

The council may also review literature and other information about innovative programs in Minnesota and other states and disseminate the results of this research throughout the state. The council may identify ideas for innovative programs in the course of this research and solicit proposals from school boards for grants for such programs; provided not to exceed ten percent of the funds appropriated to the venture fund in any year may be expended to fund such research and programs.

The council shall make a report by November 15 of each even numbered year to the legislature concerning all research and all proposals received and the dispositions made thereof by the council and the state board of education.

Sec. 2. Minnesota Statutes 1976, Section 3.927, is amended to read:

**3.927 STATE BOARD AND COMMISSIONER.** The state board of education shall develop and promulgate such additional recommendatory guidelines as may be appropriate for the furtherance of sections 3.924 to 3.927 and the development and implementation of the programs contemplated herein, for its benefit and the benefit of the council and applicants. The commissioner of education shall make available to the council at its request such staff as the council deems necessary to perform its functions. The council may also employ or contract for the services of outside consultants, and as much of the annual appropriation to the state department of education, made by ~~Extra Session Laws 1971, Chapter 31, Article 15, Section 5;~~ for the purposes of sections 3.924 to 3.927 as is necessary, shall be made available to the council for this purpose.

Approved June 2, 1977.

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**CHAPTER 405—H.F.No.971**

*An act relating to insurance; providing financial requirements for nonprofit health service plan corporations; amending Minnesota Statutes 1976, Section 62C.09, Subdivision 3.*

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

Section 1. Minnesota Statutes 1976, Section 62C.09, Subdivision 3, is amended to read:

Subd. 3. **INSURANCE; NONPROFIT HEALTH SERVICE PLANS; FINANCIAL REQUIREMENTS.** If organized on a capital stock basis, a service plan corporation shall never reduce its capital, and both capital stock and membership corporations shall maintain a surplus, in addition to all reserves established, of not less than the greater of the initial surplus reduced by \$100,000 or 25 percent of the sum of all health service claims incurred, and administrative expenses in connection therewith, during the previous calendar year. Corporations whose service plans are limited to the provision of dental services or vision care service only and all of whose service plan contracts have limits for specified benefits and limits for average maximum benefits of not greater than \$1,000 per year per insured, shall maintain a surplus, in addition to all

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reserves established, of not less than the greater of the initial surplus reduced by \$100,000 or ten percent of the sum of all health service claims incurred, and administrative expenses in connection therewith, during the previous calendar year; but the minimum shall not be required to exceed the financial requirements for surplus required for insurance companies operating upon the stock plan under section 60A.07, subdivision 5a as to those companies described in section 60A.06, subdivision 1, clause 5 (a). The surplus shall not exceed 50 percent of the sum of all health service claims incurred, and administrative expenses in connection therewith, during the previous calendar year unless such amount is less than the initial surplus reduced by \$100,000. The percentage amounts shall be determined from a financial statement and certified audit filed annually and subject to verification of an examination by the commissioner.

Sec. 2. This act is effective the day following its final enactment.

Approved June 2, 1977.

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CHAPTER 406—H.F.No.980

*An act relating to public health; regulations for the preservation of public health; authorizing the state board of health to regulate the establishment, operation and maintenance of certain non-hospital clinical laboratories; amending Minnesota Statutes 1976, Section 144.12, Subdivision 1.*

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

Section 1. Minnesota Statutes 1976, Section 144.12, Subdivision 1, is amended to read:

**144.12 PUBLIC HEALTH; CLINICAL LABORATORIES; REGULATION, ENFORCEMENT, LICENSES, FEES.** Subdivision 1. The board may adopt, alter, and enforce reasonable regulations of permanent application throughout the whole or any portion of the state, or for specified periods in parts thereof, for the preservation of the public health. Upon the approval of the attorney general and the due publication thereof, such regulations shall have the force of law, except insofar as they may conflict with a statute or with the charter or ordinance of a city of the first class upon the same subject. The board may control, by adoption of regulations, by requiring the taking out of licenses or permits, or by other appropriate means, any of the following matters:

- (1) The manufacture into articles of commerce, other than food, of diseased, tainted, or decayed animal or vegetable matter;
- (2) The business of scavenging and the disposal of sewage;
- (3) The location of mortuaries and cemeteries and the removal and burial of the dead;

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