

CHAPTER 471

RIGHTS, POWERS, DUTIES; SEVERAL
POLITICAL SUBDIVISIONS

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471.345 UNIFORM MUNICIPAL CONTRACTING LAW.

[For text of subs 1 and 2, see M.S.1982]

Subd. 3. **Contracts over \$15,000.** If the amount of the contract is estimated to exceed \$15,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof provided that with regard to repairs and maintenance of ditches, bids shall not be required if the estimated amount of the contract does not exceed the amount specified in section 106.471, subdivision 2.

Subd. 4. **Contracts from \$10,000 to \$15,000.** If the amount of the contract is estimated to exceed \$10,000 but not to exceed \$15,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Subd. 5. **Contracts less than \$10,000.** If the amount of the contract is estimated to be \$10,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body; but shall be based on at least two quotations which shall be kept on file for a period of at least one year after receipt thereof.

[For text of subs 6 to 8, see M.S.1982]

Subd. 9. **Energy efficiency service contracts.** Notwithstanding any law to the contrary, a municipality may enter into a contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of buildings or facilities owned by the municipality provided that:

- (a) the term of the contract does not exceed ten years;
- (b) the entire cost of the contract is a percentage of the resultant savings in energy costs;
- (c) the contract for purchase is based on a competitive basis; and
- (d) the municipality may unilaterally cancel the agreement if the governing board of the municipality fails to appropriate money to continue the contract.

History: 1983 c 42 s 1-3; 1983 c 301 s 211

471.58 RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS;
MEMBERSHIP.

For the purpose of providing an area-wide approach to problems which demand coordinated and cooperative actions and which are common to those

areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron ranges area of northeast Minnesota, any city, town or school district in which the assessed valuation consists in part of iron ore, or lands containing taconite or semi-taconite or which is located in whole or part in the tax relief area defined by section 273.134, may pay annual dues in the range association of municipalities and schools. The association may sue, be sued, intervene and act in a civil action in which the outcome of the action will have an effect upon the interest of any of its members.

History: 1983 c 64 s 1

471.59 JOINT EXERCISE OF POWERS.

[For text of subs 1 to 10, see M.S.1982]

Subd. 11. **Joint powers board.** Two or more governmental units, through action of their governing bodies, may establish a joint board to issue bonds or obligations pursuant to any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board created pursuant to this section may issue obligations and other forms of indebtedness only pursuant to authority granted by the action of the governing bodies of the governmental units which established the joint board. The joint board established pursuant to this subdivision shall be composed solely of members of the governing bodies of the governmental unit which established the joint board, and the joint board may not pledge the full faith and credit or taxing power of any of the governmental units which established the joint board. The obligations or other forms of indebtedness shall be obligations of the joint board. The obligations or other forms of indebtedness shall be issued in the same manner and subject to the same conditions and limitations which would apply if the obligations were issued or indebtedness incurred by one of the governmental units which established the joint board provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness shall be considered a reference to the joint board.

History: 1983 c 342 art 8 s 15

471.617 SELF-INSURANCE OF EMPLOYEE HEALTH BENEFITS.

Subdivision 1. A statutory or home rule charter city, county, school district, or instrumentality thereof which has more than 100 employees, may by ordinance or resolution self-insure for any employee health benefits including long-term disability, but not for employee life benefits. Any self-insurance plan shall provide all benefits which are required by law to be provided by group health insurance policies. Self-insurance plans shall be certified as provided by section 62E.05. Employee wage deductions for the purpose of funding a self-insured health benefit plan are subject to the licensing provisions of section 60A.23, subdivision 7.

Subd. 2. Any two or more statutory or home rule charter cities, counties, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same

requirements as an individual self-insurer under subdivision 1. The commissioner of insurance may adopt rules, including emergency rules, pursuant to sections 14.01 to 14.70, providing standards or guidelines for the operation and administration of self-insurance pools.

Subd. 3. Any self-insurance plan covering fewer than 1,000 employees shall include excess or stop-loss coverage provided by a licensed insurance company, an insurance company approved pursuant to section 60A.20, or service plan corporation, but excess or stop-loss coverage need not be obtained for long-term disability.

This excess or stop-loss coverage shall cover all eligible claims incurred during the term of the policy or contract. In addition to excess or stop-loss coverage, the self-insurance plan shall provide for reserving of an appropriate amount of funds to cover the estimated cost of claims incurred, but unpaid, during the term of the policy or contract which shall be added to the expected claim level. These funds shall be in addition to funds reserved to cover the claims paid during the term of the policy or contract. The excess or stop-loss coverage shall be provided at levels in excess of self-insured retention which is appropriate, taking into account the number of covered persons in the group.

[For text of subs 4 to 6, see M.S.1982]

History: 1983 c 241 s 9-11

471.705 MEETINGS OF GOVERNING BODIES; OPEN TO PUBLIC; EXCEPTIONS.

[For text of subs 1 and 1a, see M.S.1982]

Subd. 1b. In any meeting which under subdivision 1 must be open to the public, at least one copy of any printed materials relating to the agenda items of the meeting which are prepared or distributed by or at the direction of the governing body or its employees and which are:

- (1) distributed at the meeting to all members of the governing body;
- (2) distributed before the meeting to all members; or
- (3) available in the meeting room to all members;

shall be available in the meeting room for inspection by the public. The materials shall be available to the public while the governing body considers their subject matter. This subdivision does not apply to materials classified by law as other than public as defined in chapter 13, or to materials relating to the agenda items of a closed meeting held in accordance with the procedures in subdivision 1a or other law permitting the closing of meetings. If a member intentionally violates the requirements of this subdivision, that member shall be subject to a civil penalty in an amount not to exceed \$100. An action to enforce this penalty may be brought by any person in any court of competent jurisdiction where the administrative office of the member is located.

[For text of subs 2 and 3, see M.S.1982]

History: 1983 c 137 s 1

471.981 SELF-INSURANCE COVERAGE BY POLITICAL SUBDIVISION.

[For text of subs 1 to 4, see M.S.1982]

Subd. 5. A town may use a self-insurance revolving fund or pool to discharge the bond requirements provided by chapter 367 for the town clerk and treasurer.

History: 1983 c 4 s 1

471.982 REVIEW OF JOINT SELF-INSURANCE POOL.

[For text of subd 1, see M.S.1982]

Subd. 2. The commissioner of insurance is authorized to adopt administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self-insurance pools, and other reasonable requirements to further the purpose of this section. In developing the rules under this section, the commissioner shall consider the following:

(a) The requirements for self-insuring pools of political subdivisions shall be no more restrictive and may be less restrictive than the requirements for self-insuring pools of private employers;

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

(c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self-insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner pursuant to section 60A.23, subdivision 8;

(d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

(e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

(f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

(g) Premiums shall be neither excessive, inadequate, nor unfairly discriminatory;

(h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

(i) Each pool shall be audited annually by a certified public accountant;

(j) Whether limitations on the payment of dividends to pool members are necessary to assure the solvency of the pool in view of the taxing and levying authority of political subdivisions;

(k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

(l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

(m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

(n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

(o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Subd. 3. Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust or the Minnesota association of counties insurance trust are exempt from the requirements of this section.

History: 1983 c 290 s 169,170; 1983 c 328 s 10

471.99 NOTICE OF GOVERNMENT ACTION.

Except when other notice is required by law, the state, or any of its political subdivisions, shall give any affected town, statutory or home rule charter city, and county 30 days prior written notice of any action by the state or political subdivision that will directly affect the use of land in the town, statutory or home rule charter city, or county relating to sanitary landfills, waste disposal sites, construction of new buildings, roads, and related facilities where the cost exceeds \$15,000, and park establishments or boundary expansions. Master plans prepared pursuant to section 86A.09 shall be considered adequate notice as required by this section. Failure to give any notice required by this section shall not be grounds for a civil or criminal action of any nature against any party, for the imposition of a civil or criminal penalty against any party or for the challenge or invalidation of any action taken by the state, a political subdivision or any other party.

History: 1983 c 218 s 1