

(c) This section applies only to agents who write insurance business exclusively 80 percent or more of their gross annual insurance business for one company or any or all of its subsidiaries, and are not in the direct employ of the company.

Sec. 2. **[60A.175] AGENT COMMISSIONS.**

An insurer that cancels a written agreement with an agent under section 60A.171 or 60A.172 must pay to the agent terminated all commissions earned by that agent prior to or after termination.

Sec. 3. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

Subd. 20. CONTACT WITH DEPARTMENT. An insurance company may not terminate or otherwise penalize an insurance agent solely because the agent contacted any government department or agency regarding a problem that the agent or an insured may be having with an insurance company.

Sec. 4. **EFFECTIVE DATE.**

Sections 1, 2, and 3 are effective the day following final enactment.

Presented to the governor May 16, 1989

Signed by the governor May 17, 1989, 6:30 p.m.

CHAPTER 171—H.F.No. 186

An act relating to employment; protective agents; prohibiting employers to hire as a protective agent a person convicted of certain crimes; disqualifying persons convicted of criminal sexual conduct from holding a license to operate a private detective or protective agent service; prohibiting the use of armed protective agents in connection with labor disputes in certain circumstances; amending Minnesota Statutes 1988, sections 326.32, by adding subdivisions; 326.336, subdivision 1; 326.3381, subdivision 3, and by adding a subdivision; 326.3384, subdivision 2, and by adding a subdivision; and 364.09.

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

Section 1. Minnesota Statutes 1988, section 326.32, is amended by adding a subdivision to read:

Subd. 10c. A "proprietary employer" means an individual, partnership, or corporation that is not engaged in the business of providing protective agents but employs individuals to serve as security guards solely on the employer's property and its curtilage.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1988, section 326.32, is amended by adding a subdivision to read:

Subd. 13. (a) "Security guard" means a person who wears or carries any insignia that identifies the person to the public as security, who is paid a fee, wage, or salary to do one or more of the following:

(1) prevent or detect intrusion, unauthorized entry or activity, vandalism, or trespass on private property;

(2) prevent or detect theft, loss, embezzlement, misappropriation, or concealment of merchandise, money, bonds, stocks, notes, or other valuable documents or papers;

(3) control, regulate, or direct the flow or movements of the public, whether by vehicle or otherwise, to assure protection of private property;

(4) protect individuals from bodily harm; or

(5) enforce policies and rules of the security guard's employer related to crime reduction to the extent that the enforcement falls within the scope of the security guard's duties.

(b) The term "security guard" does not include:

(1) an auditor, accountant, or accounting clerk performing audits or accounting functions;

(2) an employee of a firm licensed under section 326.3381 whose duties are primarily administrative or clerical in nature;

(3) a person employed by a proprietary company to conduct plain-clothes surveillance or investigation;

(4) a person temporarily employed under statute or ordinance by political subdivisions to provide protective services at social functions;

(5) an employee of an air or rail carrier;

(6) a customer service representative or sales clerk employed in a retail establishment; or

(7) a person employed to perform primarily maintenance or custodial functions.

Sec. 3. Minnesota Statutes 1988, section 326.336, subdivision 1, is amended to read:

Subdivision 1. A license holder may employ, in connection with the business of private detective or protective agent, as many unlicensed persons as may be necessary; provided that every license holder is at all times accountable for the good conduct of every person employed. When a license holder hires a

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person to perform services as a private detective or protective agent, the employer shall submit to the bureau of criminal apprehension a full set of fingerprints of each employee and the written consent of the ~~employee or prospective employee~~ for to enable the bureau to determine whether that person has a criminal record. The employee is a conditional employee until the employer receives a report from the bureau that, based on a check of the criminal records maintained by the bureau, the prospective employee has not been convicted in Minnesota of a felony or any offense listed in section 326.3381, subdivision 3, other than a misdemeanor or gross misdemeanor assault. During the period of conditional employment, the person may not serve as a private detective or protective agent, but may be trained by the employer. The bureau shall immediately request the Federal Bureau of Investigation to conduct a check of each conditional employee's criminal record, and the bureau of criminal apprehension shall immediately forward the results to the employer when they are received. If the bureau report or Federal Bureau of Investigation report indicates that the employee was convicted of a disqualifying offense, the employer shall immediately dismiss the employee.

Sec. 4. Minnesota Statutes 1988, section 326.3381, is amended by adding a subdivision to read:

Subd. 1a. PROPRIETARY EMPLOYERS. A proprietary employer is not required to obtain a license, but must comply with section 326.336, subdivision 1, with respect to the hiring of security guards.

Sec. 5. Minnesota Statutes 1988, section 326.3381, subdivision 3, is amended to read:

Subd. 3. **DISQUALIFICATION.** No person is qualified to hold a license who has:

(1) been convicted of (i) a felony by the courts of this or any other state or of the United States; (ii) acts which, if done in Minnesota, would be criminal sexual conduct; assault; theft; larceny; burglary; robbery; unlawful entry; extortion; defamation; buying or receiving stolen property; using, possessing, manufacturing, or carrying weapons unlawfully; using, possessing, or carrying burglary tools unlawfully; escape; possession, production, sale, or distribution of narcotics unlawfully; or (iii) in any other country of acts which, if done in Minnesota, would be a felony or would be any of the other offenses provided in this clause and for which a full pardon or similar relief has not been granted;

(2) made any false statement in an application for a license or any document required to be submitted to the board; or

(3) failed to demonstrate to the board good character, honesty, and integrity.

Sec. 6. Minnesota Statutes 1988, section 326.3384, is amended by adding a subdivision to read:

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Subd. 1a. LABOR DISPUTES. No license holder, in the course of providing protective agent services, may provide armed protective personnel to labor disputes or strike locations. This subdivision does not apply to the use of armed security personnel services utilized in the usual course of business for the protection of persons, property, and payroll.

Sec. 7. Minnesota Statutes 1988, section 326.3384, subdivision 2, is amended to read:

Subd. 2. **PENALTY.** A license holder violating subdivision 1 or 1a is guilty of a gross misdemeanor.

Sec. 8. Minnesota Statutes 1988, section 364.09, is amended to read:

364.09 EXCEPTIONS.

This chapter shall not apply to the practice of law enforcement, to eligibility for a private detective or protective agent license, to eligibility for a family day care license, a family foster care license, a home care provider license, or to eligibility for school bus driver endorsements. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement.

Sec. 9. **EFFECT ON CURRENT EMPLOYEES.**

Sections 1 to 4 do not apply to persons hired before the effective date of those sections.

Sec. 10. **EFFECTIVE DATE.**

Sections 1 to 9 are effective the day following final enactment.

Presented to the governor May 16, 1989

Signed by the governor May 19, 1989, 4:35 p.m.

CHAPTER 172—H.F.No. 1574

An act relating to corporations; providing that the control share acquisition and business combination statutes apply to certain corporations unless they elect not to be covered; clarifying application of the statutes; reducing the period of time that business combinations may be regulated from five years to four years; eliminating procedures for the use of committees to determine whether a corporation should pursue certain legal remedies; providing that meeting notices do not have to be sent to shareholders when mail has been returned undeliverable; amending Minnesota Statutes 1988, sections 302A.011, subdivisions 41 and 49; 302A.111, subdivision 3; 302A.161, subdivision 17; 302A.241, subdivision 1; 302A.251, subdivision 2;

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