

**CHAPTER 88 — S.F.No. 249**

*An act relating to watershed districts; requiring published notice and a public hearing before district managers adopt a budget; amending Minnesota Statutes 1980, Section 112.611, Subdivision 1.*

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

Section 1. Minnesota Statutes 1980, Section 112.611, Subdivision 1, is amended to read:

Subdivision 1. On or before October 1 of each year the managers shall adopt a budget for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. Before adopting a budget the managers shall hold a public hearing on the proposed budget. The managers shall publish a notice of the hearing together with a summary of the proposed budget in one or more newspapers of general circulation in each county into which the watershed district extends. The notice and summary shall be published once each week for two successive weeks before the hearing. The last publication shall be at least two days before the hearing.

After adoption of the budget and no later than October 1, the secretary of the district shall certify to the auditor of each county within the district the county's share of such tax, which shall be an amount bearing the same proportion to the total levy as the assessed valuation of the area of the county within the watershed bears to the assessed valuation of the entire watershed district. The maximum amount of any levy shall not exceed that provided for in Minnesota Statutes 1961, Section 112.61 and acts amendatory thereof.

**Sec. 2. EFFECTIVE DATE.**

This act is effective the day following its final enactment.

Approved May 4, 1981

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**CHAPTER 89 — S.F.No. 353**

*An act relating to local government; setting conditions for group insurance contract bids; amending Minnesota Statutes 1980, Section 471.616, Subdivision 1.*

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

Section 1. Minnesota Statutes 1980, Section 471.616, Subdivision 1, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

**Subdivision 1. BIDDING REQUIRED.** No governmental subdivision, political subdivision, or any other body corporate and politic authorized by law to purchase group insurance for its employees and providing or intending to provide such group insurance protections and benefits for 25 or more of its employees shall enter into a contract for or renew any such group insurance policy or contract without calling for bids and awarding the contract to the lowest responsible bidder by way of competitive bidding procedures similar to those for the provision of services and supplies under Minnesota Statutes 1971, Section 16.07, Subdivisions 1, 2, 4 and 5. Any political subdivision may provide in the bid specifications that self insured health benefit plans will not be considered. Lowest responsible bidder means the insurer, service plan corporation, or self insurance plan, if allowed by the bid specifications which offers the lowest cost, is authorized to do business in this state, and is deemed by the governmental unit to be capable of satisfactorily performing the administration of the policy or contract in accordance with the bid specifications. "Cost" shall mean in the case of an insurer, the premium rate; in the case of service plan corporation, the charge for expenses and risk taking; and in the case of self insurance plans, the sum of the cost of paid claims, including provision for estimated incurred but unpaid claims at the end of the term, administrative costs, and premium for excess coverage. The cost of changing plans may also be considered in determining the lowest cost. The aggregate value of benefits provided by a contract entered into after July 1, 1973 shall not be less than those provided by the preexisting contract (a) unless a majority of the employees covered under the group insurance plan and voting on the question agree to a reduction in the benefits, if the employees are not represented by an exclusive representative pursuant to section 179.67, or (b) unless the public employer and the exclusive representative of the employees of an appropriate bargaining unit, certified pursuant to section 179.67, agree to a reduction in the benefits. (c) The aggregate value of benefits of any former employee who has retired shall not, in any event, be reduced pursuant to clause (a) or (b), unless he has individually agreed to the reduction.

No such contract need be submitted to bid more frequently than once every 48 months, unless for any reason whatsoever, a 50 percent or greater change in the premium per covered employee under the policy contract is provided, required or indicated. If additional employees are added to an existing group pursuant to a joint powers agreement under section 471.59, new bids and award are not required.

When an insurer proposes an increase in rates, it shall accompany its proposal with an aggregate claims record for the appropriate period that explains the proposed increase. When a contract is resubmitted for bids the aggregate claims record shall accompany the specifications for the contract.

Approved May 4, 1981

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