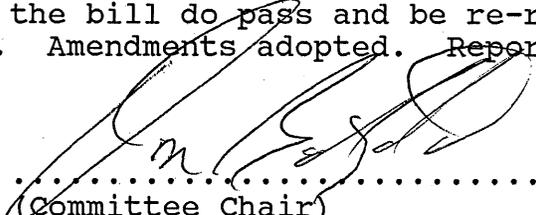
15 Reports the same back with the recommendation that the bill  
16 be amended as follows:

17 Page 2, line 32, after the period, insert "In a prosecution  
18 under this section the consent or age of the victim is not a  
19 defense."

20 Page 3, line 14, after the period, insert "In a prosecution  
21 under this section the consent or age of the victim is not a  
22 defense."

23 Page 3, line 18, delete "In a prosecution under section  
24 609.282 or 609.283," and insert "In an action under this section"

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

27  
28   
29 .....  
30 (Committee Chair)

31 April 5, 2005.....  
32 (Date of Committee recommendation)

Senators Chaudhary, Skoglund, Sparks, Betzold and Scheid introduced--  
S.F. No. 1307: Referred to the Committee on Commerce.

A bill for an act

relating to consumer protection; requiring disclosure  
to consumers of a breach in security by businesses  
maintaining personal information in electronic form;  
proposing coding for new law in Minnesota Statutes,  
chapter 325G.

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

Section 1. [325G.48] [BUSINESS MAINTAINING COMPUTERIZED  
DATA THAT INCLUDES PERSONAL INFORMATION; DISCLOSURE OF BREACH IN  
SECURITY.]

Subdivision 1. [DEFINITIONS.] For purposes of this  
section, the terms defined in this subdivision have the meanings  
given them.

(a) "Breach of the security of the system" means  
unauthorized acquisition of computerized data that compromises  
the security, confidentiality, or integrity of personal  
information maintained by the person or business. Good faith  
acquisition of personal information by an employee or agent of  
the person or business for the purposes of the person or  
business is not a breach of the security of the system, provided  
that the personal information is not used or subject to further  
unauthorized disclosure.

(b) "Personal information" means an individual's first name  
or first initial and last name in combination with any one or  
more of the following data elements, when either the name or the  
data elements are not encrypted:

- 1       (1) Social Security number;  
2       (2) driver's license number or Minnesota identification  
3 card number; or  
4       (3) account number, credit or debit card number, in  
5 combination with any required security code, access code, or  
6 password that would permit access to an individual's financial  
7 account.

8       Personal information does not include publicly available  
9 information that is lawfully made available to the general  
10 public from federal, state, or local government records.

11       Subd. 2. [NOTICE TO CONSUMERS.] Any person or business  
12 that conducts business in Minnesota, and that owns or licenses  
13 computerized data that includes personal information, shall  
14 disclose any breach of the security of the system following  
15 discovery or notification of the breach in the security of the  
16 data to any resident of Minnesota whose unencrypted personal  
17 information was, or is reasonably believed to have been,  
18 acquired by an unauthorized person. The disclosure must be made  
19 in the most expedient time possible and without unreasonable  
20 delay, consistent with the legitimate needs of law enforcement,  
21 as provided in subdivision 4, or any measures necessary to  
22 determine the scope of the breach and restore the reasonable  
23 integrity of the data system.

24       Subd. 3. [NOTICE TO OWNER OR LICENSEE OF PERSONAL  
25 INFORMATION.]

26       Any person or business that maintains computerized data  
27 that includes personal information that the person or business  
28 does not own shall notify the owner or licensee of the  
29 information of any breach of the security of the data  
30 immediately following discovery, if the personal information  
31 was, or is reasonably believed to have been, acquired by an  
32 unauthorized person.

33       Subd. 4. [DELAYED NOTICE.] The notification required by  
34 this section may be delayed if a law enforcement agency  
35 determines that the notification will impede a criminal  
36 investigation. The notification required by this section must

1 be made after the law enforcement agency determines that it will  
2 not compromise the investigation.

3 Subd. 5. [METHOD OF NOTICE.] Notice under this section may  
4 be provided by one of the following methods:

5 (1) written notice;

6 (2) electronic notice, if the notice provided is consistent  
7 with the provisions regarding electronic records and signatures  
8 set forth in United States Code, title 15, section 7001;

9 (3) substitute notice, if the person or business  
10 demonstrates that the cost of providing notice would exceed  
11 \$250,000, or that the affected class of subject persons to be  
12 notified exceeds 500,000, or the person or business does not  
13 have sufficient contact information. Substitute notice consists  
14 of all of the following:

15 (i) e-mail notice when the person or business has an e-mail  
16 address for the subject persons;

17 (ii) conspicuous posting of the notice on the Web site page  
18 of the person or business, if the person or business maintains  
19 one; and

20 (iii) notification to major statewide media.

21 Subd. 6. [ALTERNATE COMPLIANCE.] Notwithstanding  
22 subdivision 5, a person or business that maintains its own  
23 notification procedures as part of an information security  
24 policy for the treatment of personal information and is  
25 otherwise consistent with the timing requirements of this  
26 section, is considered to be in compliance with the notification  
27 requirements of this section if the person or business notifies  
28 subject persons in accordance with its policies in the event of  
29 a breach of security of the system.

1 Senator ..... moves to amend S.F. No. 1307 as follows:

2 Page 2, line 26, delete "computerized"

3 Page 2, line 34, after "delayed" insert "to a date certain"  
4 and after "agency" insert "affirmatively"

5 Page 2, line 36, delete everything after the period

6 Page 3, delete lines 1 and 2

7 Page 3, line 3, delete "may" and insert "shall"

8 Page 3, line 5, after "notice" insert "to the last known  
9 address or addresses"

10 Page 3, line 12, after "not" insert ", after a good-faith  
11 effort to acquire it,"

12 Page 3, line 24, after "information" insert "in accordance  
13 with federal law"

14 Page 3, after line 29, insert:

15 "Subd. 7. [COORDINATION WITH CONSUMER REPORTING AGENCIES.]

16 In the event that a person discovers circumstances requiring  
17 notification pursuant to this section of more than 1,000 persons  
18 at one time, the person shall also notify, without unreasonable  
19 delay, all consumer reporting agencies that compile and maintain  
20 files on consumers on a nationwide basis, as defined by 15  
21 United States Code, section 1681A, of the timing, distribution,  
22 and content of the notices.

23 Sec. 2. [EFFECTIVE DATE.]

24 This act takes effect January 1, 2006."

1 Senator Betzold from the Committee on Judiciary, to which  
2 was re-referred

3 S.F. No. 1307: A bill for an act relating to consumer  
4 protection; requiring disclosure to consumers of a breach in  
5 security by businesses maintaining personal information in  
6 electronic form; proposing coding for new law in Minnesota  
7 Statutes, chapter 325G.

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

10 Page 2, line 26, delete "computerized"

11 Page 2, line 27, delete "that the person or business"

12 Page 2, line 28, delete "does not own"

13 Page 2, line 29, after "data" insert ", including the  
14 nature of the personal information taken,"

15 Page 2, line 34, after "delayed" insert "to a date certain"  
16 and after "agency" insert "affirmatively"

17 Page 2, line 36, delete everything after the period

18 Page 3, delete lines 1 and 2

19 Page 3, line 3, delete "may" and insert "shall"

20 Page 3, line 5, after "notice" insert "to the last known  
21 address or addresses"

22 Page 3, line 12, after "not" insert ", after a good-faith  
23 effort to acquire it,"

24 Page 3, line 22, delete "its own"

25 Page 3, line 23, after "procedures" insert "in accordance  
26 with state and federal law"

27 Page 3, line 24, after "information" insert "in accordance  
28 with state and federal law"

29 Page 3, after line 29, insert:

30 "Subd. 7. [COORDINATION WITH CONSUMER REPORTING AGENCIES.]  
31 In the event that a person or business discovers circumstances  
32 requiring notification pursuant to this section of more than 100  
33 persons at one time, the person or business shall also notify,  
34 within 48 hours, all consumer reporting agencies that compile  
35 and maintain files on consumers on a nationwide basis, as  
36 defined by 15 United States Code, section 1681A, of the timing,  
37 distribution, and content of the notices.

38 "Subd. 8. [ENFORCEMENT.] This section may be enforced  
39 pursuant to section 8.31, subdivisions 1 and 3a.

1 Sec. 2. [EFFECTIVE DATE.]

2 This act takes effect January 1, 2006."

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

5 .....  
6 (Committee Chair)

7  
8 April 5, 2005.....  
9 (Date of Committee recommendation)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 227 - Cancer Drug Repository Program**

**Author:** Senator Yvonne Prettner-Solon

**Prepared by:** Kathleen Pontius, Senate Counsel (651/296-4394) *K.P.*

**Date:** April 5, 2005

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This bill establishes a cancer drug repository program. The program would be administered by the Commissioner of Health and would provide for the donation of a cancer drug or supply for use by individuals who meet eligibility criteria.

**Section 1, subdivision 11**, contains the issue under the jurisdiction of the Judiciary Committee. It provides that a medical facility or pharmacist participating in the program, a pharmacist dispensing a drug or supply, a practitioner administering a drug or supply, or the donor of a drug or supply is immune from civil liability for those acts. This immunity does not apply if the act or omission involves reckless, wanton, or intentional misconduct.

KP:cs

1 A bill for an act

2 relating to health; establishing a cancer drug  
3 repository program; proposing coding for new law in  
4 Minnesota Statutes, chapter 144.

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

6 Section 1. [144.707] [CANCER DRUG REPOSITORY PROGRAM.]

7 Subdivision 1. [DEFINITIONS.] (a) For the purposes of this  
8 section, the terms defined in this subdivision have the meanings  
9 given.

10 (b) "Cancer drug" means a prescription drug that is used to  
11 treat:

12 (1) cancer or the side effects of cancer; or

13 (2) the side effects of any prescription drug that is used  
14 to treat cancer or the side effects of cancer.

15 (c) "Cancer drug repository" means a medical facility or  
16 pharmacy that has notified the commissioner of its election to  
17 participate in the cancer drug repository program.

18 (d) "Cancer supply" or "supplies" means prescription and  
19 nonprescription cancer supplies needed to administer a cancer  
20 drug.

21 (e) "Commissioner" means the commissioner of health.

22 (f) "Dispense" has the meaning given in section 151.01,  
23 subdivision 30.

24 (g) "Distribute" means to deliver, other than by  
25 administering or dispensing.

1 (h) "Medical facility" means an institution defined in  
2 section 144.50, subdivision 2.

3 (i) "Medical supplies" means any prescription and  
4 nonprescription medical supply needed to administer a cancer  
5 drug.

6 (j) "Pharmacist" has the meaning given in section 151.01,  
7 subdivision 3.

8 (k) "Pharmacy" means any pharmacy registered with the Board  
9 of Pharmacy according to section 151.19, subdivision 1.

10 (l) "Practitioner" has the meaning given in section 151.01,  
11 subdivision 23.

12 (m) "Prescription drug" means a legend drug as defined in  
13 section 151.01, subdivision 17.

14 (n) "Side effects of cancer" means symptoms of cancer.

15 (o) "Single-unit-dose packaging" means a single-unit  
16 container for articles intended for administration as a single  
17 dose, direct from the container.

18 (p) "Tamper-evident unit dose packaging" means a container  
19 within which a drug is sealed so that the contents cannot be  
20 opened without obvious destruction of the seal.

21 Subd. 2. [ESTABLISHMENT.] The commissioner of health shall  
22 establish and maintain a cancer drug repository program, under  
23 which any person may donate a cancer drug or supply for use by  
24 an individual who meets the eligibility criteria specified under  
25 subdivision 4. Under the program, donations may be made on the  
26 premises of a medical facility or pharmacy that elects to  
27 participate in the program and meets the requirements specified  
28 under subdivision 3.

29 Subd. 3. [REQUIREMENTS FOR PARTICIPATION BY PHARMACIES AND  
30 MEDICAL FACILITIES.] (a) To be eligible for participation in the  
31 cancer drug repository program, a pharmacy or medical facility  
32 must be licensed and in compliance with all applicable federal  
33 and state laws and administrative rules.

34 (b) Participation in the cancer drug repository program is  
35 voluntary. A pharmacy or medical facility may elect to  
36 participate in the cancer drug repository program by submitting

1 the following information to the commissioner, in a form  
2 provided by the commissioner:

3 (1) the name, street address, and telephone number of the  
4 pharmacy or medical facility;

5 (2) the name and telephone number of a pharmacist who is  
6 employed by or under contract with the pharmacy or medical  
7 facility, or other contact person who is familiar with the  
8 pharmacy's or medical facility's participation in the cancer  
9 drug repository program; and

10 (3) a statement indicating that the pharmacy or medical  
11 facility meets the eligibility requirements under paragraph (a)  
12 and the chosen level of participation under paragraph (c).

13 (c) A pharmacy or medical facility may fully participate in  
14 the cancer drug repository program by accepting, storing, and  
15 dispensing donated drugs and supplies, or may limit its  
16 participation to only accepting and storing donated drugs and  
17 supplies. If a pharmacy or facility chooses to limit its  
18 participation, the pharmacy or facility shall distribute any  
19 donated drugs to a fully participating cancer drug repository in  
20 accordance with subdivision 8.

21 (d) A pharmacy or medical facility may withdraw from  
22 participation in the cancer drug repository program at any time  
23 upon notification to the commissioner. A notice to withdraw  
24 from participation may be given by telephone or regular mail.

25 Subd. 4. [INDIVIDUAL ELIGIBILITY REQUIREMENTS.] Any  
26 Minnesota resident who is diagnosed with cancer is eligible to  
27 receive drugs or supplies under the cancer drug repository  
28 program. Drugs and supplies shall be dispensed according to the  
29 priority given under subdivision 6, paragraph (d).

30 Subd. 5. [DONATIONS OF CANCER DRUGS AND SUPPLIES.] (a) Any  
31 one of the following persons may donate legally obtained cancer  
32 drugs or supplies to a cancer drug repository, if the drugs or  
33 supplies meet the requirements under paragraph (b) or (c) as  
34 determined by a pharmacist who is employed by or under contract  
35 with a cancer drug repository:

36 (1) an individual who is 18 years old or older; or

1       (2) a pharmacy, medical facility, drug manufacturer, or  
2 wholesale drug distributor, if the donated drugs have not been  
3 previously dispensed.

4       (b) A cancer drug is eligible for donation under the cancer  
5 drug repository program only if the following requirements are  
6 met:

7       (1) the donation is accompanied by a cancer drug repository  
8 donor form described under paragraph (d) that is signed by the  
9 person making the donation or that person's authorized  
10 representative;

11       (2) the drug's expiration date is at least six months later  
12 than the date that the drug was donated;

13       (3) the drug is in its original, unopened, tamper-evident  
14 unit dose packaging that includes the drug's lot number and  
15 expiration date. Single-unit dose drugs may be accepted if the  
16 single-unit-dose packaging is unopened; and

17       (4) the drug is not adulterated or misbranded.

18       (c) Cancer supplies are eligible for donation under the  
19 cancer drug repository program only if the following  
20 requirements are met:

21       (1) the supplies are not adulterated or misbranded;

22       (2) the supplies are in their original, unopened, sealed  
23 packaging; and

24       (3) the donation is accompanied by a cancer drug repository  
25 donor form described under paragraph (d) that is signed by the  
26 person making the donation or that person's authorized  
27 representative.

28       (d) The cancer drug repository donor form must be provided  
29 by the commissioner and shall state that to the best of the  
30 donor's knowledge the donated drug or supply has been properly  
31 stored and that the drug or supply has never been opened, used,  
32 tampered with, adulterated, or misbranded. The commissioner  
33 shall make the cancer drug repository donor form available on  
34 the Department of Health's Web site.

35       (e) Controlled substances and drugs and supplies that do  
36 not meet the criteria under this subdivision are not eligible

1 for donation or acceptance under the cancer drug repository  
2 program.

3 (f) Drugs and supplies may be donated on the premises of a  
4 cancer drug repository to a pharmacist designated by the  
5 repository. A drop box may not be used to deliver or accept  
6 donations.

7 (g) Cancer drugs and supplies donated under the cancer drug  
8 repository program must be stored in a secure storage area under  
9 environmental conditions appropriate for the drugs or supplies  
10 being stored. Donated drugs and supplies may not be stored with  
11 nondonated inventory.

12 Subd. 6. [DISPENSING REQUIREMENTS.] (a) Drugs and supplies  
13 must be dispensed by a licensed pharmacist pursuant to a  
14 prescription by a practitioner or may be administered by a  
15 practitioner in accordance with the requirements of chapter 151.

16 (b) Cancer drugs and supplies shall be visually inspected  
17 by the pharmacist before being dispensed for adulteration,  
18 misbranding, and date of expiration. Drugs or supplies that  
19 have expired or appear upon visual inspection to be adulterated,  
20 misbranded, or tampered with in any way may not be dispensed.

21 (c) Before a cancer drug or supply may be dispensed to an  
22 individual, the individual must sign a cancer drug repository  
23 recipient form provided by the commissioner acknowledging that  
24 the individual understands the information stated on the form.  
25 The form shall include the following information:

26 (1) that the drug or supply being dispensed has been  
27 donated and may have been previously dispensed;

28 (2) that a visual inspection has been conducted by the  
29 pharmacist to ensure that the drug has not expired, has not been  
30 adulterated or misbranded, and is in its original, unopened  
31 packaging; and

32 (3) that the dispensing pharmacist, the cancer drug  
33 repository, the state Department of Health, and any other  
34 participant of the cancer drug repository program cannot  
35 guarantee the safety of the drug or supply being dispensed and  
36 that the pharmacist has determined that the drug or supply is

1 safe to dispense based on the accuracy of the donor's form  
2 submitted with the donated drug or supply and the visual  
3 inspection required to be performed by the pharmacist before  
4 dispensing.

5 The commissioner shall make the cancer drug repository form  
6 available on the Department of Health's Web site.

7 (d) Drugs and supplies shall only be dispensed to  
8 individuals who meet the eligibility requirements in subdivision  
9 4 and in the following order of priority:

10 (1) individuals who are uninsured;

11 (2) individuals who are enrolled in medical assistance,  
12 general assistance medical care, MinnesotaCare, Medicare, or  
13 other public assistance health care; and

14 (3) all other individuals who are otherwise eligible under  
15 subdivision 4 to receive drugs or supplies from a cancer drug  
16 repository.

17 Subd. 7. [HANDLING FEES.] A cancer drug repository may  
18 charge the individual receiving a drug or supply a handling fee  
19 of no more than 250 percent of the medical assistance program  
20 dispensing fee for each cancer drug or supply dispensed.

21 Subd. 8. [DISTRIBUTION OF DONATED CANCER DRUGS AND  
22 SUPPLIES.] (a) Cancer drug repositories may distribute drugs and  
23 supplies donated under the cancer drug repository program to  
24 other repositories if requested by a participating repository.

25 (b) A cancer drug repository that has elected not to  
26 dispense donated drugs or supplies shall distribute any donated  
27 drugs and supplies to a participating repository upon request of  
28 the repository.

29 (c) If a cancer drug repository distributes drugs or  
30 supplies under paragraph (a) or (b), the repository shall  
31 complete a cancer drug repository donor form provided by the  
32 commissioner. The completed form and a copy of the donor form  
33 that was completed by the original donor under subdivision 5  
34 shall be provided to the fully participating cancer drug  
35 repository at the time of distribution.

36 Subd. 9. [RESALE OF DONATED DRUGS OR SUPPLIES.] Donated

1 drugs and supplies may not be resold.

2 Subd. 10. [RECORD-KEEPING REQUIREMENTS.] (a) Cancer drug  
3 repository donor and recipient forms shall be maintained for at  
4 least five years.

5 (b) A record of destruction of donated drugs and supplies  
6 that are not dispensed under subdivision 6 shall be maintained  
7 by the dispensing repository for at least five years. For each  
8 drug or supply destroyed, the record shall include the following  
9 information:

10 (1) the date of destruction;

11 (2) the name, strength, and quantity of the cancer drug  
12 destroyed;

13 (3) the name of the person or firm that destroyed the drug;

14 and

15 (4) the source of the drugs or supplies destroyed.

16 Subd. 11. [LIABILITY.] A medical facility or pharmacy  
17 participating in the program, a pharmacist dispensing a drug or  
18 supply pursuant to the program, a practitioner administering a  
19 drug or supply pursuant to the program, or the donor of a cancer  
20 drug or supply is immune from civil liability for an act or  
21 omission that causes injury to or the death of an individual to  
22 whom the cancer drug or supply is dispensed and no disciplinary  
23 action shall be taken against a pharmacist or practitioner so  
24 long as the drug or supply is donated, accepted, distributed,  
25 and dispensed in accordance with the requirements of this  
26 section. This immunity does not apply if the act or omission  
27 involves reckless, wanton, or intentional misconduct.

State	Status	Eligible drugs <sup>1</sup>	Who may donate drugs	Who may accept donated drugs <sup>2</sup>	Administrator	Liability provision <sup>3</sup>
Hawaii <i>HRS §328B and §328C</i>	Enacted 2004	All drugs	Institutional facilities. <i>Drugs must have remained under the control of an institutional facility or pharmacy at all times.</i>	Pharmacies that initially dispensed the drugs; charitable, religious or nonprofit organizations licensed as a wholesale prescription drug distributors; foreign medical aid groups	Department of Human Services and Department of Health	Organizations that receive drugs and dispense them for free are exempt from liability. Manufacturers are exempt from liability for injury arising from the donation and transfer of a drug under this program.
Indiana <i>IC §25-26-20</i>	Enacted 2004	All drugs	Pharmacies, wholesale drug distributors, hospitals, health care facilities, hospice, practitioners	Pharmacies, wholesale drug distributors, hospitals, health care facilities, nonprofit health clinics	Board of Pharmacy	Any person or entity, including manufacturers, is not subject to liability related to donation, acceptance or dispensation of a drug under this program.
Iowa <i>House File 245</i>	Legislation introduced	Cancer drugs and supplies	Any person	Medical facilities and pharmacies.	Department of Public Health	Manufacturer is not liable for injury, death or loss related to donation, acceptance or dispensation of a drug under this program. Any person, except the manufacturer, is immune from liability for injury to or death of the person to whom a drug is dispensed.
Louisiana <i>RS §37:1226.2</i>	Enacted 2004	All drugs	Individuals, drug manufacturers, hospitals, health care facilities,	Charitable pharmacies		No person, manufacturer, health care facility, pharmacy, or government entity shall be subject to

<sup>1</sup> All drugs generally means all prescription drugs with the exception of controlled substances.

<sup>2</sup> Participation in state drug repository programs is voluntary.

<sup>3</sup> Liability provisions do not apply to acts or omissions that involve reckless, wanton, or intentional misconduct.

			governmental entities			liability for injury, loss or death related to the donation, acceptance or dispensation of a drug under this program.
Mississippi MCA §43-13-501 - §43-13-509	Enacted 2003	All drugs	Any person, including a drug manufacturer, health care facility, government entity	Pharmacies, hospitals, nonprofit clinics.	Board of Pharmacy and Department of Health	Manufacturers, health care facilities and professionals, individuals, government entities, and pharmacies are exempt from liability for matters related to donating, accepting or dispensing drugs under this program.
Missouri RSMo §196.970 - 196.984	Enacted 2004	All drugs	Individuals, drug manufacturers, health care facilities.	Pharmacies, hospitals, nonprofit clinics	Department of Health & Senior Services	Individuals, manufacturers, health care facilities and professionals, pharmacies, and government entities are exempt from liability for injury, loss or death related to the donation, acceptance or dispensation of a drug under this program.
Nebraska RRS Neb. §71-2422 - 71-2429	Operating. Enacted 2003.	Cancer drugs	Any person or entity, drug manufacturers, health care facilities	Physician offices, pharmacies, hospitals, clinics	Department of Health and Human Services Regulation and Licensure	Any person or entity, including manufacturers, is immune from liability for injury or death related to donation, acceptance or dispensation of drugs under this program. A donation by a manufacturer does not absolve the manufacturer of any liability that would have existed but for the donation.

Ohio ORC Ann. §3715.87 - §3715.99	Operating. Enacted 2003	All drugs	Terminal distributors and wholesale distributors of dangerous drugs; A person who was legally dispensed a drug but who has not taken custody of it.	Pharmacies, hospitals, nonprofit clinics	Board of Pharmacy	Manufacturers, health care facilities and professionals, pharmacies and government entities are exempt from liability for injury or death arising from the donation, acceptance or dispensation of drugs under this program.
Oklahoma OS §367.1 - §367.7	Enacted 2004	All drugs	Nursing facilities, assisted living centers, pharmaceutical manufacturers.	Pharmacies operated by a county, city-county health departments, or the Department of Mental Health and Substance Abuse Services, and charitable clinics.	Board of Pharmacy	Manufacturers, pharmacies, medical facilities, and health care professionals are exempt from liability for injury other than death related to donation, acceptance or dispensation of drugs under this program.
South Dakota ARSD §20:51:13:02	Administrative rule change made in 2004	All drugs.	Hospice programs, nursing facilities, assisted living facilities. <i>Facility must be in control of drug at all times.</i>	Pharmacies that initially dispensed the drugs	Board of Pharmacy	None
Wisconsin WS §255.056	Rules to be finalized 3/2/05. Enacted 2004	Cancer drugs and supplies	Any person.	Medical facilities and pharmacies.	Department of Health and Family Services	Manufacturer is not liable for injury, death or loss related to donation, acceptance or dispensation of a drug under this program. Any person, except the manufacturer, is immune from liability for injury to or death of the person to whom a drug is dispensed.

1 Senator ..... moves to amend S.F. No. 227, the first  
2 engrossment, as follows:

3 Page 7, delete lines 16 to 27 and insert:

4 "Subd. 11. [NONLIABILITY.] Pharmacists who participate in  
5 this program are not liable for any injuries or damages arising  
6 from alterations to drugs donated under this section to the  
7 extent that the alterations occurred before the time the  
8 pharmacist took either or both custody or control of such  
9 donated drugs. The pharmacist shall, however, make a reasonable  
10 examination of such drugs before giving the drugs to any  
11 individual to determine if any alterations to the drugs have  
12 been made and to determine that the drugs are reasonably safe  
13 for the intended use."

1 Senator Betzold from the Committee on Judiciary, to which  
2 was re-referred

3 S.F. No. 227: A bill for an act relating to health;  
4 establishing a cancer drug repository program; proposing coding  
5 for new law in Minnesota Statutes, chapter 144.

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

8 Page 7, line 21, after "omission" insert "relating to the  
9 quality of a cancer drug or supply"

10 Page 7, line 27, before the period, insert "or professional  
11 or medical malpractice"

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

14

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17

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19

  
.....  
(Committee Chair)

April 5, 2005.....  
(Date of Committee recommendation)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 1956 - Hennepin County Health Care System**

**Author:** Senator Linda Berglin

**Prepared by:** Kathleen Pontius, Senate Counsel (651/296-4394) *K.P.*

**Date:** April 5, 2005

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This bill creates a public subsidiary of Hennepin County, the Hennepin County Health Care System, Inc., which will be responsible for the management of the Hennepin County Medical Center. Following is a summary of the judiciary issues, which are contained in **Article 1**.

**Sections 1 to 13** contain general provisions dealing with creation of the public corporation, and the structure of the board, officers, directors, corporate powers, board meetings, and transfer of rights and assets.

**Section 17** contains provisions dealing with application of the open meeting law and the Government Data Practices Act to the public corporation. It would not be subject either to the open meeting law in **chapter 13D** or to the Data Practices Act in **chapter 13**. Special provisions are included under which the corporation must make certain information publicly available and hold public meetings.

**Section 19** provides that the corporation is a municipality for purposes of the Municipal Tort Claims Act in **chapter 466**.

KP:cs

1 A bill for an act

2 relating to public and municipal corporations;  
3 creating a county subsidiary corporation to provide  
4 health care and related services, education, and  
5 research; providing for governance of Hennepin County  
6 Medical Center; amending Minnesota Statutes 2004,  
7 sections 179A.03, subdivisions 7, 15; 353.01,  
8 subdivisions 2b, 2d, 6; 353.64, subdivision 10;  
9 353E.02, subdivision 2a; 383B.117, subdivision 2;  
10 383B.217, subdivision 7; 383B.46; proposing coding for  
11 new law in Minnesota Statutes, chapters 179A; 383B;  
12 repealing Minnesota Statutes 2004, section 383B.217,  
13 subdivisions 1, 2, 3, 4, 5, 6, 8.

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

15 ARTICLE 1

16 HENNEPIN HEALTHCARE SYSTEM

17 Section 1. [383B.901] [CREATION OF A COUNTY SUBSIDIARY  
18 CORPORATION.]

19 There is created a corporation which shall be public in  
20 nature, operating as a subsidiary of the county of Hennepin.  
21 The public corporation shall be known as Hennepin Healthcare  
22 System, Inc. The purpose of the corporation is to engage in the  
23 organization and delivery of health care and related services to  
24 the general public, including the indigent as defined by state  
25 and federal law and as determined by the Hennepin County Board  
26 of Commissioners, and to conduct related programs of education  
27 and research. The corporation shall have one class of members,  
28 the governing member, who shall be Hennepin County, as  
29 represented by the Hennepin County Board of Commissioners. The

1 governing member has all the rights, duties, and privileges  
2 specified under this act and the bylaws of the corporation.

3 Sec. 2. [383B.902] [DEFINITIONS.]

4 Subdivision 1. [TERMS.] For the purpose of this act, the  
5 terms defined in this section have the meanings given them  
6 unless the context clearly indicates otherwise.

7 (a) "Corporation" means the county subsidiary corporation  
8 created by section 383B.901.

9 (b) "County" means the county of Hennepin.

10 (c) "County board" means the Hennepin County Board of  
11 Commissioners and its members.

12 (d) "HCMC" means the Hennepin County Medical Center, which  
13 is the medical center established and operated by the county  
14 under section 383B.217.

15 (e) "Effective date" means the effective date of the  
16 sections of this act, as defined in section 29.

17 Sec. 3. [383B.903] [BOARD.]

18 Subdivision 1. [GOVERNANCE.] The corporation shall be  
19 governed by a board of directors consisting of between 11 and 15  
20 directors. Two of the directors on the board of the corporation  
21 must be county commissioners currently serving as elected  
22 officials on the county board who are chosen and may be removed  
23 by a majority vote of the county board.

24 Subd. 2. [TERM, QUORUM, AND MANNER OF ACTING.] The term of  
25 office for directors, rules governing quorum, and manner of  
26 acting for the board of directors must be specified in the  
27 bylaws of the corporation which shall be approved by the county  
28 board, except that:

29 (1) a vote of a majority of the board shall be required to  
30 hire or discharge the corporation's administrator, to approve  
31 the annual budget, and for any action which requires subsequent  
32 approval by the county board as specified in section 8; and

33 (2) directors of the board of directors or any committee or  
34 advisory assembly or council appointed by the board of directors  
35 may participate in a meeting by means of telephone conference or  
36 similar communications equipment which enables all persons

1 participating in the meeting to hear each other during the  
2 conduct of that meeting. Participation shall be considered  
3 presence in person at the meeting for purposes of notice and  
4 quorum requirements as specified in the bylaws.

5 Subd. 3. [APPOINTMENT OF BOARD MEMBERS.] The county board  
6 shall appoint the initial board of the corporation. Thereafter,  
7 the county board shall appoint directors of the corporation by  
8 slate to open positions due to the completion of a director's  
9 term as specified in the bylaws of the corporation. The slate  
10 shall be nominated by a committee of the board of the  
11 corporation. The board of the corporation may by majority vote  
12 appoint a board member to fill a vacancy on the board occurring  
13 prior to the completion of the term, provided the newly  
14 appointed board member is submitted to the county board for  
15 approval when the next slate of directors is submitted to the  
16 county board for approval.

17 Subd. 4. [REMOVAL.] A director who is not a county  
18 commissioner may be removed without cause by a two-thirds  
19 majority vote of the board of the corporation. The county board  
20 may remove any board member for violation of the director's  
21 ethical and legal duties as a board member as specified in  
22 section 5 or for the repeated failure to act in the best  
23 interests of the corporation. In addition, the county board may  
24 remove the corporate board in its entirety as specified in  
25 section 8, subdivision 7.

26 Sec. 4. [383B.904] [OFFICERS.]

27 Subdivision 1. [ELECTION.] (a) The officers of the board  
28 of the corporation shall consist of the chair, vice chair,  
29 secretary, treasurer, and other officers as the board shall from  
30 time to time deem necessary. The board shall elect officers by  
31 a majority vote of the board at the annual meeting, or in the  
32 case of the initial board, at the first meeting following  
33 appointment by the county board.

34 (b) Any of the offices or functions, with the exception of  
35 the chair and vice chair, may be held or exercised by the same  
36 person.

1        Subd. 2. [REMOVAL.] An officer may be removed without  
2 cause by a two-thirds majority vote of the board of the  
3 corporation.

4        Sec. 5. [383B.905] [AUTHORITY AND DUTIES OF OFFICERS AND  
5 DIRECTORS.]

6        Subdivision 1. [IN BYLAWS OR BY BOARD.] Officers and  
7 directors have the authority and duties in the management of the  
8 business of the corporation that the bylaws prescribe or, in the  
9 absence of such prescription, as the board determines.

10       Subd. 2. [ORDINARY PRUDENT PERSON STANDARD.] Officers and  
11 directors shall discharge their duties in good faith, in the  
12 manner the officer or director reasonably believes to be in the  
13 best interests of the corporation, and with the care an ordinary  
14 prudent person in a like position would exercise under similar  
15 circumstances.

16       Subd. 3. [NOT TRUSTEES.] Officers and directors are not  
17 considered to be trustees with respect to the corporation or  
18 with respect to property held or administered by the  
19 corporation, including, without limit, property that may be  
20 subject to restrictions imposed by the donor or transferor of  
21 the property.

22       Sec. 6. [383B.906] [BYLAWS.]

23       Prior to the appointment of the initial board of the  
24 corporation, the county board shall approve the bylaws of the  
25 corporation. Thereafter, the board of the corporation may  
26 adopt, amend, or repeal bylaws relating to the management of the  
27 business or regulation of the affairs of the corporation, except  
28 that the county board shall approve any bylaws change relating  
29 to:

30       (1) board composition, board and officer selection, terms,  
31 removal, or qualifications;

32       (2) the county board's reserved powers as specified in the  
33 bylaws;

34       (3) the ability of the corporation to engage in joint  
35 ventures;

36       (4) the ability of the corporation to incur debt through

1 the county;

2 (5) the ability of the corporation to create subsidiaries;

3 (6) the ability of the corporation to merge or dissolve;

4 (7) the ability of the corporation to use subsidiaries to

5 undertake functions or activities performed by employees of the

6 corporation; or

7 (8) the mission of the corporation.

8 Sec. 7. [383B.907] [CORPORATE POWERS.]

9 Subdivision 1. [AUTHORITY AND POWERS OF THE

10 BOARD.] Subject to the reserved powers and limitations specified

11 in sections 383B.903, subdivision 3, and 383B.908, or as

12 specified in the bylaws of the corporation, the corporation,

13 through its board, shall, relative to the delivery of health

14 care services, have, in addition to any authority vested by law,

15 the authority and legal capacity of a nonprofit corporation

16 under chapter 317A including the authority to:

17 (1) have members of its governing authority or its officers

18 or administrators serve as directors, officers, or employees of

19 the corporation's ventures, associations, or corporations;

20 (2) hire and discharge an administrator;

21 (3) approve personnel policies and practices, any

22 applicable labor agreements, and levels of compensation and

23 benefits recommended by the administrator;

24 (4) use employees, agents, consultants, and facilities of

25 the county, as necessary in the discretion of the board, paying

26 the county its agreed proportion of the compensation or costs

27 pursuant to an agreement with the county;

28 (5) spend funds, including public funds in any form, or

29 devote the resources of the corporation to recruit and retain

30 physicians whose services are necessary or desirable for meeting

31 the health care needs of the population and for the successful

32 performance of the public purpose of the corporation. Allowable

33 uses of funds and resources include the retirement of medical

34 education debt, payment of onetime amounts in consideration of

35 services rendered or to be rendered, payment of recruitment

36 expenses, payment of moving expenses, and the provision of other

1 financial assistance necessary for the recruitment and retention  
2 of physicians, provided that the expenditures in whatever form  
3 are reasonable under the facts and circumstances of the  
4 situation;

5 (6) offer, directly or indirectly, products and services of  
6 the corporation and/or affiliated entities to the general  
7 public, and retain any profits earned through the provision of  
8 these products and services for the purpose of advancing the  
9 mission of the corporation;

10 (7) own shares of stock in business corporations;

11 (8) borrow money and issue bonds in support and promotion  
12 of the corporation's purpose and mission and providing any  
13 rights and obligations related thereto;

14 (9) accept gifts, grants, loans, or contributions of funds  
15 or property or financial or other aid in any form from, and  
16 enter into contracts or other transactions with, the federal  
17 government, the state of Minnesota, third-party payors, or any  
18 other source, and to use any gifts, grants, loans, or  
19 contributions for any of its corporate purposes;

20 (10) enter shared service and other cooperative ventures;

21 (11) join or sponsor membership in organizations intended  
22 to benefit the corporation;

23 (12) enter partnerships, joint ventures, or other business  
24 arrangements to advance the mission of the corporation;

25 (13) sue or be sued; and

26 (14) incorporate other corporations, both for profit and  
27 nonprofit.

28 Subd. 2. [OTHER POWERS.] Subject to the reserved powers  
29 and limitations specified in sections 383B.903, subdivision 3,  
30 and 383B.908, or as specified in the bylaws of the corporation,  
31 the corporation shall have all the powers necessary and  
32 convenient for the operation, administration, management, and  
33 control of the corporation's affairs. The enumeration of  
34 specific powers in this section is not intended to restrict the  
35 power of the corporation to take any action which, in the  
36 exercise of its discretion, is necessary or convenient to

1 further the purposes for which the corporation exists and that  
2 is not otherwise prohibited by law, whether or not the power to  
3 take the action is necessarily implied from the powers expressly  
4 granted.

5       Sec. 8. [383B.908] [LIMITATIONS UPON CORPORATE POWERS;  
6 RESERVED POWERS.]

7       Subdivision 1. [POWERS RESERVED TO THE  
8 COUNTY.] Notwithstanding the authority granted to the board in  
9 section 383B.907, the county board shall retain specific  
10 controls over the corporation's mission, ability to incur  
11 indebtedness through the county, indigent care, and governance.  
12 These county board controls must be specified in the bylaws or  
13 other transactional documents, which shall be approved by the  
14 county board.

15       Subd. 2. [RESTRICTION ON DISPOSITION OF THE ASSETS.] The  
16 corporation shall not have the power to dissolve, merge,  
17 consolidate, transfer, liquidate, or otherwise dispose of or  
18 distribute all, or substantially all, of the corporation's  
19 assets without a county board resolution approved by a majority  
20 of the county board.

21       Subd. 3. [DISTRIBUTION OF ASSETS UPON DISSOLUTION.] In the  
22 event of the dissolution of the corporation, the net assets of  
23 the corporation shall be distributed to the county for public  
24 purposes.

25       Subd. 4. [COMPENSATION AND PAYMENT LIMITATIONS.] No part  
26 of the net earnings and assets of the corporation shall inure to  
27 the benefit of any private individual, nor shall any part of the  
28 income or assets of the corporation be distributed to or divided  
29 among any private individuals as dividends or otherwise.

30       Subd. 5. [FINANCIAL OVERSIGHT.] The county board shall  
31 approve the annual budget of the corporation and receive an  
32 annual audited financial statement. The county board shall also  
33 retain the right to conduct an independent audit of the finances  
34 of the corporation.

35       Subd. 6. [COUNTY SERVICES.] The county board shall retain  
36 the authority to require the corporation to provide other health

1 care or health care related services as the county board  
2 determines to be in the best interest of the county. The  
3 corporation shall provide these services as long as the county  
4 board provides funds to pay for the services. Payment to the  
5 corporation for the services shall be as agreed between the  
6 corporation and the county board.

7 Subd. 7. [DISSOLUTION OR REORGANIZATION OF THE  
8 CORPORATION.] The county board shall retain the right to  
9 dissolve the corporation, reorganize the corporation, or remove  
10 the entire corporate board in order to resume management of  
11 Hennepin County Medical Center upon a two-thirds vote of the  
12 entire county board.

13 Sec. 9. [383B.909] [CORPORATE SEAL.]

14 The corporation shall not have a corporate seal.

15 Sec. 10. [383B.910] [BOARD MEETINGS.]

16 In accordance with the bylaws of the corporation, the board  
17 shall provide for annual, regular, and special meetings to be  
18 held at a designated interval throughout the year. Notice of  
19 these meetings shall be provided in accordance with the bylaws  
20 of the corporation.

21 Sec. 11. [383B.911] [PUBLIC DEPOSITORY.]

22 The corporation shall have jurisdiction over its accounts  
23 and payrolls and shall establish and maintain a public  
24 depository. The corporation may use the county as a public  
25 depository. If the depository is not the county, the depository  
26 must be subject to chapter 118A, except that the corporation  
27 shall determine the appropriate security. The corporation shall  
28 establish and maintain all necessary accounts. The corporation  
29 may establish reserve accounts, depreciation accounts, and  
30 working capital funds in order to operate on an accrual basis.

31 Sec. 12. [383B.912] [TRANSFER OF RIGHTS.]

32 Subdivision 1. [CORPORATION AS CONTINUATION OF HCMC.] The  
33 corporation created by section 383B.901 shall be considered a  
34 continuation of HCMC for purposes of all the rights,  
35 liabilities, and contractual obligations of the county  
36 pertaining to the operations of HCMC except as otherwise

1 provided herein. The corporation succeeds to all rights and  
2 contractual obligations of the county pertaining to the  
3 operations of HCMC with the same force and effect as if those  
4 rights and obligations had been continued by the county itself.

5 Subd. 2. [PENDING MATTERS.] The corporation may conduct  
6 and complete any legal action, administrative proceeding, or any  
7 other matter commenced by or against HCMC or the county, on  
8 behalf of HCMC, which was incurred before or pending as of the  
9 effective date, in the same manner, under the same conditions,  
10 and with the same effect as though the action, proceeding, or  
11 other matter were conducted or completed by HCMC or the county  
12 acting on behalf of HCMC.

13 Subd. 3. [TRANSFER OF DOCUMENTS REQUIRED.] On the  
14 effective date, HCMC, or the county on behalf of HCMC, shall  
15 have the authority to transfer and deliver to the corporation,  
16 as specified in the lease and other transactional documents  
17 referenced in section 383B.914, all contracts, books, bonds,  
18 plans, paper, records, including all personnel and medical  
19 records, and other property of every description within the  
20 jurisdiction or control of HCMC, or the county acting on behalf  
21 of HCMC, except as otherwise provided herein.

22 Subd. 4. [TRANSFER OF FUNDS.] On the effective date, HCMC,  
23 or the county on behalf of HCMC, shall have the authority to  
24 transfer to the corporation all unspent funds appropriated to  
25 HCMC, as specified in the lease and other transactional  
26 documents referenced in section 383B.914.

27 Sec. 13. [383B.913] [LEASE OR TRANSFER OF ASSETS.]

28 Subdivision 1. [CORPORATE STATUS.] The corporation shall  
29 be considered a "public corporation" for purposes of section  
30 465.035.

31 Subd. 2. [LEASE OF REAL PROPERTY.] Notwithstanding any  
32 other laws to the contrary, as of the effective date, the county  
33 shall have the authority to enter into a lease, mutually  
34 agreeable to both parties, with the corporation for  
35 substantially all of the real property acquired by or turned  
36 over to the county for the establishment, operation, or

1 maintenance of HCMC prior to and as of the effective date and  
 2 necessary for the operation of the corporation. Subject to  
 3 restrictions specified in the written lease and other  
 4 transaction documents by and between the county and the  
 5 corporation, the county shall lease the real property  
 6 exclusively to the corporation. For the purposes of this  
 7 subdivision, real property shall mean the real property used by  
 8 the county for the operations of HCMC that the county shall  
 9 lease to Hennepin Healthcare System, Inc., as specified in the  
 10 lease documents and this act as of the effective date.

11 Subd. 3. [REQUIREMENTS OF LEASE.] In order for the county  
 12 to enter into the lease described in subdivision 2, the lease  
 13 must also address the following:

- 14 (1) continued primary use of the property for health and  
 15 hospital services;
- 16 (2) indigent care;
- 17 (3) capital improvements;
- 18 (4) joint ventures and partnerships;
- 19 (5) assignments and subleases; and
- 20 (6) changes to hospital capacity.

21 Subd. 4. [TRANSFER OF ASSETS.] The county shall transfer  
 22 to the corporation assets as designated by the county in  
 23 transactional documents accompanying the lease for use in the  
 24 operations of HCMC. For purposes of this subdivision, assets  
 25 means the equipment and other personal property used by the  
 26 county for the operations of HCMC that the county shall transfer  
 27 to Hennepin Healthcare System, Inc., as specified in the  
 28 transaction documents and this act as of the effective date.

29 Subd. 5. [NO ADVERTISING OR BIDS.] The county may transfer  
 30 and lease the assets and real property to the corporation as  
 31 specified in subdivisions 2 and 3 without first advertising for  
 32 or soliciting any bids.

33 Sec. 14. [383B.914] [STATUS OF PRESENT EMPLOYEES;  
 34 BARGAINING UNITS; RETIREMENT COVERAGE.]

35 Subdivision 1. [HEALTH SYSTEM HUMAN RESOURCES  
 36 SYSTEM.] Persons employed at the corporation created shall be

1 subject to a human resources system that is designed to offer  
2 appropriate benefits to workers employed in a health care  
3 setting. This human resources system shall replace the general  
4 county human resources system prescribed in sections 383B.26 to  
5 383B.42, and any rules related to it. The corporation shall  
6 have the authority to establish all personnel policies and  
7 practices, negotiate applicable labor agreements, and set all  
8 levels of compensation and benefits which are considered  
9 appropriate by the board except as limited in this section. The  
10 human resources system is subject to the following human  
11 resources requirements:

12 (1) determine compensation according to the pay equity  
13 requirements under sections 471.991 to 471.999;

14 (2) provide preferences for veterans according to the  
15 Veterans Preference Act under sections 197.455, 197.46, and  
16 375.63; and

17 (3) provide an appeals process for an individual who is  
18 discharged, demoted, or suspended.

19 This section shall not be construed to preempt or supplant  
20 human resources rules, policies, manuals, or labor agreements  
21 that are established for the corporation prior to the effective  
22 date of this section.

23 Subd. 2. [EMPLOYEE TRANSFER.] All persons employed by the  
24 county whose employment is accounted for in the county  
25 enterprise fund for HCMC, on the effective date, shall be  
26 transferred to the corporation as specified in the lease and  
27 other transactional documents referenced in section 14. The  
28 transfer of employees to the corporation under this subdivision  
29 does not constitute severance or termination of employment or a  
30 layoff entitling transferred employees to severance pay,  
31 termination benefits, a retirement plan refund, or any other  
32 right that may be applicable in the case of severance,  
33 termination, or layoff.

34 Subd. 3. [CURRENT POSITIONS.] Each person employed by the  
35 county who is transferred to the corporation on the effective  
36 date shall retain employment and accrued benefits, including

1 participation in deferred compensation programs, and will be  
2 recorded by most recent date of employment with Hennepin County  
3 upon transfer to the corporation created in section 383B.901.

4 Subd. 4. [BARGAINING UNITS.] The corporation shall  
5 recognize existing bargaining units organized by employees of  
6 HCMC and the exclusive representatives of those bargaining units  
7 as of the effective date. The corporation shall adopt all  
8 current labor agreements as of the effective date for the term  
9 of those agreements, except for countywide references,  
10 countywide provisions, and countywide human resources rules.

11 Subd. 5. [GENERAL EMPLOYEE RETIREMENT BENEFITS.] (a)  
12 Except as provided in paragraph (b), employees of the  
13 corporation, other than paramedics, emergency medical  
14 technicians, and protection officers, are "public employees"  
15 under chapter 353 and are members of the general employees  
16 retirement plan of the Public Employees Retirement Association,  
17 including employees transferred to the corporation under  
18 subdivision 1 and employees hired by the corporation after the  
19 effective date.

20 (b) Notwithstanding sections 356.24 and 356.25, the  
21 corporation has the authority to create alternative retirement  
22 plans that are not defined benefit pension plans for the  
23 following classes of employees: supervisors, managers,  
24 physicians, and independent health practitioners who bill  
25 independently for their time, provided the value of the  
26 aggregate benefits are substantially comparable to the general  
27 employee retirement plan of the Public Employees Retirement  
28 Association. These classes of employees are eligible to  
29 participate in the general retirement plan of the Public  
30 Employees Retirement Association until and unless the  
31 corporation creates alternative retirement plans. Only those  
32 employees who are within the designated class and who are hired  
33 after the date of creation of the alternative plan may be  
34 enrolled in the alternative retirement plan in lieu of  
35 participation in the general employees retirement plan of the  
36 Public Employees Retirement Association. Any alternative

1 retirement benefit plan established by the corporation must  
2 comply with the financial reporting requirements for public  
3 pension plans under section 356.20 and the investment  
4 performance reporting requirements for public pension plans  
5 under section 356.219.

6 Subd. 6. [EMPLOYEES ELIGIBLE TO CONTINUE PARTICIPATION IN  
7 PUBLIC EMPLOYEE RETIREMENT ASSOCIATION CORRECTIONAL, POLICE AND  
8 FIRE BENEFIT PLANS.] Notwithstanding subdivisions 5 and 6, both  
9 existing and future employees of the corporation in the  
10 positions of paramedic and emergency medical technician, as  
11 provided in section 353.64, subdivision 10, are members of the  
12 public employees police and fire retirement plan under sections  
13 353.63 to 353.68 and in the position of protection officer, as  
14 provided in section 353E.02, subdivision 2a, are members of the  
15 local government correctional retirement plan under chapter 353E.

16 Subd. 7. [PARTICIPATION IN STATE DEFERRED COMPENSATION  
17 PLAN.] (a) Existing employees of the corporation, at the  
18 election of the corporation, if otherwise qualified, are  
19 eligible to participate in the Hennepin County supplemental  
20 retirement plan under sections 383B.46 and 383B.52.

21 (b) Existing and future employees of the corporation, at  
22 the election of the corporation, are eligible to participate in  
23 the Minnesota state deferred compensation plan under section  
24 352.96, the postretirement health care savings plan under  
25 section 352.98, and all other deferred compensation arrangements  
26 for which all persons employed by the county whose employment is  
27 accounted for in the county enterprise fund for HCMC were  
28 eligible.

29 Subd. 8. [SUBSIDIARIES.] Any subsidiary created by the  
30 corporation shall be subject to the same human resources  
31 requirements as those that apply to the corporation under  
32 subdivision 1.

33 Sec. 15. [383B.915] [BONDING AUTHORITY OF CORPORATION.]

34 Subdivision 1. [MUNICIPALITY.] The corporation shall be  
35 considered a "municipality" pursuant to section 475.51,  
36 subdivision 2, for purposes of bond issuance and shall have all

1 the authority conferred on municipalities by chapter 475, unless  
2 that authority is modified in this section.

3 Subd. 2. [SALE OF BONDS.] Subject to the reserved powers  
4 and limitations specified in section 383B.908 and  
5 notwithstanding any of the corporation's enumerated powers, the  
6 corporation may issue and sell revenue bonds or other revenue  
7 obligations to finance capital improvements or for the  
8 acquisition and betterment of facilities or other property to be  
9 utilized for the delivery of health care and related research,  
10 the establishment of reserves for bond payment, or for other  
11 proper corporate purposes.

12 Subd. 3. [SECURITY FOR BONDS.] Subject to the reserved  
13 powers and limitations specified in section 383B.908 and  
14 notwithstanding any of the corporation's enumerated powers, the  
15 bonds may be secured by a mortgage of or security interest in  
16 any property owned by the corporation or any interest of the  
17 corporation in any property and by a pledge of revenues to be  
18 derived from operation of the corporation's facilities as a  
19 first and prior lien thereon or as a lien subordinate to the  
20 costs of operation and maintenance of the facilities. The bonds  
21 must be in an amount, and shall mature, as provided by  
22 resolution of the board and may be issued in one or more series  
23 and shall bear a date or dates, bear interest at a rate or  
24 rates, be in a denomination or denominations, be in the form  
25 either coupon or registered, carry the conversion or  
26 registration privileges, have rank or priority, be executed in  
27 the manner, be payable in medium of payment at the place or  
28 places, and be subject to the terms of redemption, with or  
29 without premium, as the resolution may provide. The bonds may  
30 be sold at public or private sale at a price or prices  
31 determined by the resolution. Notwithstanding any law to the  
32 contrary, the bonds must be fully negotiable. The corporation  
33 may enter into the covenants the board, by resolution, shall  
34 deem necessary and proper to secure payment of the bonds. The  
35 revenue bonds must state on their face that they are not payable  
36 from, nor may be a charge upon, any funds other than the

1 revenues and property pledged or mortgaged for their payment,  
2 nor shall the corporation be subject to any liability on them or  
3 have the power to obligate itself to pay or pay the revenue  
4 bonds from funds other than the revenues and property pledged  
5 and mortgaged. No holder or holders of the bonds shall ever  
6 have the right to compel any exercise of any taxing power of the  
7 county or any other public body to pay the principal of or  
8 interest on any of them, nor to enforce payment of them against  
9 any property other than that expressly pledged or mortgaged for  
10 their payment.

11 Sec. 16. [383B.916] [FINANCING THROUGH COUNTY.]

12 In addition to the authority granted in section 16, the  
13 county may finance any improvements, equipment, or other  
14 property to be operated by the corporation and may issue bonds  
15 for such purposes pursuant to and subject to the procedures and  
16 limitations set forth in section 373.40, 383B.117, 447.45, or  
17 other law, as appropriate, whether or not the capital  
18 improvement or equipment to be financed is to be owned by the  
19 county or the corporation.

20 Sec. 17. [383B.917] [OPEN MEETING LAW; GOVERNMENT DATA  
21 PRACTICES ACT.]

22 Subdivision 1. [CORPORATION NOT SUBJECT TO OPEN MEETING  
23 LAW AND DATA PRACTICES ACT.] The corporation and any  
24 organization, association, partnership, or corporation created,  
25 controlled, or owned by the corporation, shall not be subject to  
26 the Open Meeting Law, chapter 13D, or the Minnesota Government  
27 Data Practices Act, chapter 13.

28 Subd. 2. [CORPORATION TO MAKE INFORMATION PUBLICLY  
29 AVAILABLE.] The corporation shall make available for public  
30 inspection the following:

31 (1) the corporation's annual audited financial statements,  
32 prepared in accordance with generally accepted accounting  
33 principles, and which shall include all of the information a  
34 charitable organization is required to disclose under section  
35 309.53, subdivision 3;

36 (2) the corporation's current federal tax or informational

1 return on file with the Internal Revenue Service, if applicable;

2 (3) the corporation's bylaws;

3 (4) the corporation's health services plan; and

4 (5) any material provided to the county board that the

5 county board would be subject to release under the Minnesota

6 Data Practices Act and other applicable law.

7 Subd. 3. [PUBLIC MEETINGS.] Each year the corporation

8 shall hold a meeting which must be open to the public. At this

9 meeting, the board of directors and the administrator of the

10 corporation shall report on the affairs of the corporation and

11 the goals for the future, including a report on the health

12 services plan specified in section 383B.918. The corporation

13 shall hold additional public meetings during the development and

14 implementation phase of the health services plan for the purpose

15 of informing the public and receiving public comment. That

16 portion of a meeting of the board of directors of the

17 corporation at which the annual budget of the corporation is

18 approved prior to submission to the county board for approval

19 shall be open to the public. Notification of these meetings

20 shall be published on the corporation's Web site and in at least

21 one local paper at least two weeks prior to the meeting. Any

22 meeting at which the county board is discussing the approval of

23 the budget, health services plan, the corporation's audited

24 financial statement, or any other matter subject to the county

25 board's reserved powers as specified in section 383B.908, or in

26 the bylaws, is subject to the requirements of the Minnesota Open

27 Meeting Law and other applicable laws.

28 Sec. 18. [383B.918] [HEALTH SERVICES PLAN.]

29 The corporation shall prepare, and submit to the county

30 board for review and approval, a health services plan that draws

31 from a population health needs assessment and delineates the

32 corporation's role in the community, including education and

33 research. The health services plan shall contain a description

34 of how the corporation shall continue to coordinate with the

35 county to provide health-related services to the residents of

36 Hennepin County, including the indigent as defined by state and

1 federal law and as determined by the Hennepin County Board of  
2 Commissioners.

3 Sec. 19. [383B.919] [TORT LIABILITY.]

4 The corporation shall be a "municipality" for purposes of  
5 tort liability pursuant to chapter 466.

6 Sec. 20. [383B.920] [REVENUE RECAPTURE ACT.]

7 The corporation shall be considered a "claimant agency" for  
8 purposes of the Revenue Recapture Act, chapter 270A.

9 Sec. 21. [383B.921] [PURCHASING.]

10 Subdivision 1. [PUBLIC PROCUREMENT.] Notwithstanding any  
11 law to the contrary, contracting and purchasing of goods,  
12 materials, supplies, equipment, and services that are included  
13 as part of a contract for the purchase of goods, materials,  
14 supplies, equipment, or services are specifically exempted from  
15 sections 383B.141 to 383B.151 and 471.345 to 471.371, or other  
16 applicable laws related to public procurement.

17 Subd. 2. [PURCHASING AND SERVICE CONTRACTS.] The  
18 corporation may purchase directly or utilize the services of a  
19 nonprofit cooperative hospital service organization, the county,  
20 the state of Minnesota, the University of Minnesota, or any  
21 other political subdivision or agency of the state of Minnesota  
22 in the purchase of all goods, materials, and services that the  
23 corporation may require.

24 Sec. 22. [383B.922] [LEGAL COUNSEL.]

25 With respect to the provisions of section 388.051, the  
26 corporation shall be deemed a part of Hennepin County for  
27 purposes of the Hennepin County attorney serving as legal  
28 counsel to the corporation; provided, however, that the  
29 corporation and the Hennepin County attorney may enter into an  
30 arrangement with respect to the hiring of outside counsel on  
31 behalf of the corporation. The corporation shall reimburse the  
32 county for legal services provided by the Hennepin County  
33 attorney, including any and all costs, and the reimbursement  
34 shall be credited to the budget of the Hennepin County attorney.

35 Sec. 23. [383B.923] [SELF-INSURANCE.]

36 Subdivision 1. [SELF-INSURANCE.] The corporation may

1 participate in any self-insurance program established by the  
2 county in accordance with section 383B.155.

3 Subd. 2. [ADDITIONAL BENEFITS TO EMPLOYEES.] The  
4 corporation may provide for the payment of additional benefits  
5 to employees from their accumulated vacation, sick leave, or  
6 overtime credits if the employees of the corporation and any of  
7 its subsidiaries are entitled to the benefits of the Workers'  
8 Compensation Law and have at the time of compensable injury  
9 accumulated credits under a vacation, sick leave, or overtime  
10 plan or system maintained by the corporation. The additional  
11 payments to an employee may not exceed the amount of the total  
12 sick leave, vacation, or overtime credits accumulated by the  
13 employee and shall not result in the payment of a total weekly  
14 rate of compensation that exceeds the weekly wage of the  
15 employee. The additional payments to any employee shall be  
16 charged against the sick leave, vacation, and overtime credits  
17 accumulated by the employee. Employees of the corporation and  
18 any of its subsidiaries entitled to the benefits of the Workers'  
19 Compensation Law may receive additional benefits pursuant to a  
20 collective bargaining agreement or other plan, entered into or  
21 in effect on or after January 1, 2003, providing payments by or  
22 on behalf of the employer, and these additional benefits may be  
23 unrelated to any accumulated sick leave, holiday, or overtime  
24 credits and need not be charged against any accumulation;  
25 provided that the additional payments must not result in the  
26 payment of a total weekly rate of compensation that exceeds the  
27 weekly wage of the employee. The corporation and its  
28 subsidiaries may adopt rules and regulations consistent with  
29 chapter 179, to carry out the section relating to payment of  
30 additional benefits to employees from accumulated sick leave,  
31 vacation, overtime credits, or other sources.

32 Sec. 24. [383B.924] [HOSPITAL AUTHORITIES.]

33 The corporation shall not be considered a hospital or  
34 hospital district subject to section 144.581.

35 Sec. 25. [383B.925] [TAX-EXEMPT STATUS.]

36 The corporation is an organization exempt from taxation

1 pursuant to chapters 290 and 297A.

2 Sec. 26. [383B.926] [PREPAID HEALTH PLAN.]

3 The corporation is a county-affiliated public teaching  
4 hospital for purposes of section 256D.03, subdivision 4.

5 Sec. 27. [383B.927] [INTERGOVERNMENTAL TRANSFERS.]

6 For purposes of medical assistance, Medicaid, Medicare, and  
7 other public programs, the corporation shall continue to be a  
8 "unit of state or local government" and a "government owned or  
9 operated hospital," and shall be eligible to receive  
10 "intergovernmental transfers" and "certified public expenditures"  
11 as may be authorized from time to time by the state of Minnesota  
12 or Hennepin County.

13 Sec. 28. [383B.928] [INDIGENT CARE.]

14 Subdivision 1. [SERVICES.] The corporation shall provide  
15 health care and related services for the indigent of the county  
16 as required by the terms of the lease as specified in section  
17 383B.914, subdivision 2, consistent with any agreement for  
18 payment for those services made with the county.

19 Subd. 2. [FUNDS.] Notwithstanding any law to the contrary,  
20 the county may provide funds for the purchase of medical care  
21 for the indigent of the county from a provider selected by the  
22 county with or without public bid.

23 Sec. 29. [EFFECTIVE DATES.]

24 (a) Sections 3 to 8, regarding governance and corporate  
25 powers; section 14, subdivision 1, regarding the establishment  
26 of personnel policies; and section 17, regarding the Minnesota  
27 Open Meeting Law and the Government Data Practices Act are  
28 effective when the initial board of the corporation is appointed  
29 by the county board.

30 (b) The remaining sections of the bill are effective the  
31 day after the county board files a certificate of local approval  
32 in compliance with Minnesota Statutes, section 645.021,  
33 subdivision 3, after which the corporation shall commence  
34 operation and management of Hennepin County Medical Center.

35 ARTICLE 2

36 LABOR RELATIONS; RELATED ISSUES

1 Section 1. Minnesota Statutes 2004, section 179A.03,  
2 subdivision 7, is amended to read:

3 Subd. 7. [ESSENTIAL EMPLOYEE.] "Essential employee" means  
4 firefighters, peace officers subject to licensure under sections  
5 626.84 to 626.863, 911 system and police and fire department  
6 public safety dispatchers, guards at correctional facilities,  
7 confidential employees, supervisory employees, assistant county  
8 attorneys, assistant city attorneys, principals, and assistant  
9 principals. However, for state employees, "essential employee"  
10 means all employees in law enforcement, health care  
11 professionals, correctional guards, professional engineering,  
12 and supervisory collective bargaining units, irrespective of  
13 severance, and no other employees. For University of Minnesota  
14 employees, "essential employee" means all employees in law  
15 enforcement, nursing professional and supervisory units,  
16 irrespective of severance, and no other employees.  
17 "Firefighters" means salaried employees of a fire department  
18 whose duties include, directly or indirectly, controlling,  
19 extinguishing, preventing, detecting, or investigating fires.  
20 Employees for whom the state court administrator is the  
21 negotiating employer are not essential employees. For Hennepin  
22 Healthcare System, Inc. employees, "essential employees" means  
23 all employees.

24 Sec. 2. Minnesota Statutes 2004, section 179A.03,  
25 subdivision 15, is amended to read:

26 Subd. 15. [PUBLIC EMPLOYER OR EMPLOYER.] "Public employer"  
27 or "employer" means:

28 (a) the state of Minnesota for employees of the state not  
29 otherwise provided for in this subdivision or section 179A.10  
30 for executive branch employees;

31 (b) the Board of Regents of the University of Minnesota for  
32 its employees;

33 (c) the state court administrator for court employees;

34 (d) the state Board of Public Defense for its employees;

35 and

36 (e) Hennepin Healthcare System, Inc.; and

1        (f) notwithstanding any other law to the contrary, the  
2 governing body of a political subdivision or its agency or  
3 instrumentality which has final budgetary approval authority for  
4 its employees. However, the views of elected appointing  
5 authorities who have standing to initiate interest arbitration,  
6 and who are responsible for the selection, direction,  
7 discipline, and discharge of individual employees shall be  
8 considered by the employer in the course of the discharge of  
9 rights and duties under sections 179A.01 to 179A.25.

10        When two or more units of government subject to sections  
11 179A.01 to 179A.25 undertake a project or form a new agency  
12 under law authorizing common or joint action, the employer is  
13 the governing person or board of the created agency. The  
14 governing official or body of the cooperating governmental units  
15 shall be bound by an agreement entered into by the created  
16 agency according to sections 179A.01 to 179A.25.

17        "Public employer" or "employer" does not include a  
18 "charitable hospital" as defined in section 179.35, subdivision  
19 2.

20        Nothing in this subdivision diminishes the authority  
21 granted pursuant to law to an appointing authority with respect  
22 to the selection, direction, discipline, or discharge of an  
23 individual employee if this action is consistent with general  
24 procedures and standards relating to selection, direction,  
25 discipline, or discharge which are the subject of an agreement  
26 entered into under sections 179A.01 to 179A.25.

27        Sec. 3. [179A.40] [HENNEPIN HEALTHCARE SYSTEM, INC.]

28        Subdivision 1. [UNITS.] The following are the appropriate  
29 employee units of the Hennepin Healthcare System, Inc. No  
30 additional units of Hennepin Healthcare System, Inc., shall be  
31 eligible to be certified for the purpose of meeting and  
32 negotiating with an exclusive representative. The units include  
33 all:

34        (1) registered nurses;

35        (2) physicians;

36        (3) professionals except for registered nurses and

- 1 physicians;  
2 (4) technical and paraprofessional employees;  
3 (5) carpenters, electricians, painters, and plumbers;  
4 (6) health general service employees;  
5 (7) interpreters;  
6 (8) emergency medical technicians/emergency medical  
7 dispatchers (EMT/EMD), and paramedics;  
8 (9) bioelectronics specialists, bioelectronics technicians,  
9 and electronics technicians;  
10 (10) skilled maintenance employees; and  
11 (11) clerical employees.

12 Subd. 2. [NONCONFORMING UNITS.] Preexisting Hennepin  
13 County Medical Center bargaining units covered by existing labor  
14 agreements on the day following final enactment of this act that  
15 do not conform to one of the 11 units described in subdivision 1  
16 shall continue to be appropriate. If an employee representative  
17 seeks to represent employees who are residual to an existing  
18 nonconforming unit, then all of the employees who are residual  
19 to that unit shall be eligible to vote in an election conducted  
20 by the commissioner. An election shall be held when an employee  
21 organization or group of employees files a petition for an  
22 election and the petition is supported by a showing of interest  
23 from 30 percent or more of the employees who are residual to an  
24 existing nonconforming unit. The employees who are residual to  
25 an existing nonconforming unit shall be included within the  
26 existing nonconforming unit if a majority of the eligible  
27 employees who vote cast their ballots in favor of representation  
28 during an election conducted by the commissioner. Nothing shall  
29 preclude an exclusive representative and Hennepin Healthcare  
30 System, Inc., or prior to the formation of the corporation  
31 Hennepin County, from agreeing to an election conducted by the  
32 commissioner or other appropriate procedure by which less than  
33 all of the employees who are residual to an existing  
34 nonconforming unit may be added to the unit.

35 Sec. 4. Minnesota Statutes 2004, section 383B.117,  
36 subdivision 2, is amended to read:

1 Subd. 2. [EQUIPMENT ACQUISITION; CAPITAL NOTES.] The board  
2 of the corporation may, by resolution and without public  
3 referendum, issue capital notes within existing debt limits for  
4 the purpose of purchasing ambulance and other medical equipment,  
5 road construction or maintenance equipment, public safety  
6 equipment and other capital equipment having an expected useful  
7 life at least equal to the term of the notes issued. The notes  
8 shall be payable in not more than five years and shall be issued  
9 on terms and in a manner as the board determines. The total  
10 principal amount of the notes issued for any fiscal year shall  
11 not exceed one percent of the total annual budget for that year  
12 and shall be issued solely for the purchases authorized in this  
13 subdivision. A tax levy shall be made for the payment of the  
14 principal and interest on such notes as in the case of  
15 bonds. For purposes of this subdivision, the term "medical  
16 equipment" includes computer hardware and software and other  
17 intellectual property for use in medical diagnosis, medical  
18 procedures, research, record keeping, billing, and other  
19 hospital applications, together with application development  
20 services and training related to the use of the computer  
21 hardware and software and other intellectual property, all  
22 without regard to their useful life. For purposes of  
23 determining the amount of capital notes which the county may  
24 issue in any year, the budget of the county and Hennepin  
25 Healthcare System, Inc. shall be combined and the notes issuable  
26 under this subdivision shall be in addition to obligations  
27 issuable under section 373.01, subdivision 3.

28 Sec. 5. Minnesota Statutes 2004, section 383B.217,  
29 subdivision 7, is amended to read:

30 Subd. 7. [~~PURCHASES-AND-MARKETING~~ PURCHASING, CONTRACTING,  
31 MEETINGS, DATA.] (a) Contracting and purchasing made on behalf  
32 of the ~~Hennepin-County-Medical-Center-and-its-health-maintenance~~  
33 ~~organization-(HMO)~~, ambulatory health center, or other clinics  
34 authorized under section 383B.219, of goods, materials,  
35 supplies, equipment, and services that are incidental to or that  
36 are included as part of a contract for the purchase of goods,

1 materials, supplies, or equipment are specifically exempted from  
2 sections 383B.141 to 383B.151 and 471.345 or other applicable  
3 laws related to public procurement. Contracting and purchasing  
4 of services shall comply with sections 383B.141 to 383B.151 or  
5 other applicable laws related to public procurement.

6 (b) Notwithstanding chapter 13D, the county board on behalf  
7 of the ~~medical-center-and~~ HMO may meet in closed session to  
8 discuss and take action on specific products or services that  
9 are in direct competition with other providers of goods or  
10 services in the public or private sector, if disclosure of  
11 information pertaining to those matters would clearly harm the  
12 competitive position of the ~~medical-center-or~~ HMO.

13 (c) The ~~medical-center-and~~ HMO shall inform the county  
14 board when there are matters that are appropriate for discussion  
15 or action under paragraph (b). The county administrator or the  
16 administrator's designee shall give the board an opinion on the  
17 propriety of discussion or action under paragraph (b) for each  
18 of the matters. The county board may, by a majority vote in a  
19 public meeting, decide to hold a closed meeting under paragraph  
20 (b). The purpose, time, and place of the meeting must be  
21 announced at a public meeting. A written roll of members  
22 present at a closed meeting must be made available to the public  
23 after the closed meeting. The proceedings of a closed meeting  
24 must be tape recorded at the expense of the county board and be  
25 preserved for not less than five years after the meeting. The  
26 data on the tape are nonpublic data under section 13.02,  
27 subdivision 9, until two years after the meeting. A contract  
28 entered into by the county board at a meeting held on behalf of  
29 the ~~medical-center-or~~ HMO is subject to section 471.345. All  
30 bids and any related materials that are considered at the  
31 meeting must be retained for a period of not less than five  
32 years. After the expiration of the term of any contract entered  
33 into pursuant to this subdivision or a period of two years,  
34 whichever is less, the contract, the bids, and any related  
35 materials are public data. The contract, the bids, and any  
36 related materials are subject to review by the state auditor at

1 any time.

2 (d) Data concerning specific products or services that are  
3 in direct competition with other providers of goods or services  
4 in the public or private sector are trade secret information for  
5 purposes of section 13.37, to the extent disclosure of  
6 information pertaining to the matters would clearly harm the  
7 competitive position of the ~~medical-center-or~~ HMO. The data are  
8 trade secret information for the term of the contract or a  
9 two-year period, whichever is less.

10 (e) Notwithstanding section 471.345 or other applicable  
11 law, the county board on behalf of the ~~medical-center,~~ HMO,  
12 ambulatory health center, or other clinics authorized under  
13 section 383B.219, may contract, except for services, by any  
14 means that the county board or at its direction the ~~medical~~  
15 ~~center-or~~ HMO, ambulatory health center, or other clinics  
16 authorized under section 383B.219, may determine. When  
17 contracting for services, the county board must comply with  
18 sections 383B.141 to 383B.151 and other applicable law, except  
19 that the board may contract with a private or public cooperative  
20 purchasing organization if it can be established that the  
21 purchasing organization's services that are purchased have been  
22 awarded through a competitive or request for proposal process.

23 (f) This subdivision applies to the ~~medical-center,~~ HMO,  
24 ambulatory health centers, or other clinics authorized under  
25 section 383B.219, as well as any other organization,  
26 association, partnership, or corporation authorized by Hennepin  
27 County under section 144.581.

28 Sec. 6. [TRANSITION.]

29 Subdivision 1. [INITIAL BOARD.] For the first three years,  
30 the board of Hennepin Healthcare System, Inc., shall be governed  
31 by a board of directors consisting of 13 directors appointed by  
32 the county board according to the procedure specified in this  
33 act.

34 Subd. 2. [INITIAL HUMAN RESOURCES SYSTEM.] Input from  
35 Hennepin County Medical Center employees shall be obtained prior  
36 to the development of the human resources rules and policies for

1 the new corporation and the rules and policies shall be  
2 finalized and the county board shall, by a single-majority vote  
3 without amendment, approve the rules and policies and ratify  
4 labor agreements, prior to the county board's vote to file the  
5 certificate of local approval.

6 Notwithstanding Minnesota Statutes, section 179A.16,  
7 subdivision 2, for a period of two years after the date of  
8 creation of the corporation, an arbitrator or panel has no  
9 jurisdiction or authority to entertain any matter or issue  
10 established in human resources rules, policies, or benefit  
11 manuals, that were approved under this section.

12 Sec. 7. [REPEALER.]

13 Minnesota Statutes 2004, section 383B.217, subdivisions 1,  
14 2, 3, 4, 5, 6, and 8, are repealed.

15 Sec. 8. [EFFECTIVE DATE.]

16 Sections 1 to 7 and 9 are effective on the date specified  
17 in article 1, section 29, paragraph (b). Section 8 is effective  
18 the day following final enactment.

19 ARTICLE 3

20 CONFORMING RETIREMENT CHANGES

21 Section 1. Minnesota Statutes 2004, section 353.01,  
22 subdivision 2b, is amended to read:

23 Subd. 2b. [EXCLUDED EMPLOYEES.] The following public  
24 employees are not eligible to participate as members of the  
25 association with retirement coverage by the public employees  
26 retirement plan, the local government correctional employees  
27 retirement plan under chapter 353E, or the public employees  
28 police and fire retirement plan:

29 (1) public officers, other than county sheriffs, who are  
30 elected to a governing body, or persons who are appointed to  
31 fill a vacancy in an elective office of a governing body, whose  
32 term of office commences on or after July 1, 2002, for the  
33 service to be rendered in that elective position. Elected  
34 governing body officials who were active members of the  
35 association's coordinated or basic retirement plans as of June  
36 30, 2002, continue participation throughout incumbency in office

1 until termination of public service occurs as defined in  
2 subdivision 11a;

3 (2) election officers or election judges;

4 (3) patient and inmate personnel who perform services for a  
5 governmental subdivision;

6 (4) except as otherwise specified in subdivision 12a,  
7 employees who are hired for a temporary position as defined  
8 under subdivision 12a, and employees who resign from a  
9 nontemporary position and accept a temporary position within 30  
10 days in the same governmental subdivision;

11 (5) employees who are employed by reason of work emergency  
12 caused by fire, flood, storm, or similar disaster;

13 (6) employees who by virtue of their employment in one  
14 governmental subdivision are required by law to be a member of  
15 and to contribute to any of the plans or funds administered by  
16 the Minnesota State Retirement System, the Teachers Retirement  
17 Association, the Duluth Teachers Retirement Fund Association,  
18 the Minneapolis Teachers Retirement Fund Association, the St.  
19 Paul Teachers Retirement Fund Association, the Minneapolis  
20 Employees Retirement Fund, or any police or firefighters relief  
21 association governed by section 69.77 that has not consolidated  
22 with the Public Employees Retirement Association, or any local  
23 police or firefighters consolidation account who have not  
24 elected the type of benefit coverage provided by the public  
25 employees police and fire fund under sections 353A.01 to  
26 353A.10, or any persons covered by section 353.665, subdivision  
27 4, 5, or 6, who have not elected public employees police and  
28 fire plan benefit coverage. This clause must not be construed  
29 to prevent a person from being a member of and contributing to  
30 the Public Employees Retirement Association and also belonging  
31 to and contributing to another public pension plan or fund for  
32 other service occurring during the same period of time. A  
33 person who meets the definition of "public employee" in  
34 subdivision 2 by virtue of other service occurring during the  
35 same period of time becomes a member of the association unless  
36 contributions are made to another public retirement fund on the

1 salary based on the other service or to the Teachers Retirement  
2 Association by a teacher as defined in section 354.05,  
3 subdivision 2;

4 (7) persons who are members of a religious order and are  
5 excluded from coverage under the federal Old Age, Survivors,  
6 Disability, and Health Insurance Program for the performance of  
7 service as specified in United States Code, title 42, section  
8 410(a)(8)(A), as amended through January 1, 1987, if no  
9 irrevocable election of coverage has been made under section  
10 3121(r) of the Internal Revenue Code of 1954, as amended;

11 (8) employees of a governmental subdivision who have not  
12 reached the age of 23 and are enrolled on a full-time basis to  
13 attend or are attending classes on a full-time basis at an  
14 accredited school, college, or university in an undergraduate,  
15 graduate, or professional-technical program, or a public or  
16 charter high school;

17 (9) resident physicians, medical interns, and pharmacist  
18 residents and pharmacist interns who are serving in a degree or  
19 residency program in public hospitals;

20 (10) students who are serving in an internship or residency  
21 program sponsored by an accredited educational institution;

22 (11) persons who hold a part-time adult supplementary  
23 technical college license who render part-time teaching service  
24 in a technical college;

25 (12) except for employees of Hennepin County or Hennepin  
26 Healthcare System, Inc., foreign citizens working for a  
27 governmental subdivision with a work permit of less than three  
28 years, or an H-1b visa valid for less than three years of  
29 employment. Upon notice to the association that the work permit  
30 or visa extends beyond the three-year period, the foreign  
31 citizens must be reported for membership from the date of the  
32 extension;

33 (13) public hospital employees who elected not to  
34 participate as members of the association before 1972 and who  
35 did not elect to participate from July 1, 1988, to October 1,  
36 1988;

1 (14) except as provided in section 353.86, volunteer  
2 ambulance service personnel, as defined in subdivision 35, but  
3 persons who serve as volunteer ambulance service personnel may  
4 still qualify as public employees under subdivision 2 and may be  
5 members of the Public Employees Retirement Association and  
6 participants in the public employees retirement fund or the  
7 public employees police and fire fund, whichever applies, on the  
8 basis of compensation received from public employment service  
9 other than service as volunteer ambulance service personnel;

10 (15) except as provided in section 353.87, volunteer  
11 firefighters, as defined in subdivision 36, engaging in  
12 activities undertaken as part of volunteer firefighter duties;  
13 provided that a person who is a volunteer firefighter may still  
14 qualify as a public employee under subdivision 2 and may be a  
15 member of the Public Employees Retirement Association and a  
16 participant in the public employees retirement fund or the  
17 public employees police and fire fund, whichever applies, on the  
18 basis of compensation received from public employment activities  
19 other than those as a volunteer firefighter;

20 (16) pipefitters and associated trades personnel employed  
21 by Independent School District No. 625, St. Paul, with coverage  
22 under a collective bargaining agreement by the pipefitters local  
23 455 pension plan who were either first employed after May 1,  
24 1997, or, if first employed before May 2, 1997, elected to be  
25 excluded under Laws 1997, chapter 241, article 2, section 12;

26 (17) electrical workers, plumbers, carpenters, and  
27 associated trades personnel employed by Independent School  
28 District No. 625, St. Paul, or the city of St. Paul, who have  
29 retirement coverage under a collective bargaining agreement by  
30 the Electrical Workers Local 110 pension plan, the United  
31 Association Plumbers Local 34 pension plan, or the Carpenters  
32 Local 87 pension plan who were either first employed after May  
33 1, 2000, or, if first employed before May 2, 2000, elected to be  
34 excluded under Laws 2000, chapter 461, article 7, section 5;

35 (18) bricklayers, allied craftworkers, cement masons,  
36 glaziers, glassworkers, painters, allied tradesworkers, and

1 plasterers employed by the city of St. Paul or Independent  
2 School District No. 625, St. Paul, with coverage under a  
3 collective bargaining agreement by the Bricklayers and Allied  
4 Craftworkers Local 1 pension plan, the Cement Masons Local 633  
5 pension plan, the Glaziers and Glassworkers Local L-1324 pension  
6 plan, the Painters and Allied Trades Local 61 pension plan, or  
7 the Twin Cities Plasterers Local 265 pension plan who were  
8 either first employed after May 1, 2001, or if first employed  
9 before May 2, 2001, elected to be excluded under Laws 2001,  
10 First Special Session chapter 10, article 10, section 6;

11 (19) plumbers employed by the Metropolitan Airports  
12 Commission, with coverage under a collective bargaining  
13 agreement by the Plumbers Local 34 pension plan, who either were  
14 first employed after May 1, 2001, or if first employed before  
15 May 2, 2001, elected to be excluded under Laws 2001, First  
16 Special Session chapter 10, article 10, section 6;

17 (20) employees who are hired after June 30, 2002, to fill  
18 seasonal positions under subdivision 12b which are limited in  
19 duration by the employer to 185 consecutive calendar days or  
20 less in each year of employment with the governmental  
21 subdivision;

22 (21) persons who are provided supported employment or  
23 work-study positions by a governmental subdivision and who  
24 participate in an employment or industries program maintained  
25 for the benefit of these persons where the governmental  
26 subdivision limits the position's duration to three years or  
27 less, including persons participating in a federal or state  
28 subsidized on-the-job training, work experience, senior citizen,  
29 youth, or unemployment relief program where the training or work  
30 experience is not provided as a part of, or for, future  
31 permanent public employment;

32 (22) independent contractors and the employees of  
33 independent contractors; and

34 (23) reemployed annuitants of the association during the  
35 course of that reemployment.

36 Sec. 2. Minnesota Statutes 2004, section 353.01,

1 subdivision 2d, is amended to read:

2 Subd. 2d. [OPTIONAL MEMBERSHIP.] (a) Membership in the  
3 association is optional by action of the individual employee for  
4 the following public employees who meet the conditions set forth  
5 in subdivision 2a:

6 (1) members of the coordinated plan who are also employees  
7 of labor organizations as defined in section 353.017,  
8 subdivision 1, for their employment by the labor organization  
9 only if they elect to have membership under section 353.017,  
10 subdivision 2;

11 (2) persons who are elected or persons who are appointed to  
12 elected positions other than local governing body elected  
13 positions who elect to participate by filing a written election  
14 for membership;

15 (3) members of the association who are appointed by the  
16 governor to be a state department head and who elect not to be  
17 covered by the general state employees retirement plan of the  
18 Minnesota State Retirement System under section 352.021;

19 (4) city managers as defined in section 353.028,  
20 subdivision 1, who do not elect to be excluded from membership  
21 in the association under section 353.028, subdivision 2; and

22 (5) employees of the Port Authority of the city of St. Paul  
23 who were at least age 45 on January 1, 2003, and who elect to  
24 participate by filing a written election for membership.

25 (b) Membership in the association is optional by action of  
26 the governmental subdivision for the employees of the following  
27 governmental subdivisions under the conditions specified:

28 (1) the Minnesota Association of Townships if the board of  
29 the association, at its option, certifies to the executive  
30 director that its employees are to be included for purposes of  
31 retirement coverage, in which case the status of the association  
32 as a participating employer is permanent; and

33 (2) a county historical society if the county in which the  
34 historical society is located, at its option, certifies to the  
35 executive director that the employees of the historical society  
36 are to be county employees for purposes of retirement coverage

1 under this chapter. The status as a county employee must be  
2 accorded to all similarly situated county historical society  
3 employees and, once established, must continue as long as a  
4 person is an employee of the county historical society; and

5 (3) Hennepin Healthcare System, Inc., a public corporation,  
6 with respect to employees other than paramedics, emergency  
7 medical technicians, and protection officers, if the corporate  
8 board establishes alternative retirement plans for certain  
9 classes of employees of the corporation and certifies the  
10 employees to be excluded from future retirement coverage.

11 (c) For employees who are covered by paragraph (a), clause  
12 (1), (2), or (3), or covered by paragraph (b), clause (1) or  
13 (2), if the necessary membership election is not made, the  
14 employee is excluded from retirement coverage under this  
15 chapter. For employees who are covered by paragraph (a), clause  
16 (4), if the necessary election is not made, the employee must  
17 become a member and have retirement coverage under this  
18 chapter. For employees specified in paragraph (b), clause (3),  
19 membership continues until the exclusion option is exercised for  
20 the designated class of employee. The option to become a  
21 member, once exercised under this subdivision, may not be  
22 withdrawn until termination of public service as defined under  
23 subdivision 11a.

24 Sec. 3. Minnesota Statutes 2004, section 353.01,  
25 subdivision 6, is amended to read:

26 Subd. 6. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental  
27 subdivision" means a county, city, town, school district within  
28 this state, or a department or unit of state government, or any  
29 public body whose revenues are derived from taxation, fees,  
30 assessments or from other sources.

31 (b) Governmental subdivision also means the Public  
32 Employees Retirement Association, the League of Minnesota  
33 Cities, the Association of Metropolitan Municipalities, public  
34 hospitals owned or operated by, or an integral part of, a  
35 governmental subdivision or governmental subdivisions, the  
36 Association of Minnesota Counties, the Metropolitan Intercounty

1 Association, the Minnesota Municipal Utilities Association, the  
2 Metropolitan Airports Commission, the Minneapolis Employees  
3 Retirement Fund for employment initially commenced after June  
4 30, 1979, the Range Association of Municipalities and Schools,  
5 soil and water conservation districts, economic development  
6 authorities created or operating under sections 469.090 to  
7 469.108, the Port Authority of the city of St. Paul, the Spring  
8 Lake Park Fire Department, incorporated, the Lake Johanna  
9 Volunteer Fire Department, incorporated, the Red Wing  
10 Environmental Learning Center, and the Dakota County  
11 Agricultural Society, and Hennepin Healthcare System, Inc.

12 (c) Governmental subdivision does not mean any municipal  
13 housing and redevelopment authority organized under the  
14 provisions of sections 469.001 to 469.047; or any port authority  
15 organized under sections 469.048 to 469.089 other than the Port  
16 Authority of the city of St. Paul; or any hospital district  
17 organized or reorganized prior to July 1, 1975, under sections  
18 447.31 to 447.37 or the successor of the district, nor the  
19 Minneapolis Community Development Agency.

20 Sec. 4. Minnesota Statutes 2004, section 353.64,  
21 subdivision 10, is amended to read:

22 Subd. 10. [PENSION COVERAGE FOR HENNEPIN COUNTY HEALTHCARE  
23 SYSTEM, INC.; PARAMEDICS AND EMERGENCY MEDICAL TECHNICIANS.] An  
24 employee of Hennepin County Healthcare System, Inc. who is:

25 (1) certified as a paramedic or emergency medical  
26 technician by the state under section 144E.28, subdivision 4;

27 (2) employed full time as a paramedic or emergency medical  
28 technician by Hennepin County on or after the effective date  
29 specified in Laws 1994, chapter 499, section 2; and

30 (3) not eligible after the effective date under Laws 1994,  
31 chapter 499, section 2, for coverage under the agreement signed  
32 between the state and the secretary of the federal Department of  
33 Health and Human Services making the provisions of the federal  
34 Old Age, Survivors, and Disability Insurance Act applicable to  
35 paramedics and emergency medical technicians because the  
36 person's position is excluded after that date from application

1 under United States Code, title 42, sections 418(d)(5)(A) and  
 2 418(d)(8)(D), and section 355.07;  
 3 is a member of the public employees police and fire fund under  
 4 sections 353.63 to 353.68.

5 Hennepin ~~County~~ Healthcare System, Inc. shall deduct the  
 6 employee contribution from the salary of each full-time Hennepin  
 7 ~~County~~ paramedic and emergency medical technician it employs as  
 8 required by section 353.65, subdivision 2, shall make the  
 9 employer contribution for each full-time Hennepin-~~County~~  
 10 paramedic and emergency medical technician it employs as  
 11 required by section 353.65, subdivision 3, and shall meet the  
 12 employer recording and reporting requirements in section 353.65,  
 13 subdivision 4.

14 Sec. 5. Minnesota Statutes 2004, section 353E.02,  
 15 subdivision 2a, is amended to read:

16 Subd. 2a. [MEDICAL CENTER PROTECTION OFFICER.] (a) A  
 17 medical center protection officer, for purposes of subdivision  
 18 1, is a person whom the employer certifies:

19 (1) is employed by ~~the Hennepin County-Medical-Center~~  
 20 Healthcare System, Inc. as a protection officer;

21 (2) is directly responsible for the direct security of the  
 22 medical center;

23 (3) is expected to respond to any incidents within the  
 24 medical center as part of the person's regular employment duties  
 25 and is trained to do so; and

26 (4) is a "public employee" as defined in section 353.01,  
 27 but is not a member of the public employees police and fire plan.

28 (b) The certification required under paragraph (a) must be  
 29 made in writing on a form prescribed by the executive director  
 30 of the Public Employees Retirement Association.

31 Sec. 6. Minnesota Statutes 2004, section 383B.46, is  
 32 amended to read:

33 383B.46 [SUPPLEMENTAL RETIREMENT ACCOUNT.]

34 Subdivision 1. [ELIGIBILITY FOR COVERAGE.] Any person who  
 35 was employed by the county of Hennepin or its agencies, boards,  
 36 commissions, authorities and committees ~~prior-to~~ before April

1 14, 1982, as an employee or an officer in the classified service  
 2 as defined in sections 383B.26 to 383B.42, or as an employee in  
 3 the unclassified service, and who has served for five years as a  
 4 county employee or an officer in the classified service, or as a  
 5 county employee in the unclassified service, which need not  
 6 necessarily be continuous, and which ~~shall~~ must include time  
 7 served as a county employee ~~prior to~~ before June 8, 1965, if the  
 8 person is an employee in the classified service, ~~shall be~~ of the  
 9 county or if the person is an employee of Hennepin Healthcare  
 10 System, Inc., is entitled to elect to obtain coverage by the  
 11 Hennepin County supplemental retirement program. The election  
 12 to obtain coverage may be exercised only once and ~~shall~~ must be  
 13 exercised within 30 days of the date on which the person first  
 14 becomes entitled to elect to obtain coverage. No person hired,  
 15 rehired, or reinstated by the county as an employee in the  
 16 classified or unclassified service on or after April 14,  
 17 1982, ~~shall be~~ is eligible for coverage by the Hennepin County  
 18 supplemental retirement program.

19 Subd. 2. [ESTABLISHMENT OF ACCOUNT; CONTRIBUTIONS.] The  
 20 county of Hennepin or Hennepin Healthcare System, Inc.,  
 21 whichever applies, shall deduct from the salary of every person  
 22 who is eligible for coverage and who elected to retain or obtain  
 23 coverage by the Hennepin County supplemental retirement program  
 24 a sum equal to one percent of the total salary of the  
 25 person. ~~Any-classified-or-unclassified-employee-who-is-employed~~  
 26 ~~in-subsidized-on-the-job-training,-work-experience-or-public~~  
 27 ~~service-employment-as-an-enrollee-under-the-federal~~  
 28 ~~Comprehensive-Employment-and-Training-Act-shall-not-be-included~~  
 29 ~~in-the-supplemental-retirement-account-from-and-after-March-30,~~  
 30 ~~1978-unless-the-employee-has-as-of-the-later-of-March-30,-1978~~  
 31 ~~or-the-date-of-employment-sufficient-service-credit-in-the~~  
 32 ~~public-employees-retirement-fund-or-the-Minneapolis-municipal~~  
 33 ~~employees-retirement-fund,-whichever-is-applicable,-to-meet-the~~  
 34 ~~minimum-vesting-requirements-for-a-deferred-retirement-annuity,~~  
 35 ~~or-the-county-agrees-in-writing-to-make-the-required-employer~~  
 36 ~~contributions-on-account-of-the-individual-from-revenue-sources~~

1 ~~other-than-funds-provided-under-the-federal-Comprehensive~~  
2 ~~Employment-and-Training-Act,-or-the-employee-agrees-in-writing~~  
3 ~~to-make-the-required-employer-contribution-in-addition-to-the~~  
4 ~~employee-contribution.~~ The deduction shall be made in the same  
5 manner as other retirement deductions are made from the salary  
6 of the person. An amount equal to the amounts deducted during  
7 each payroll period ~~shall~~ must be contributed by the county of  
8 Hennepin or Hennepin Healthcare System, Inc., whichever  
9 applies. The total amount deducted and contributed ~~shall~~ must  
10 be deposited to the credit of the supplemental retirement  
11 account in the treasury of the county of Hennepin. The Hennepin  
12 County supplemental retirement account is hereby established as  
13 an account separate and distinct from other funds, accounts, or  
14 assets of the county of Hennepin.

15 Sec. 7. [EFFECTIVE DATE.]

16 Sections 1 to 6 are effective on the date specified in  
17 article 1, section 29, paragraph (b).

1 Senator ..... moves to amend S.F. No. 1956 as follows:  
2 Page 25, line 34, before "Input" insert "(a)"  
3 Page 26, line 6, before "Notwithstanding" insert "(b)"  
4 Page 26, line 11, after the period, insert "The initial  
5 contract for a newly recognized bargaining unit is not subject  
6 to the limitations set by this paragraph."

1 Senator ..... moves to amend S.F. No. 1956 as follows:

2 Page 26, delete section 8, and insert:

3 "Sec. 8. [EFFECTIVE DATE.]

4 Sections 1 to 5 and 7 are effective on the date specified

5 in article 1, section 29, paragraph (b). Section 6 is effective

6 the day following final enactment."

1 Senator Betzold from the Committee on Judiciary, to which  
2 was re-referred.

3 S.F. No. 1956: A bill for an act relating to public and  
4 municipal corporations; creating a county subsidiary corporation  
5 to provide health care and related services, education, and  
6 research; providing for governance of Hennepin County Medical  
7 Center; amending Minnesota Statutes 2004, sections 179A.03,  
8 subdivisions 7, 15; 353.01, subdivisions 2b, 2d, 6; 353.64,  
9 subdivision 10; 353E.02, subdivision 2a; 383B.117, subdivision  
10 2; 383B.217, subdivision 7; 383B.46; proposing coding for new  
11 law in Minnesota Statutes, chapters 179A; 383B; repealing  
12 Minnesota Statutes 2004, section 383B.217, subdivisions 1, 2, 3,  
13 4, 5, 6, 8.

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

16 Page 26, delete section 8 and insert:

17 "Sec. 8. [EFFECTIVE DATE.]

18 Sections 1 to 5 and 7 are effective on the date specified  
19 in article 1, section 29, paragraph (b). Section 6 is effective  
20 the day following final enactment."

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

23 .....  
24 (Committee Chair)

25 .....  
26 April 5, 2005.....  
27 (Date of Committee recommendation)