

insurance policies under Minnesota Statutes, Section 62A.04, as authorized by sections 1 to 13, shall be construed to limit or reduce an insured's or beneficiary's rights granted under those statutory provisions.

Sec. 14. **EFFECTIVE DATE.** This act is effective on the day following its final enactment.

Approved May 27, 1977.

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**CHAPTER 346—H.F.No.1223**

*An act relating to administrative procedures; providing for notice in various administrative decisions; removing hearing requirements in certain application proceedings when no objections to the application are received; amending Minnesota Statutes 1976, Sections 10A.20, Subdivision 10; 17A.06, Subdivisions 2 and 3; 27.06; 53.03, Subdivisions 1, 2 and 3; 144.802; 155.11, Subdivisions 1 and 2; 216A.05, Subdivision 5; 218.041, Subdivision 3; and 219.741; repealing Minnesota Statutes 1976, Section 53.03, Subdivision 3.*

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

Section 1. Minnesota Statutes 1976, Section 10A.20, Subdivision 10, is amended to read:

**Subd. 10. ADMINISTRATIVE PROCEDURES; NOTICE AND HEARINGS.** A political committee or a political fund or any of its members or contributors shall have standing to seek an exemption. All applications by associations for exemption shall be treated as contested cases within the meaning of chapter 15. Upon receipt of an application for exemption the board shall give notice to all persons known to the board to have an interest in the application and publish notice of the filing of the application in the state register. The board may grant the exemption 30 days after notice of the filing has been fully made. If the board receives a written objection to the application from any person within 20 days after the notice of filing has been fully made the exemption shall be granted or denied only after a contested case hearing has been held on the application. The board may elect to hold a contested case hearing if no objections to the application are received. If a timely objection is not received and the board denies the exemption without hearing the applicant may request, within 30 days of receiving a notice of denial, and shall be granted a contested case hearing on the application. The board by rule shall establish a procedure so that any individual seeking an exemption may proceed anonymously if he would be exposed to the reprisals listed in subdivision 9 were he to reveal his identity for the purposes of the hearing.

Sec. 2. Minnesota Statutes 1976, Section 17A.06, Subdivision 2, is amended to read:

**Subd. 2. HEARING ON CLAIMS.** In case of default by the licensee, the commissioner shall have the power to require the licensee to appear before him at a hearing held for the purpose of determining all liability of the licensee under the terms of

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his bond; and after said hearing, based on the evidence adduced thereat, the commissioner shall make an order determining and fixing the liability of the principal and of the surety company because of the default of the licensee. If the bond is insufficient to cover the liability of all claimants, the commissioner shall prorate the proceeds of the bond among the claimants on a percentage basis. The order of the commissioner may be enforced by appropriate proceedings in the district court of Ramsey county, and any party aggrieved by the order of the commissioner may appeal to said district court in the manner provided for appeal from other proceedings before the commissioner have the matter heard as a contested case pursuant to procedures outlined in chapter 15. No hearing shall be required if all affected parties to a bond claim proceeding waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claim and the allocation of the proceeds of the bond .

Sec. 3. Minnesota Statutes 1976, Section 17A.06, Subdivision 3, is amended to read:

Subd. 3. **LEGAL NOTICE.** Prior to a hearing before the commissioner, he shall notify by certified mail all known potential claimants and publish a notice setting forth the default of the licensee and requiring all claimants to file proof of claim with the commissioner within three months of the date such notice is published or be barred from participating in the proceeds of the bond. Such publication shall be made for three consecutive weeks in a newspaper published at the county seat of the county in which the licensee has his principal place of business. The commissioner shall also fulfill any notice requirements prescribed by chapter 15 and rules of the hearing examiner. However, No such claim shall be allowed unless it is filed with the commissioner within one year of the date of the alleged breach. Notwithstanding the above provisions, if a livestock market agency or livestock dealer has on file a Packers and Stockyards Act bond and is registered with the Packers and Stockyards Administration, the terms of the bond or that federal agency's regulations will control in determining the time for filing and the admission of claims.

Sec. 4. Minnesota Statutes 1976, Section 27.06, is amended to read:

**27.06 COMPLAINTS TO COMMISSIONER, HEARING; ACTION ON BOND.**

Any person claiming himself to be damaged by any breach of the conditions of a bond given by a licensee, as herein provided, may enter complaint thereof to the commissioner, which complaint shall be a written statement of the facts constituting the complaint. Upon filing the complaint in the manner herein provided, the commissioner shall investigate the charges made and; ~~at his discretion, order a hearing before him, giving the party complained of notice of the filing of the complaint and the time and place of the hearing. Each claimant or his authorized agent shall appear at the hearing in order to verify the complaint filed unless, in the opinion of the commissioner, the complaint provides adequate information to allow the commissioner to waive appearance. In case the appearance is waived, the commissioner shall so notify the claimant. At the conclusion of the hearing the commissioner shall report his findings and render his conclusions and order, upon the matter complained of, to the complainant and the respondent in each case, who shall have 15 days following in which to comply with the commissioner's order. If this order is not complied with within this time, either party, if aggrieved by any condition of the bond, may, upon first obtaining the approval of the~~

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commissioner within 30 days after the time aforesaid; commence and maintain an action against the principal and sureties on the bond of the party complained of as in any civil action; provided, no action against the surety of a licensee shall in any instance be maintained without the prior written approval of the commissioner, which shall be attached to and made a part of the original complaint in the action. Upon commencing the action a copy thereof shall be filed in the office of the commissioner. The record of the hearing before the commissioner shall be competent evidence in any court having jurisdiction. If the licensee has become liable to more than one person by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all persons entitled to the protection of the bond; the penalty of the bond as against the sureties shall be apportioned among the several claimants. In all cases where the order of the commissioner has not been complied with and no action against the surety of such licensee be then pending; the commissioner may commence an action for the recovery of the amounts claimed; and the surety or bondsman upon the bond shall be liable to the extent of the amount recovered, not exceeding the amount of the bond; and when recovered such amount shall be deposited with the commissioner, who shall, in the same action; subject to the approval of the court, pass upon and allow or disallow all claims which may be presented to him for payment or apportioned thereunder have the matter heard as a contested case pursuant to chapter 15. No hearing shall be required if all affected parties to a bond claim proceeding waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claims and the allocation of the proceeds of the bond.

Sec. 5. Minnesota Statutes 1976, Section 53.03, Subdivision 1, is amended to read:

53.03 CERTIFICATE. Subdivision 1. APPLICATION, FEE, NOTICE, HEARING, INVESTIGATION. Any such corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, *cause an application, in writing, to be made to the department of commerce for a certificate of authorization. The application, in duplicate triplicate, shall be in the form prescribed by the department of commerce and filed in its office. The application shall be made in the name of the corporation, executed and acknowledged by two of its officers designated by the board of directors of the corporation for that purpose, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a filing fee of \$500, to be paid into the state treasury and credited to the general fund and also shall pay to the commissioner of banks the sum of \$250 as a fee for investigating the application, which fee shall be turned over by him to the state treasurer and credited to the general fund of the state, and submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto. Thereupon the department of commerce shall fix a time, within 30 days after the filing of the application; for a hearing at its office; at which hearing it shall either grant or refuse to grant such application. A notice of the hearing filing of the application shall be published once in the form prescribed by the department of commerce, at the expense of the applicant, not less than 10; nor more than 20 days prior to the date of such hearing, in a newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be no such newspaper, in a newspaper published at the county seat of the county in which the*

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company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing shall be conducted on the application. The commerce commission may without cause order a contested case hearing on the application. Notice of a hearing in connection with this section shall be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Sec. 6. Minnesota Statutes 1976, Section 53.03, Subdivision 2, is amended to read:

Subd. 2. **DEPARTMENT OF COMMERCE; DUTIES.** Upon receiving an application the department of commerce shall ~~thereupon~~ make, or cause to be made, an examination to ascertain whether the assets of such corporation, over and above all its liabilities, have an actual value of not less than the par value of all of its capital represented by shares of common stock, which shall not be less than the amount prescribed by section 53.02; ~~and~~. If upon the its investigation or hearing provided for in subdivision 1 those facts appear and it further appears that the bylaws and articles of incorporation and amendments thereto are in accordance with law; that the shareholders of the corporation are of good moral character and financial integrity; that there is a reasonable public demand for that company in the location specified in the application, and that the probable volume of business in that location is sufficient to insure and maintain the solvency of such company and the solvency of any then existing industrial loan and thrift companies or banks in that locality, without endangering the safety of any such company or bank in the locality as a place for investing or depositing public and private money, and if the department of commerce is satisfied that the proposed company will be properly and safely managed, the application shall be granted; otherwise it shall be denied.

Sec. 7. Minnesota Statutes 1976, Section 53.03, Subdivision 3, is amended to read:

Subd. 3. **GRANT OR DENIAL; CERTIFICATE.** If the application be granted without hearing the department of commerce shall, not later than ~~30~~ 60 days after ~~such hearing the notice of application has been fully published~~, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied without hearing the department of commerce shall, not later than ~~30~~ 60 days after ~~such hearing the notice of application has been fully published~~, notify the corporation of the denial and the reasons for the denial. The applicant may request within 30 days of receiving the notice of denial, and shall be granted, a contested case hearing on the application which shall then be conducted as if no order of denial had been issued. If the commission approves the application after a hearing the commission shall, not later than 30 days after a hearing, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied after a hearing the commission shall, not later than 30 days after a hearing, notify the corporation of the denial.

Sec. 8. Minnesota Statutes 1976, Section 144.802, is amended to read:

144.802 **LICENSING.** Subdivision 1. No operator shall operate an ambulance

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service within this state unless it possesses a valid license to do so issued by the state board of health. The cost of the license shall be in an amount prescribed by the board pursuant to section 144.122. Licenses shall expire and be renewed as prescribed by the board pursuant to section 144.122. The state board of health shall not issue licenses for the operation of a newly established ambulance service in the state unless the service meets the standards required by sections 144.801 to 144.806 and the applicant has demonstrated to the satisfaction of the state board of health at a public hearing pursuant to the provisions of section 144.802, subdivision 2, that the public convenience and necessity require the proposed ambulance service.

Subd. 3. Upon receiving an application for a license to operate an ambulance service, a notice of the filing of the application shall be published in the state register and once in the form prescribed by the board of health, at the expense of the applicant, in a newspaper published in the municipality in which the proposed ambulance service is to be provided, or, if there is none in the municipality or if the service is to be provided in more than one municipality, in a newspaper published at the county seat of the county in which the ambulance service is to be provided. The board may grant or deny the license 30 days after notice of the filing has been fully published. If the board receives a written objection to the application from any person within 20 days of the notice having been fully published, the license shall be granted or denied only after a contested case hearing has been conducted on the application. The board may elect to hold a contested case hearing if no objections to the application are received. If a timely objection is not received, the board may grant or deny the requested license based upon the information contained in the license application. If licensure is denied without hearing, the applicant, within 30 days after receiving notice of denial, may request and shall be granted a contested case hearing upon the application, at which hearing all issues will be heard de novo.

Sec. 9. Minnesota Statutes 1976, Section 155.11, Subdivision 1, is amended to read:

155.11 **SCHOOL; APPROVAL; INSTRUCTION.** Subdivision 1. Any person, firm, or corporation desiring to establish a hairdressing and beauty culture school shall apply to the board for a certificate of approval for such school, and to have such school rated by the board as an approved school in hairdressing and beauty culture and placed upon its list of such approved schools, upon complying with the following provisions: Each applicant, whether individual, firm, or corporation, shall, prior to the opening of such school, present to such board a verified application containing the following information:

(1) Full name of individual, firm, or corporation; including all the members, owners, partners, and directors of such firm or corporation and, if the corporation is a foreign corporation, or if the individual persons or partners applying for such certificate of approval are not residents of the state of Minnesota, then the application shall designate a resident agent for service;

(2) The past occupation of such individual or individuals, firms, or corporations and complete information concerning the occupations of the directors in the case of a corporation;

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(3) A complete financial statement showing all the assets and liabilities of the applicant and, if the applicant is an individual or partnership, a complete financial statement showing all assets and liabilities of the individual or of the individual partners; and

(4) A complete plan of operation setting forth such information relating thereto as the board in its application form may lawfully require. Upon receipt of ~~such an~~ application; ~~the board shall, within 45 days set the application for public hearing for a certificate of approval, a notice of the filing of the application shall be published in the state register and once in the form prescribed by the board, at the expense of the applicant, in a newspaper published in the municipality in which the proposed school is to be located, or, if there is none in the municipality, in a newspaper published at the county seat of the county in which the school is proposed to be located. The board may grant or deny the certificate of approval 30 days after notice of the filing has been fully published. If the board receives a written objection to the application from any person within 20 days of the notice having been fully published, the certificate of approval shall be granted or denied only after a contested case hearing has been conducted on the application. The board may elect to hold a contested case hearing if no objections to the application are received. If a timely objection is not received and the certificate is denied without hearing, the applicant may request within 30 days of receiving the notice of denial, and shall be granted, a contested case hearing on the application.~~

Sec. 10. Minnesota Statutes 1976, Section 155.11, Subdivision 2, is amended to read:

Subd. 2. ~~At the time set for hearing of the application, the applicant shall show by competent evidence his qualifications. After the duly held hearing and upon proper showing at the hearing of qualifications of the applicant, the board may issue a certificate of approval to the school.~~ Each new school, before being initially approved, shall pay a fee set by the board. If approval for any reason is not granted, the fee shall be returned to the applicant for such registration.

All existing schools shall register with the board annually on or before June 30, 1949, and annually thereafter, upon blanks provided by the board. The registration shall show the name of the owner and the location of the school. The annual fee for registration shall be set by the board. There shall be one registration for each school accepted by the board. Each school or branch at each location shall be established to teach a complete course in the theory and practice of cosmetology, and no part of such course shall be offered at a separate location from the school without approval of the board.

Sec. 11. Minnesota Statutes 1976, Section 216A.05, Subdivision 5, is amended to read:

Subd. 5. **HEARINGS UPON PETITIONS.** With respect to those matters within its jurisdiction the commission shall receive, hear and determine within six months all petitions filed with it in accordance with the procedures established by law and may investigate, hold hearings and make determinations upon its own motion to the same

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extent, and in every instance, in which it may do so upon petition. Upon receiving petitions filed pursuant to sections 221.061, 221.081, 221.121, subdivision 1, 221.151, 221.296, and 221.55, the commission shall give notice of the filing of the petition to representatives of associations or other interested groups or persons who have registered their names with the director of the department for that purpose and to whomever he deems to be interested in the petition. The commission may grant or deny the request of the petition 30 days after notice of the filing has been fully given. If the commission receives a written objection and a notice of intent to appear at a hearing to object to the petition from any person within 20 days of the notice having been fully given, the request of the petition shall be granted or denied only after a contested case hearing has been conducted on the petition, unless the objection is withdrawn prior to the hearing. The commission may elect to hold a contested case hearing if no objections to the petition are received. If a timely objection is not received, or if received and withdrawn, and the request of the petition is denied without hearing, the petitioner may request within 30 days of receiving the notice of denial, and shall be granted, a contested case hearing on the petition.

Sec. 12. Minnesota Statutes 1976, Section 218.041, Subdivision 3, is amended to read:

Subd. 3. The commissioner shall, upon petition ~~and after hearing~~:

(1) At all points of intersection and crossings of different railroads, or where two railroads are not more than one-half mile apart, and at all terminals, prescribe ample facilities by track connection, joint use of tracks, passenger and freight platforms and depots, warehouses, docks over which general merchandise is handled and forwarded, and other necessary appliances and conveniences for the transfer, forwarding and handling of general merchandise and parcel freight between such railroads and between such railroads and such docks, warehouses and vessels at such docks.

(2) Determine the proportionate share of each company in the cost of providing connecting and transfer facilities in the event the companies fail to agree.

(3) Direct construction, maintenance and operation at any points prescribed by law of all side tracks and reasonable facilities connecting any road with any grain warehouse or mill, dock, wharf, coal yard, quarry, brick or lime kiln, sand or gravel pit, crushed rock or concrete plant, or manufactory adjacent thereto, and prescribe the terms therefor.

(4) Direct the discontinuance of any regularly scheduled intrastate passenger trains upon a finding ~~after public hearing~~ that the public will not be deprived of reasonably adequate service thereby.

(5) Prescribe rules ~~and regulations~~ for distribution of cars at stations for use of shippers of livestock and farm products.

(6) Require installation of track scales at terminals, warehouses and at all other points in the state where the same are deemed necessary and prescribe reasonable regulations for the weighing of cars and of freight.

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(7) Prescribe the speed at which and the conditions under which cars of livestock shall be moved by any carrier within the state in intrastate shipments.

(8) Prescribe the fees necessary to cover cost of supervision and weighing and the method of assessment and collection thereof.

(9) Prescribe reasonable regulations for handling property, passenger, baggage, express and mail, partly over privately owned rights-of-way and partly over highways, so that reasonable and adequate accommodations and service may be afforded.

(10) Prescribe the extent to which any designated carrier, upon its petition, may be relieved from the operation of the principles established by section 218.021, subdivision 1, clauses (6), (7) and (8).

Upon receipt of a petition for action pursuant to this subdivision the commissioner shall give notice to all persons known to him to have an interest in the matter and publish notice of the petition in the state register. The commissioner may grant the petition 30 days after notice has been fully made. If the commissioner receives a written objection to the petition from any person within 20 days after the notice of filing has been fully made, the exemption shall be granted or denied only after a contested case hearing has been held on the matter. The commissioner may elect to hold a contested case hearing if no objections to the petition or application are received. If a timely objection is not received and the commissioner declines to act without hearing, the petitioner may request within 30 days of receiving a notice of denial, and shall be granted, a contested case hearing on the application.

Sec. 13. Minnesota Statutes 1976, Section 219.741, is amended to read:

**219.741 APPLICATION FOR REMOVAL.** Any railroad company desiring to abandon, close for traffic, or remove any of its tracks described in section 219.681 shall first make application to the commissioner in writing. Before passing upon such application the commissioner shall fix a time and place for hearing and a notice of such hearing shall be served upon all interested persons so far as known to the commissioner follow the procedure set out in section 218.041, subdivision 3.

Sec. 14. Minnesota Statutes 1976, Section 53.03, Subdivision 3, is repealed.

Sec. 15. This act is effective in respect to applications, claims and petitions received by appropriate agencies on and after July 1, 1977.

Approved May 27, 1977.

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CHAPTER 347—H.F.No.1305

[Coded in Part]

*An act relating to Minnesota Statutes; providing for the correction of erroneous,*

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