

- (1) three representatives from the Association of Minnesota Counties;
  - (2) three representatives from the League of Minnesota Cities;
  - (3) two representatives from the Association of Metropolitan Municipalities; and
  - (4) one representative from the Minnesota Association of Townships; and
  - (5) one representative from the Minnesota Association of School Administrators.
- (c) This subdivision expires June 30, 1999.

**Sec. 2. EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor March 20, 1998

Signed by the governor March 23, 1998, 10:57 a.m.

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**CHAPTER 326—H.F.No. 3644**

*An act relating to telecommunications; modifying voting requirements for extended area service within combined school districts; amending Laws 1997, chapter 59, section 1, subdivision 3.*

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

Section 1. Laws 1997, chapter 59, section 1, subdivision 3, is amended to read:

Subd. 3. **CRITERIA.** The commission shall grant a petition under subdivision 1 when each of the following criteria has been met:

- (1) a majority of ballots of the customers voting in each of the local telephone exchanges identified in the petition favor extended area service installation;
- (2) at least ten percent of the customers of each local telephone exchange identified in the petition are also residents of the combined school district; and
- (3) each local telephone exchange identified in the petition is contiguous to another exchange identified in the petition.

**Sec. 2. EFFECTIVE DATE.**

Section 1 is effective on the day following final enactment, and applies to petitions for which a vote under Laws 1997, chapter 59, section 1, subdivision 3, has not been taken as of that date.

Presented to the governor March 20, 1998

Signed by the governor March 23, 1998, 10:53 a.m.

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**CHAPTER 327—H.F.No. 2309**

*An act relating to financial institutions; regulating use of spousal credit history; requiring that creditors consider a credit history in the name of the applicant's spouse; requiring that creditors re-*

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*port a credit history in the names of both spouses; proposing coding for new law in Minnesota Statutes, chapter 325G.*

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

**Section 1. [325G.042] CONSUMER CREDIT; EQUAL TREATMENT OF SPOUSES.**

**Subdivision 1. CONSIDERATION REQUIRED; SPOUSAL CREDIT HISTORY.** To the extent that a creditor considers credit history in evaluating the credit worthiness of similarly qualified applicants for a similar type and amount of credit, in evaluating an applicant's credit worthiness, a creditor shall consider:

(1) the credit history, when available, of accounts designated as accounts that the applicant and the applicant's spouse are permitted to use or for which both are contractually liable;

(2) at the applicant's request, any information the applicant may present that tends to indicate that the credit history being considered by the creditor does not accurately reflect the applicant's creditworthiness; and

(3) at the applicant's request, the credit history, when available, of any account reported in the name of the applicant's spouse or former spouse that the applicant can demonstrate accurately reflects the applicant's credit worthiness.

**Subd. 2. CREDIT REPORTING; EQUAL TREATMENT OF SPOUSES.** (a) A creditor that furnishes credit information shall designate:

(1) any new credit account to reflect the participation of both spouses if the applicant's spouse is contractually liable on the account, other than as a guarantor, surety, endorser, or similar party; and

(2) any existing credit account to reflect such participation, within 90 days after receiving a written request to do so from one of the spouses.

(b) If a creditor furnishes credit information to a consumer reporting agency concerning a credit account designated to reflect the participation of both spouses, the creditor shall furnish the information in a manner that will enable the agency to provide access to the information in the name of each spouse.

(c) If a creditor furnishes credit information in response to an inquiry concerning a credit account designated to reflect the participation of both spouses, the creditor shall furnish the information in the name of the spouse about whom the information is requested.

**Subd. 3. DEFENSE.** A creditor's failure to comply with this section is not a violation if it results from an inadvertent error, provided that the creditor promptly, and at no cost to the applicant or borrower, rectified the error after it was brought to the creditor's attention.

**Subd. 4. ENFORCEMENT.** (a) Enforcement of this section is under section 8.31, except that in a private cause of action under section 8.31, subdivision 3a, the damages are limited to \$1,000 and the plaintiff has no right to recover costs of investigation and attorney fees.

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(b) No one may bring a private cause of action under this section unless the individual has first in good faith attempted to correct the problem with the party violating the section.

Subd. 5. COMPLIANCE WITH FEDERAL LAW. Compliance with the requirements of the Federal Consumer Credit Protection Act, title VII (Equal Credit Opportunity), United States Code, title 15, section 1691 et seq., as amended and the regulations promulgated under those sections dealing with the subject matter of this section, shall be deemed to be in compliance with this section.

Subd. 6. DEFINITION OF ACCOUNT. For purposes of this section, the term "account" means an extension of consumer credit and the word "use" in relation to an account refers only to open-end credit.

**Sec. 2. EFFECTIVE DATE.**

Section 1 is effective January 1, 1999.

Presented to the governor March 20, 1998

Signed by the governor March 23, 1998, 10:55 a.m.

**CHAPTER 328—S.F.No. 2659**

*An act relating to insurance; regulating life insurance company investments and financial transactions; regulating qualified long-term care policies; modifying the definition of chronically ill individual; amending Minnesota Statutes 1996, section 61A.28, subdivisions 6, 9a, and 12; Minnesota Statutes 1997 Supplement, section 62S.01, subdivision 8.*

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

Section 1. Minnesota Statutes 1996, section 61A.28, subdivision 6, is amended to read:

**Subd. 6. STOCKS, OBLIGATIONS, AND OTHER INVESTMENTS.** (a) Common stocks, common stock equivalents, or securities convertible into common stock or common stock equivalents of a business entity organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof, if the net earnings of the business entity after the elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period.

(b) Preferred stock of, or common or preferred stock guaranteed as to dividends by a business entity organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof, under the following conditions: (1) No investment may be made under this paragraph in a stock upon which any dividend, current or cumulative, is in arrears; (2) the company may not invest in stocks under this paragraph and in common stocks under paragraph (a) if the investment causes the company's aggre-

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