

This act is effective the day following final enactment.

Presented to the governor April 28, 1994

Signed by the governor April 29, 1994, 2:40 p.m.

CHAPTER 538—S.F.No. 1898

An act relating to insurance; health; requiring coverage for equipment and supplies for the management and treatment of diabetes; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Section 1. [62A.45] COVERAGE FOR EQUIPMENT AND SUPPLIES FOR DIABETES.

A health plan must provide coverage for all physician prescribed medically appropriate and necessary equipment and supplies used in the management and treatment of diabetes. Coverage must include persons with gestational, type I or type II diabetes. Coverage required under this section is subject to the same deductible or coinsurance provisions applicable to the plan's hospital, medical expense, medical equipment, or prescription drug benefits. A health carrier may not reduce or eliminate coverage due to this requirement.

Sec. 2. EFFECTIVE DATE; APPLICABILITY.

Section 1 is effective August 1, 1994, and applies to health plans issued or renewed on or after that date to provide coverage to Minnesota residents.

Presented to the governor April 28, 1994

Signed by the governor April 29, 1994, 2:42 p.m.

CHAPTER 539—H.F.No. 1985

An act relating to partnerships; providing for the registration and operation of limited liability partnerships; appropriating money; amending Minnesota Statutes 1992, sections 319A.02, subdivision 5; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1, 1a, and 2; 323.02, subdivision 8, and by adding a subdivision; 323.06; 323.14; 323.17; 323.35; and 323.39; Minnesota Statutes 1993 Supplement, section 319A.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 323.

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

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

Section 1. Minnesota Statutes 1992, section 319A.02, subdivision 5, is amended to read:

Subd. 5. "Foreign professional corporation" means a corporation ~~or~~, limited liability company, or limited liability partnership organized under laws other than the laws of this state for a purpose for which a professional corporation may be organized hereunder.

Sec. 2. Minnesota Statutes 1993 Supplement, section 319A.02, subdivision 7, is amended to read:

Subd. 7. "Corporation" as used in this chapter includes a limited liability company organized under chapter 322B and; a limited liability partnership. With respect to a limited liability company, references in this chapter to articles of incorporation, bylaws, directors, officers, shareholders and shares of stock shall refer to articles of organization, operating agreement, governors, managers, members and membership interests, respectively. With respect to a limited liability partnership, references in this chapter to articles of incorporation and bylaws refer to partnership agreement; references to directors, officers, and shareholders refer to partners; and references to shares of stock refer to partnership interests.

Sec. 3. Minnesota Statutes 1992, section 319A.05, is amended to read:

319A.05 APPLICABILITY OF ACTS.

A corporation incorporating ~~or~~, a limited liability company organizing, or a limited liability partnership registering, under sections 319A.01 to 319A.22 and chapter 302A, ~~322B, or 317A, 322B, or 323~~ shall proceed in the manner specified in chapter 302A, ~~322B, or 317A, 322B, or 323.~~ After incorporation ~~or~~, organization, or registration, a professional corporation ~~or~~, limited liability company, or limited liability partnership shall enjoy the powers and privileges and shall be subject to the duties and liabilities of other corporations ~~or~~, limited liability companies, or limited liability partnerships, respectively organized under chapter 302A, ~~322B, or 317A, 322B, or 323,~~ except insofar as the same may be limited or enlarged by sections 319A.01 to 319A.22. If any provision of sections 319A.01 to 319A.22 conflicts with the provisions of chapter 302A, ~~322B, or 317A, 322B, or 323,~~ sections 319A.01 to 319A.22 take precedence.

Sec. 4. Minnesota Statutes 1992, section 319A.06, subdivision 2, is amended to read:

Subd. 2. A foreign professional corporation may provide professional service in this state only upon compliance with sections 303.01 to 303.24, or 322B.90 to 322B.955, regulating foreign corporations ~~and~~, foreign limited liability companies, and foreign limited liability partnerships, respectively. The secretary of state shall promulgate forms for such purpose. The provisions of sections 319A.01 to 319A.22 relating to the rendering of professional service by a professional corporation apply to a foreign professional corporation. Sections 319A.01

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to 319A.22 shall not be construed to prohibit the rendering of professional service in this state by a person who is a shareholder, director, officer, employee, or agent of a foreign professional corporation, if the person could lawfully render professional service in this state in the absence of any relationship to the foreign professional corporation, irrespective of whether the foreign professional corporation is authorized to provide professional service in this state.

Sec. 5. Minnesota Statutes 1992, section 319A.07, is amended to read:

319A.07 CORPORATE NAME.

The corporate name of any corporation organized under sections 319A.01 to 319A.22 shall not be used to imply superiority and, in the case of a corporation, other than a limited liability company, shall end with the word "Chartered," or the word "Limited," or the abbreviation "Ltd.," or the words "Professional Association," or the abbreviation "P.A." The name of any limited liability company organized under sections 319A.01 to 319A.22 and chapter 322B shall end with the words "Professional Limited Liability Company," or the abbreviation "P.L.C." The name of any limited liability partnership organized under sections 319A.01 to 319A.22 and chapter 323 must end with the words "Professional Limited Liability Partnership," or the abbreviation "P.L.L.P."

Sec. 6. Minnesota Statutes 1992, section 319A.12, subdivision 1, is amended to read:

Subdivision 1. A professional corporation or foreign professional corporation shall report to the board having jurisdiction of the professional service which the corporation is authorized to render the death of any of its shareholders or members within 30 days of such death. Within 90 days following the date of death of a shareholder of a professional corporation or the loss of a license to render professional service, all of the shares of stock owned by such shareholder or the member's membership shall be transferred to and acquired by the professional corporation or persons qualified to own such shares of stock or membership. If the articles of incorporation, bylaws, or a written agreement of the shareholders of a professional corporation fail to state a price or a method of determining a price at which the corporation or its shareholders may purchase the shares of stock or membership of a deceased shareholder or a shareholder no longer qualified to own shares of stock in the corporation or membership, then the price for the shares of stock or membership shall be the fair market value as determined by the board of directors, or in the case of a limited liability partnership, the partners, unless the partnership agreement delegates the determination to one or more managing partners, but not less than the book value as of the end of the month immediately preceding the death or disqualification of the shareholder or member. Book value shall be determined from the books and records of the corporation in accordance with its regular method of accounting. This subdivision does not change the effect of sections 323.28 and 323.30, under which the dissociation of any partner from a limited liability partnership causes the dissolution of that partnership.

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

Sec. 7. Minnesota Statutes 1992, section 319A.12, subdivision 1a, is amended to read:

Subd. 1a. A professional corporation may at any time by amendment to its articles of incorporation relinquish the powers and privileges conferred upon it by this chapter and elect to be governed thereafter solely by the provisions of chapter 302A, ~~322B~~, or 317A, ~~322B~~, or 323, as the case may be. Notwithstanding any provision of this chapter, the representative of a deceased or incompetent shareholder of a professional corporation shall have authority to vote the deceased or incompetent shareholder's shares on the question of adopting such an amendment.

Sec. 8. Minnesota Statutes 1992, section 319A.12, subdivision 2, is amended to read:

Subd. 2. If within 90 days following the date of death of a shareholder or member of a professional corporation or the loss of a license to render professional service all of the shares or membership owned by the deceased or disqualified shareholder or member have not been transferred to and acquired by the corporation or persons qualified to own the shares or membership, the corporation shall thereafter be governed solely by the provisions of chapter 302A, ~~322B~~, or 317A, ~~322B~~, or 323, as the case may be and shall not enjoy any of the powers and privileges conferred by sections 319A.01 to 319A.22. When the corporation ceases to be authorized to render professional service, its corporate name must be changed to comply with the corporate name provision of chapter 302A, ~~322B~~, or 317A, ~~322B~~, or 323, as the case may be, and any words, phrases or abbreviations contained therein to comply with the provisions of sections 319A.01 to 319A.22 shall be eliminated.

Sec. 9. Minnesota Statutes 1992, section 323.02, is amended by adding a subdivision to read:

Subd. 7a. LIMITED LIABILITY PARTNERSHIP. "Limited liability partnership" means a general partnership governed by this chapter with a registration in effect under section 323.44.

Sec. 10. Minnesota Statutes 1992, section 323.02, subdivision 8, is amended to read:

Subd. 8. **PARTNERSHIP.** A partnership is an association of two or more persons to carry on as coowners a business for profit and includes a limited liability partnership. Any association formed under any other statutes of this state, or any statute adopted by authority, other than the authority of this state, is not a partnership under this chapter, unless such association would have been a partnership in this state prior to the adoption of this chapter; but this chapter shall apply to limited partnerships, except in so far as the statutes relating to such partnerships are inconsistent herewith.

Sec. 11. Minnesota Statutes 1992, section 323.06, is amended to read:

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323.06 DETERMINATION OF WHETHER PARTNERSHIP EXISTS.

In determining whether a partnership exists, these rules shall apply:

(1) Except as provided by section 323.15, persons who are not partners as to each other are not partners as to third persons;

(2) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not of itself establish a partnership, whether such coowners do or do not share any profits made by the use of the property;

(3) The sharing of gross returns does not of itself establish a partnership, whether or not the persons sharing them have a joint or common right or interest in any property from which the returns are derived;

(4) The receipt by a person of a share of the profits of a business is prima facie evidence of partnership in the business, but no such inference shall be drawn if such profits were received in payment

(a) As a debt by installments or otherwise,

(b) As wages of an employee or rent to a landlord,

(c) As an annuity to a surviving spouse or representative of a deceased partner,

(d) As interest on a loan, though the amount of payment vary with the profits of the business, or

(e) As the consideration for the sale of a good will of a business or other property by installments or otherwise; and

(5) The following are not evidence that a partnership does not exist:

(a) failure or omission to file an original or renewal registration under section 323.44;

(b) the expiration of a partnership's status as a limited liability partnership;
or

(c) the filing of a withdrawal statement under section 323.44.

Sec. 12. Minnesota Statutes 1992, section 323.14, is amended to read:

323.14 NATURE OF PARTNER'S LIABILITY.

Subdivision 1. GENERAL RULE. Except as otherwise provided in this section, all partners are liable;

(1) Jointly and severally for everything chargeable to the partnership under sections 323.12 and 323.13;

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(2) Jointly for all other debts and obligations of the partnership; but any partner may enter into a separate obligation to perform a partnership contract.

Subd. 2. LIMITED LIABILITY PARTNERSHIP SHIELD. A partner of a limited liability partnership is not, merely on account of this status, personally liable for anything chargeable to the partnership under sections 323.12 and 323.13, or for any other debts or obligations of the limited liability partnership, if the charge, debt, or obligation arose or accrued while the partnership had a registration in effect under section 323.44. This subdivision does not limit or impair the right of the partnership or its partners to make claims against any particular partner on the grounds that the particular partner:

(1) has, in its capacity as a partner, breached a duty to the partnership or to the other partners; or

(2) is obligated to contribute so that partners share losses of capital according to section 323.17 and share the liabilities stated in section 323.39, clause (2), paragraphs (c) and (d).

Subd. 3. PIERCING THE VEIL. (a) Except as provided in paragraph (b), the case law that states the conditions and circumstances under which the corporate veil of a corporation may be pierced under Minnesota law also applies to limited liability partnerships.

(b) The use of informal procedures or arrangements for managing the limited liability partnership or conducting its business is not a ground for piercing the veil of the limited liability partnership.

Subd. 4. LIMITED LIABILITY AFTER DISSOLUTION. (a) Subject to section 323.44, subdivision 7, the limited liability described in subdivisions 2 and 3 continues in full force for the dissolved partnership regardless of any dissolution, winding up, and termination of a limited liability partnership.

(b) If a limited liability partnership dissolves and its business is continued by a successor general partnership under section 323.37, then the limited liability described in subdivisions 3 and 4 also applies to that successor partnership until the expiration of the registration that the dissolved partnership had in effect under section 323.44 at the moment of dissolution. The successor general partnership may at any time file its own registration under section 323.44.

Subd. 5. LIABILITY OF PARTNERS FOR ILLEGAL DISTRIBUTIONS. (a) A partner who receives a distribution from a limited liability partnership that would have been in violation of section 302A.551 had the limited liability partnership been a corporation with a board of directors is liable to the limited liability partnership, its receiver, or other person winding up its affairs, but only to the extent that the distribution received by the partner exceeded the amount that properly could have been paid under section 302A.551.

(b) An action may not be commenced under this subdivision more than two years from the date of the distribution.

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Sec. 13. Minnesota Statutes 1992, section 323.17, is amended to read:

323.17 RIGHTS AND DUTIES OF PARTNERS.

The rights and duties of the partners in relation to the partnership shall be determined, subject to any agreement between them, by the following rules:

(1) Except as provided in section 323.14, subdivision 2, each partner shall be repaid contributions, whether by way of capital or advances to the partnership property and share equally in the profits and surplus remaining after all liabilities, including those to partners, are satisfied; and must contribute towards the losses, whether of capital or otherwise, sustained by the partnership according to each partner's share in the profits;

(2) The partnership must indemnify every partner in respect of payments made and personal liabilities reasonably incurred by that partner in the ordinary and proper conduct of its business, or for the preservation of its business or property;

(3) A partner, who in aid of the partnership makes any payment or advance beyond the amount of capital which the partner agreed to contribute, shall be paid interest from the date of the payment or advance;

(4) A partner shall receive interest on the capital contributed only from the date when repayment should be made;

(5) All partners have equal rights in the management and conduct of the partnership business;

(6) No partner is entitled to remuneration for acting in the partnership business, except that a surviving partner is entitled to reasonable compensation for services in winding up the partnership affairs;

(7) No person can become a member of a partnership without the consent of all the partners;

(8) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners; but no act in contravention of any agreement between the partners may be done rightfully without the consent of all the partners.

Sec. 14. Minnesota Statutes 1992, section 323.35, is amended to read:

323.35 DISCHARGE OF EXISTING LIABILITIES ON DISSOLUTION.

The dissolution of the partnership does not of itself discharge the existing liability of any partner.

A partner is discharged from any existing liability upon dissolution of the partnership by an agreement to that effect between that partner, the partnership creditor and the person or partnership continuing the business; and such agree-

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ment may be inferred from the course of dealing between the creditor having knowledge of the dissolution and the person or partnership continuing the business.

Where a person agrees to assume the existing obligations of a dissolved partnership, the partners whose obligations have been assumed shall be discharged from any liability to any creditor of the partnership who, knowing of the agreement, consents to a material alteration in the nature or time of payment of such obligations.

The individual property of a deceased partner shall be liable for all those obligations of the partnership incurred while the deceased was a partner and for which the deceased was liable under section 323.14, but subject to the prior payment of the deceased's separate debts.

Sec. 15. Minnesota Statutes 1992, section 323.39, is amended to read:

323.39 DISTRIBUTION ON DISSOLUTION.

In settling accounts between the partners after dissolution, the following rules shall be observed, subject to any agreement to the contrary:

(1) The assets of the partnership are:

(a) The partnership property;

(b) The contributions of the partners ~~necessary for the payment of all the liabilities~~ specified in clause (2) (4);

(2) The liabilities of the partnership shall rank in order of payment, as follows:

(a) Those owing to creditors other than partners;

(b) Those owing to partners other than for capital and profits;

(c) Those owing to partners in respect to capital;

(d) Those owing to partners in respect to profits;

(3) The assets shall be applied in the order of their declaration in clause (1) to the satisfaction of the liabilities;

(4) Except as provided in section 323.14, subdivision 2:

(a) The partners shall contribute, as provided by section 323.17, clause (1), the amount necessary to satisfy the liabilities; and

~~(b) but~~ If any, but not all, of the partners are insolvent, or, not being subject to process, refuse to contribute, the other partners shall contribute their share of the liabilities, and, in the relative proportions in which they share the profits, the additional amount necessary to pay the liabilities;

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(5) An assignee for the benefit of creditors of any person appointed by the court shall have the right to enforce the contributions specified in clause (4);

(6) Any partner or the partner's legal representative shall have the right to enforce the contributions specified in clause (4), to the extent of the amount paid in excess of that partner's share of the liability;

(7) The individual property of a deceased partner shall be liable for the contributions specified in clause (4);

(8) When partnership property and the individual properties of the partners are in the possession of a court for distribution, partnership creditors shall have priority on partnership property and separate creditors on individual property, saving the rights of lien or secured creditors as heretofore;

(9) Where a partner has become bankrupt or the partner's estate is insolvent, the claims against the partner's separate property shall rank in the following order:

- (a) Those owing to separate creditors;
- (b) Those owing to partnership creditors; and
- (c) Those owing to partners by way of contribution.

Sec. 16. [323.44] LIMITED LIABILITY PARTNERSHIPS.

Subdivision 1. REQUIREMENT OF FILING; AUTOMATIC EXPIRATION; RENEWAL. (a) To have the status of a limited liability partnership, a general partnership must have in effect and filed with the secretary of state a registration that complies with this section. A general partnership's registration establishes the status of a limited liability partnership for one year from the date of filing. At the end of the one-year period, the registration and the partnership's status as a limited liability partnership expire unless a renewal registration is properly filed with the secretary of state under paragraph (b).

(b) The limited liability partnership may file a renewal registration that complies with this section no earlier than 60 days before the expiration of the one-year period under paragraph (a). A proper renewal registration extends the partnership's status as a limited liability partnership for another year, measured from the end of the previous one-year period. At the end of any renewal period, the renewal registration automatically expires. A limited liability partnership registration may be renewed for an unlimited number of one-year periods.

Subd. 2. CONTENTS OF REGISTRATION. A general partnership's registration to obtain or renew the status of a limited liability partnership must contain:

- (1) the name of the partnership;

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

(2) a statement that the partnership applies to obtain status as a limited liability partnership or to renew that status;

(3) an acknowledgment that the status of limited liability partnership will automatically expire, unless the partnership files a proper renewal registration;

(4) the address of the partnership's principal place of business; and

(5) if the partnership's principal place of business is not located in this state, the name and street address of a person located in this state that the partnership authorizes to act as the partnership's agent for service of process.

Subd. 3. FILING FEE. Each registration, whether original or for renewal, must be accompanied by a fee of \$135.

Subd. 4. AUTHORITY TO FILE. A general partnership's decision to file a registration is an ordinary matter under section 323.17, clause (8). The decision to withdraw or not renew a registration is treated as an act in contravention of an agreement between the partners under section 323.17, clause (8).

Subd. 5. CHANGES IN REGISTRATION INFORMATION. If the information contained in a registration becomes inaccurate after the registration is filed, the general partnership is not required to amend or correct the registration and the inaccuracy has no effect on the partnership's status as a limited liability partnership. The partnership must provide accurate information in any subsequently filed renewal registration.

Subd. 6. VOLUNTARY WITHDRAWAL OF STATUS. A partnership may end its status as a limited liability partnership at any time by filing with the secretary of state a withdrawal statement that names the partnership, states that the partnership is withdrawing its current registration, and acknowledges that the withdrawal ends the partnership's status as a limited liability partnership. The withdrawal statement may state a delayed effective date, if that date is before the expiration date of the partnership's current registration. If the withdrawal statement does not state an effective date, the statement is effective when filed.

Subd. 7. FILING AFTER DISSOLUTION. (a) A dissolved limited liability partnership may continue its status as a limited liability partnership through termination either by:

(1) continuing to file annual renewal registrations until termination; or

(2) filing a final renewal registration that, in addition to providing the information required by subdivision 3:

(i) states that the partnership is dissolved and is winding up its affairs;

(ii) identifies the cause of the dissolution; and

(iii) states that the renewal registration is the final renewal registration and will remain in effect until termination.

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A final renewal registration that complies with clause (2) must not contain the statement required by subdivision 2, clause (3).

(b) When the dissolved limited liability partnership has wound up its affairs, it shall file with the secretary of state a termination notice that contains the following information:

(1) the name of the limited liability partnership;

(2) that the limited liability partnership has dissolved and wound up its affairs; and

(3) that the limited liability partnership is terminated.

The notice must be signed by one former general partner who has not wrongfully dissolved the partnership. There is no fee for the termination filing.

Sec. 17. [323.45] NAME OF LIMITED LIABILITY PARTNERSHIPS.

Subdivision 1. REQUIREMENTS; PROHIBITIONS. The name of a limited liability partnership must meet all of the requirements of section 302A.115, subdivision 1, except that the acceptable words required by section 302A.115, subdivision 2, are "limited liability partnership" or the abbreviation "L.L.P."

Subd. 2. DETERMINATION. The secretary of state shall determine whether a name is distinguishable from another name for purposes of this section.

Subd. 3. CONTEST OF REGISTRATION OF NAME. A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 5.22.

Subd. 4. CONSENT TO USE OF NAME. The procedures described in section 302A.115, subdivision 1, paragraph (d), apply to a name registered under this section.

Subd. 5. FAILURE TO USE REQUIRED NAME. If a person purports to enter into a contract or other undertaking on behalf of a general partnership that is a limited liability partnership and does not disclose to the other party that part of the limited liability partnership's name that complies with subdivision 1, then that person is personally liable on the contract or undertaking, unless that person can show that in making the contract or accepting the undertaking the other party did not rely on the partnership being an ordinary general partnership. Any partner of a limited liability partnership who consents to a person not making the disclosure described in this subdivision is also personally liable on the contract or undertaking, unless that partner can make the showing described in this subdivision.

Sec. 18. [323.46] APPLICABILITY TO FOREIGN AND INTERSTATE COMMERCE.

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

Subdivision 1. CONDUCTING BUSINESS. A partnership, including a limited liability partnership, formed and existing under this chapter, may conduct its business, carry on its operations, and have and exercise the powers granted by chapter 323 in any state, territory, district, or possession of the United States or in any foreign country.

Subd. 2. GOVERNING LAW. It is the policy of this state that the internal affairs of partnerships, including limited liability partnerships, existing under this chapter, including the liability of partners for debts and obligations of partnerships, are subject to and governed by the laws of this state.

Sec. 19. [323.47] SERVICE OF PROCESS ON LIMITED LIABILITY PARTNERSHIPS.

Subdivision 1. WHO MAY BE SERVED. A process, notice, or demand required or permitted by law to be served on a limited liability partnership may be served either on the registered agent of the limited liability partnership, if any, or on any responsible person found at the registered office of the limited liability partnership or on the secretary of state as provided in this section.

Subd. 2. SERVICE ON SECRETARY OF STATE; WHEN PERMITTED. If a limited liability partnership has appointed and maintained a registered agent in this state but neither its registered agent nor a responsible person can be found at the registered office, or if a limited liability partnership fails to appoint or maintain a registered agent in this state and a responsible person affiliated with the limited liability partnership cannot be found at the principal place of business in this state, then the secretary of state is the agent of the limited liability partnership on whom the process, notice, or demand may be served. The return of the sheriff, or the affidavit of a person not a party, that no registered agent or responsible person may be found at either the registered office of the registered agent or its principal place of business in this state is conclusive evidence that the limited liability partnership has no registered agent or responsible person at its registered office or its principal place of business in this state. Service on the secretary of state of any process, notice, or demand is deemed personal service on the limited liability partnership and may be made by filing with the secretary of state duplicate copies of the process, notice, or demand and paying a fee of \$35. The secretary of state shall immediately forward, by certified mail addressed to the limited liability partnership at its registered office or principal place of business in this state, a copy of the process, notice, or demand. Service on the secretary of state is returnable in not less than 30 days, notwithstanding a shorter period specified in the process, notice, or demand.

Subd. 3. RECORD OF SERVICE. The secretary of state shall maintain a record of all processes, notices, and demands served on the secretary of state under this section, including the date of service and the action taken with reference to it.

Subd. 4. OTHER METHODS OF SERVICE. Nothing in this section limits the right of a person to serve process, notice, or demand required or permitted by law to be served on a limited liability partnership in any other manner permitted by law.

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Sec. 20. APPROPRIATION.

\$19,000 is appropriated from the general fund to the secretary of state for implementation of this act.

Presented to the governor April 28, 1994

Signed by the governor April 29, 1994, 2:35 p.m.

CHAPTER 540—S.F.No. 1867VETOED

CHAPTER 541—H.F.No. 2839

An act relating to retirement; changing employer contribution rates for the volunteer fire relief associations paying monthly pensions; changing employer contribution rates for the Bloomington fire relief association; clarifying probationary employment for South St. Paul police relief association; amending Minnesota Statutes 1992, section 69.773, subdivision 4.

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

Section 1. Minnesota Statutes 1992, section 69.773, subdivision 4, is amended to read:

Subd. 4. FINANCIAL REQUIREMENTS OF THE SPECIAL FUND.

Prior to August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision. The financial requirements of the relief association shall be based on the most recent actuarial valuation of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements shall be determined by adding the figures calculated pursuant to clauses (a), (b), and (c). If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements shall be an amount equal to the figure calculated pursuant to clauses (a) and (b), reduced by an amount equal to one-tenth of the amount of any assets in excess of the actuarial accrued liability of the relief association. The determination of whether or not the relief association has an unfunded actuarial accrued liability shall be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

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