

to resolution of the board of directors or trustees, or if there be no such board, then by its managing group which has approved the content of the annual report. Except as provided in section 309.55, subdivision 1, the annual report shall also include a copy of all tax or information returns, including all schedules and amendments, submitted by the charitable organization to the Internal Revenue Service for the period covered by the annual report except any schedules of contributors to the organization. If a charitable organization, at the time of filing the state annual report, has been granted a federal extension to file its federal information return/tax return (form 990 or 990PF), the attorney general may permit the charitable organization to file with its annual report a copy of the federal extension and file the federal form with the state when it is required to be filed with the federal government. The attorney general may grant such permission provided that:

(1) the request is made not later than 30 days before the date on which the materials would otherwise be due to the attorney general; and

(2) if the charitable organization has already been granted a three-month extension pursuant to subdivision 1, the charitable organization demonstrates that, due to circumstances beyond its control, it is not possible for the charitable organization to comply within the period established by the extension already granted.

A charitable organization which files the annual report required under this subdivision with the attorney general is not required to file the tax return with the commissioner of revenue. An organization which fails to file the annual report on or before the date required or allowed under this section shall pay a late fee of \$50. This late fee shall be in addition to all other fees, costs, and penalties which may be imposed pursuant to this section or section 309.57.

Sec. 2. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor March 28, 2000

Signed by the governor March 31, 2000, 2:42 p.m.

CHAPTER 303—S.F.No. 2579

An act relating to trade regulations; regulating certain prescription drug discounts; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Section 1. **[325F.784] PRESCRIPTION DRUG DISCOUNTS.**

Subdivision 1. **REGULATION.** A person shall not sell, market, promote, advertise, or otherwise distribute any card or other purchasing mechanism or device that is not insurance that purports to offer discounts or access to discounts from

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pharmacies for prescription drug purchases when:

(1) the card or other purchasing mechanism or device does not expressly state in bold and prominent type, prominently placed, that the discounts are not insurance;

(2) the discounts are not specifically authorized by an individual and separate contract with each pharmacy listed in conjunction with the card or other purchasing mechanism or device; or

(3) the discounts or access to discounts offered, or the range of discounts or access to the range of discounts offered, are misleading, deceptive, or fraudulent.

Subd. 2. ENFORCEMENT. (a) The attorney general, or an individual or other person, may maintain an action to enjoin any act in violation of this section and for the recovery of damages.

(b) An action for violation of this section may be brought:

(1) in the county where the plaintiff resides;

(2) in the county where the plaintiff conducts business; or

(3) in the county where the card or other purchasing mechanism or device was sold, marketed, promoted, advertised, or otherwise distributed.

(c)(1) If the court finds that the defendant has violated any of the provisions of this section, the court shall enjoin the defendant from continuing the acts that are in violation of this section.

(2) It is not necessary, except to recover for actual damages under clause (3), item (ii), that actual damages to the plaintiff be alleged or proved in order to maintain an action under this section.

(3) In addition to injunctive relief, the plaintiff in the action may recover from the defendant:

(i) \$100 per card or other purchasing mechanism or device sold, marketed, promoted, advertised, or otherwise distributed within this state, or \$10,000, whichever is greater;

(ii) three times the amount of the actual damages, if any, sustained;

(iii) reasonable attorney fees;

(iv) costs; and

(v) any other relief that the court considers proper.

(d) An action under this section must be commenced within two years after the date on which the violation occurred or within two years after the person bringing the action discovered, or in the exercise of reasonable diligence should have discovered, the occurrence of the violation.

(e) The remedies prescribed in this section are cumulative and in addition to any other applicable criminal, civil, or administrative penalties.

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Subd. 3. DESIGNATION OF AGENT FOR SERVICE OF PROCESS. Any person who sells, markets, promotes, advertises, or otherwise distributes any card or other purchasing mechanism or device that is not insurance that purports to offer discounts or access to discounts from pharmacies for prescription drug purchases in this state shall designate a resident of this state as an agent for service of process and register the agent with the secretary of state.

Subd. 4. NONAPPLICATION. This section does not apply to:

(1) the following goods or services provided by an optometrist or ophthalmologist: eye or vision care services, glasses, or contact lenses;

(2) any card or other purchasing mechanism or device that is not insurance and which is administered in conjunction with a medical benefit by a health insurer, or nonprofit health service plan corporation or health maintenance organization;

(3) a benefit administered by or under contract with, the state of Minnesota; or

(4) a customer discount or membership card issued by a store or buying club for use at that store or buying club.

Presented to the governor March 28, 2000

Signed by the governor March 31, 2000, 2:43 p.m.

CHAPTER 304—S.F.No. 2569

An act relating to insurance; authorizing insurance coverage for vicarious liability for punitive and exemplary damages; regulating the terms of certain fraternal benefit society board members; amending Minnesota Statutes 1998, sections 60A.06, by adding a subdivision; and 64B.03.

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

Section 1. Minnesota Statutes 1998, section 60A.06, is amended by adding a subdivision to read:

Subd. 4. VICARIOUS LIABILITY; PUNITIVE DAMAGES. Any insurance corporation or association may insure against vicarious liability for punitive and exemplary damages within any of the kinds of business pertaining to the issuance of liability insurance that the insurance corporation or association is authorized to transact under subdivision 1 or 2.

Sec. 2. Minnesota Statutes 1998, section 64B.03, is amended to read:

64B.03 REPRESENTATIVE FORM OF GOVERNMENT.

(a) A society has a representative form of government when it has a supreme governing body constituted in one of the following ways:

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