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AM AGENDA

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

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
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JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

recommended to
pass.

S.F. No. 3256 - Alcohol Without Liquid Devices

Author: Senator Jane B. Ranum

Prepared by: Christopher B. Stang, ^{CBS} Senate Counsel (651/296-0539)

Date: March 16, 2006

This bill bans alcohol without liquid devices in the state. An alcohol without liquid device is a machine that mixes an alcoholic beverage with pure or diluted oxygen to produce an alcohol vapor that may be inhaled by an individual. Bona fide research is exempt from the prohibition.

CBS:cs

A-1 adopted
in sub-
committee

Senator Ranum introduced-

S.F. No. 3256: Referred to the Committee on Commerce.

A bill for an act

relating to liquor; prohibiting alcohol without liquid devices; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Section 1. [340A.706] ALCOHOL WITHOUT LIQUID DEVICES PROHIBITED.

Subdivision 1. Definition. For purposes of this section, an "alcohol without liquid device" is a device, machine, apparatus, or appliance that mixes an alcoholic beverage with pure or diluted oxygen to produce an alcohol vapor that may be inhaled by an individual. An "alcohol without liquid device" does not include an inhaler, nebulizer, atomizer, or other device that is designed and intended specifically for medical purposes to dispense prescribed or over-the-counter medications.

Subd. 2. Prohibition. Except as provided in subdivision 3, it is unlawful for any person or business establishment to possess, purchase, sell, offer to sell, or use an alcohol without liquid device.

Subd. 3. Research exemption. This section does not apply to a hospital that operates primarily for the purpose of conducting scientific research, a state institution conducting bona fide research, a private college or university conducting bona fide research, or to a pharmaceutical company or biotechnology company conducting bona fide research.

1.1 Senator moves to amend S.F. No. 3256 as follows:

*Adopted in
Sub-
committee*

1.2 Page 1, line 12, before "Except" insert "(a)"

1.3 Page 1, after line 14, insert:

1.4 "(b) Except as provided in subdivision 3, it is unlawful for any person or business
1.5 establishment to utilize a nebulizer, inhaler, or atomizer or other device as described in
1.6 subdivision 1, for the purposes of inhaling alcoholic beverages."

1.1 Senator Scheid from the Committee on Commerce, to which was referred

1.2 S.F. No. 3256: A bill for an act relating to liquor; prohibiting alcohol without liquid
1.3 devices; proposing coding for new law in Minnesota Statutes, chapter 340A.

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


1.5 Page 1, line 12, before "Except" insert "(a)"

1.6 Page 1, after line 14, insert:

1.7 "(b) Except as provided in subdivision 3, it is unlawful for any person or business
1.8 establishment to utilize a nebulizer, inhaler, or atomizer or other device as described in
1.9 subdivision 1, for the purposes of inhaling alcoholic beverages."

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

1.11
1.12


.....
(Committee Chair)

1.13
1.14

March 27, 2006
(Date of Committee recommendation)

2. on Am Agenda

recommended to pass.
(as ammended.)

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

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Senate

State of Minnesota

S.F. No. 3026 - Service Cooperatives Health Reinsurance

Author: Senator Rod Skoe

Prepared by: Matthew S. Grosser, Senate Research (651/296-1890) *MS*

Date: March 24, 2006

The bill allows service cooperatives to offer health reinsurance programs to provide for the reinsurance of risks incurred as a result of providing health benefits, and may contract for goods and services in conjunction with a health reinsurance program. The bill requires the Commissioner of Commerce to supervise the operations of a service cooperative's reinsurance program. The bill also requires service cooperatives to file an annual report with the Commissioner of Commerce describing its reinsurance activities during the preceding year. The report must include a financial report and summary of reinsurance claims paid, and must be available for public inspection.

MSG:cs

Ade-1349 Adopted

Senators Skoe, Sams, Olson, Scheid and Wergin introduced—

S.F. No. 3026: Referred to the Committee on Health and Family Security.

1.1 A bill for an act
1.2 relating to insurance; authorizing service cooperatives to offer health reinsurance
1.3 programs; allowing local units of government to participate in the programs;
1.4 amending Minnesota Statutes 2004, sections 123A.21, subdivision 7; 471.61, by
1.5 adding a subdivision; 471.617, subdivision 3, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to
1.8 read:

1.9 Subd. 7. **Educational programs and services.** The board of directors of each SC
1.10 shall submit annually a plan to the members. The plan shall identify the programs and
1.11 services which are suggested for implementation by the SC during the following year and
1.12 shall contain components of long-range planning determined by the SC. These programs
1.13 and services may include, but are not limited to, the following areas:

- 1.14 (1) administrative services;
- 1.15 (2) curriculum development;
- 1.16 (3) data processing;
- 1.17 (4) distance learning and other telecommunication services;
- 1.18 (5) evaluation and research;
- 1.19 (6) staff development;
- 1.20 (7) media and technology centers;
- 1.21 (8) publication and dissemination of materials;
- 1.22 (9) pupil personnel services;
- 1.23 (10) planning;
- 1.24 (11) secondary, postsecondary, community, adult, and adult vocational education;

2.1 (12) teaching and learning services, including services for students with special
2.2 talents and special needs;

2.3 (13) employee personnel services;

2.4 (14) vocational rehabilitation;

2.5 (15) health, diagnostic, and child development services and centers;

2.6 (16) leadership or direction in early childhood and family education;

2.7 (17) community services;

2.8 (18) shared time programs;

2.9 (19) fiscal services and risk management programs, including health reinsurance
2.10 programs;

2.11 (20) technology planning, training, and support services;

2.12 (21) health and safety services;

2.13 (22) student academic challenges; and

2.14 (23) cooperative purchasing services.

2.15 An SC may contract for goods and services in conjunction with its health reinsurance
2.16 programs, including management, actuarial, investment, and legal services from others
2.17 within or without this state to ensure the efficient operation of these programs.

2.18 Sec. 2. Minnesota Statutes 2004, section 471.61, is amended by adding a subdivision
2.19 to read:

2.20 Subd. 6. Reinsuring health risks. Any political subdivision, or any two or more
2.21 political subdivisions acting jointly, may provide for the reinsuring of risks incurred as a
2.22 result of providing the insurance or protection authorized by this section by participating
2.23 in a pool operated by a service cooperative or cooperatives pursuant to section 471.617,
2.24 subdivision 3a.

2.25 Sec. 3. Minnesota Statutes 2004, section 471.617, subdivision 3, is amended to read:

2.26 **Subd. 3. Stop-loss coverage.** Any self-insurance plan covering fewer than 1,000
2.27 employees shall include excess or stop-loss coverage provided by a licensed insurance
2.28 company, an insurance company approved pursuant to sections 60A.195 to 60A.209,
2.29 or service plan corporation, but excess or stop-loss coverage need not be obtained for
2.30 long-term disability.

2.31 This excess or stop-loss coverage shall cover all eligible claims incurred during
2.32 the term of the policy or contract. In addition to excess or stop-loss coverage, the
2.33 self-insurance plan shall provide for reserving of an appropriate amount of funds to cover
2.34 the estimated cost of claims incurred, but unpaid, during the term of the policy or contract

3.1 which shall be added to the expected claim level. These funds shall be in addition to funds
3.2 reserved to cover the claims paid during the term of the policy or contract. The excess or
3.3 stop-loss coverage shall be provided at levels in excess of self-insured retention which is
3.4 appropriate, taking into account the number of covered persons in the group.

3.5 Coverage under subdivision 3a qualifies under this subdivision.

3.6 Sec. 4. Minnesota Statutes 2004, section 471.617, is amended by adding a subdivision
3.7 to read:

3.8 Subd. 3a. Reinsurance pools. (a) A statutory or home rule charter city, county,
3.9 school district, or instrumentality of any of them may provide for the reinsuring of risks
3.10 incurred as a result of providing the health benefits authorized by this section through
3.11 a pool operated by a service cooperative or service cooperatives established pursuant
3.12 to section 123A.21.

3.13 (b) The commissioner of commerce shall supervise the operations of a reinsurance
3.14 pool by a service cooperative or cooperatives according to this section. The commissioner
3.15 of commerce may examine the cooperative or cooperatives. The reinsurance policy forms,
3.16 contracts, premium rates, and assessments of the service cooperative or cooperatives are
3.17 subject to the approval of the commissioner of commerce. The policy forms, contracts,
3.18 and premium rates are considered approved if not disapproved by the commissioner of
3.19 commerce within 60 days after the date they are filed with the commissioner of commerce.
3.20 Assessments made by the service cooperative or cooperatives are considered approved if
3.21 not disapproved by the commissioner of commerce within 15 business days after they
3.22 are filed with the commissioner of commerce. The service cooperative or cooperatives
3.23 shall notify the commissioner of all service cooperative or board meetings during which
3.24 it is contemplated that the operations of the reinsurance pool will be discussed, and
3.25 the commissioner or the commissioner's designee may attend these meetings. The
3.26 cooperative or cooperatives shall file an annual report with the commissioner on or before
3.27 July 1 of each year, beginning July 1, 2008, describing its reinsurance activities during
3.28 the preceding calendar year. The report must include a financial report and a summary of
3.29 reinsurance claims paid. The annual report must be available for public inspection.

3.30 Sec. 5. EFFECTIVE DATE.

3.31 Sections 1 to 4 are effective the day following final enactment.

Becker

3024

Adopted

1.1 Senator moves to amend S.F. No. as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to
1.4 read:

1.5 Subd. 7. **Educational programs and services.** The board of directors of each SC
1.6 shall submit annually a plan to the members. The plan shall identify the programs and
1.7 services which are suggested for implementation by the SC during the following year and
1.8 shall contain components of long-range planning determined by the SC. These programs
1.9 and services may include, but are not limited to, the following areas:

- 1.10 (1) administrative services;
- 1.11 (2) curriculum development;
- 1.12 (3) data processing;
- 1.13 (4) distance learning and other telecommunication services;
- 1.14 (5) evaluation and research;
- 1.15 (6) staff development;
- 1.16 (7) media and technology centers;
- 1.17 (8) publication and dissemination of materials;
- 1.18 (9) pupil personnel services;
- 1.19 (10) planning;
- 1.20 (11) secondary, postsecondary, community, adult, and adult vocational education;
- 1.21 (12) teaching and learning services, including services for students with special
1.22 talents and special needs;
- 1.23 (13) employee personnel services;
- 4 (14) vocational rehabilitation;
- 1.25 (15) health, diagnostic, and child development services and centers;
- 1.26 (16) leadership or direction in early childhood and family education;
- 1.27 (17) community services;
- 1.28 (18) shared time programs;
- 1.29 (19) fiscal services and risk management programs, including health insurance
1.30 programs providing reinsurance or stop loss coverage;
- 1.31 (20) technology planning, training, and support services;
- 1.32 (21) health and safety services;
- 1.33 (22) student academic challenges; and
- 1.34 (23) cooperative purchasing services.

2.1 An SC is subject to regulation and oversight by the commissioner of commerce
2.2 under the insurance laws of this state when operating a health reinsurance program
2.3 pursuant to clause (19) providing reinsurance or stop loss coverage.

2.4 Sec. 2. **EFFECTIVE DATE.**

2.5 Section 1 is effective the day following final enactment."

2.6 Delete the title and insert:

2.7 "A bill for an act

2.8 relating to insurance; authorizing service cooperatives to offer health programs
2.9 providing reinsurance or stop loss coverage; amending Minnesota Statutes 2004,
2.10 section 123A.21, subdivision 7."

1.1 **Senator Scheid from the Committee on Commerce, to which was referred**

1.2 **S.F. No. 3026:** A bill for an act relating to insurance; authorizing service
 1.3 cooperatives to offer health reinsurance programs; allowing local units of government
 1.4 to participate in the programs; amending Minnesota Statutes 2004, sections 123A.21,
 1.5 subdivision 7; 471.61, by adding a subdivision; 471.617, subdivision 3, by adding a
 1.6 subdivision.

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

1.8 Delete everything after the enacting clause and insert:

1.9 "Section 1. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to

1.10 read:

1.11 **Subd. 7. Educational programs and services.** The board of directors of each SC
 1.12 shall submit annually a plan to the members. The plan shall identify the programs and
 1.13 services which are suggested for implementation by the SC during the following year and
 1.14 shall contain components of long-range planning determined by the SC. These programs
 1.15 and services may include, but are not limited to, the following areas:

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1.20 (5) evaluation and research;

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1.23 (8) publication and dissemination of materials;

1.24 (9) pupil personnel services;

1.25 (10) planning;

1.26 (11) secondary, postsecondary, community, adult, and adult vocational education;

1.27 (12) teaching and learning services, including services for students with special

1.28 talents and special needs;

1.29 (13) employee personnel services;

1.30 (14) vocational rehabilitation;

1.31 (15) health, diagnostic, and child development services and centers;

1.32 (16) leadership or direction in early childhood and family education;

1.33 (17) community services;

1.34 (18) shared time programs;

1.35 (19) fiscal services and risk management programs, including health insurance
programs providing reinsurance or stop loss coverage;

1.37 (20) technology planning, training, and support services;

1.38 (21) health and safety services;

2.1 (22) student academic challenges; and

2.2 (23) cooperative purchasing services.

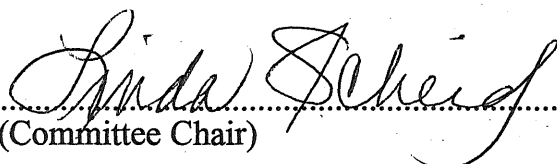
2 An SC is subject to regulation and oversight by the commissioner of commerce
2.4 under the insurance laws of this state when operating a health reinsurance program
2.5 pursuant to clause (19) providing reinsurance or stop loss coverage.

2.6 **Sec. 2. EFFECTIVE DATE.**

2.7 Section 1 is effective the day following final enactment."

2.8 Amend the title accordingly

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

2.10 .....
2.11 (Committee Chair)

2.12 March 27, 2006
2.13 (Date of Committee recommendation)

3.
**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

**S.F. No. 2524 - Adult Foster Care Services Homeowner's
Coverage (delete-everything amendment - SCS2524A-1)**

Author: Senator Tom Saxhaug

Prepared by: Christopher B. Stang, ^{CBS} Senate Counsel (651/296-0539)

Date: March 23, 2006

This bill provides that there is no coverage under a foster care for adults provider's homeowner's insurance for loss arising out of the operation of foster care for adults services, unless specifically covered in a policy or rider for business coverage attached to a policy. Prohibits an insurer from refusing to renew or decline to offer or write homeowner's insurance coverage solely because the property to be covered houses foster care for adults for five or fewer adult residents.

CBS:cs

A-1 as amended, recommended to pass.

Senator Saxhaug introduced-

S.F. No. 2524: Referred to the Committee on Commerce.

1.1 A bill for an act
1.2 relating to homeowner's insurance; regulating coverage for home-based adult
1.3 foster care services; proposing coding for new law in Minnesota Statutes, chapter
1.4 65A.

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

1.6 Section 1. **[65A.301] HOME-BASED ADULT FOSTER CARE SERVICES;**
1.7 **PROHIBITED UNDERWRITING PRACTICES.**

1.8 No insurer shall refuse to renew, or decline to offer or write, homeowner's insurance
1.9 coverage solely because the property to be covered houses foster care for adults provided
1.10 to five or fewer adult residents by caregivers who also reside in the home.

1.11 For purposes of this section, "foster care for adults" has the meaning given in section
2 245A.02, subdivision 6c.

1.13 Sec. 2. **EFFECTIVE DATE; APPLICATION.**

1.14 Section 1 is effective January 1, 2007, and applies to coverages applied for, issued,
1.15 or renewed on or after that date.

Sams

Adopted

1.1 Senator moves to amend S.F. No. 2524 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[65A.301] ADULT FOSTER CARE SERVICES; COVERAGE.**

1.4 Subdivision 1. No coverage. There shall be no coverage under a foster care for
1.5 adults provider's homeowner's insurance policy for losses or damages arising out of the
1.6 operation of foster care for adults services unless:

1.7 (1) specifically covered in a policy; or

1.8 (2) covered by a rider for business coverage attached to a policy.

1.9 For purposes of this section, "foster care for adults" has the meaning given in section
1.10 245A.02, subdivision 6c.

1.11 Subd. 2. Prohibited underwriting practices. No insurer shall refuse to renew, or
1.12 decline to offer or write, homeowner's insurance coverage solely because the property to
1.13 be covered houses foster care for adults services for five or fewer adult residents."

1.14 Amend the title accordingly

1.1 **Senator Scheid from the Committee on Commerce, to which was referred**

1.2 **S.F. No. 2524:** A bill for an act relating to homeowner's insurance; regulating
1.3 coverage for home-based adult foster care services; proposing coding for new law in
1.4 Minnesota Statutes, chapter 65A.

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

1.6 Delete everything after the enacting clause and insert:

1.7 **"Section 1. [65A.301] ADULT FOSTER CARE SERVICES; COVERAGE.**

1.8 **Subdivision 1. No coverage. There shall be no coverage under a foster care for**
1.9 **adults provider's homeowner's insurance policy for losses or damages arising out of the**
1.10 **operation of foster care for adults services unless:**

1.11 **(1) specifically covered in a policy; or**

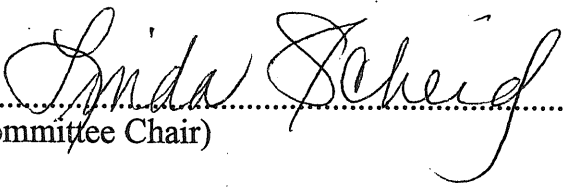
1.12 **(2) covered by a rider for business coverage attached to a policy.**

1.13 **For purposes of this section, "foster care for adults" has the meaning given in section**
1.14 **245A.02, subdivision 6c.**

1.15 **Subd. 2. Prohibited underwriting practices. No insurer shall refuse to renew, or**
1.16 **decline to offer or write, homeowner's insurance coverage solely because the property to**
1.17 **be covered houses foster care for adults services for five or fewer adult residents."**

1.18 Amend the title accordingly

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

1.20 
1.21 (Committee Chair)

1.22 March 27, 2006
1.23 (Date of Committee recommendation)