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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-SIXTH  
SESSION**

**HOUSE FILE No. 1022**

February 23, 2009

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform,  
Technology and Elections

1.1 A bill for an act  
1.2 relating to local government; providing that local governments may provide  
1.3 health coverage for employees through negotiated contributions to self-funded,  
1.4 multiemployer health and welfare plans; amending Minnesota Statutes 2008,  
1.5 section 471.61, subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2008, section 471.61, subdivision 1, is amended to read:

1.8 Subdivision 1. **Officers, employees.** A county, municipal corporation, town, school  
1.9 district, county extension committee, other political subdivision or other body corporate  
1.10 and politic of this state, other than the state or any department of the state, through its  
1.11 governing body, and any two or more subdivisions acting jointly through their governing  
1.12 bodies, may insure or protect its or their officers and employees, and their dependents, or  
1.13 any class or classes of officers, employees, or dependents, under a policy or policies or  
1.14 contract or contracts of group insurance or benefits covering life, health, and accident, in  
1.15 the case of employees, and medical and surgical benefits and hospitalization insurance  
1.16 or benefits for both employees and dependents or dependents of an employee whose  
1.17 death was due to causes arising out of and in the course of employment, or any one or  
1.18 more of those forms of insurance or protection. A governmental unit, including county  
1.19 extension committees and those paying their employees, may pay all or any part of  
1.20 the premiums or charges on the insurance or protection. A payment is deemed to be  
1.21 additional compensation paid to the officers or employees, but for purposes of determining  
1.22 contributions or benefits under a public pension or retirement system it is not deemed  
1.23 to be additional compensation. One or more governmental units may determine that  
1.24 a person is an officer or employee if the person receives income from the governmental  
1.25 subdivisions without regard to the manner of election or appointment, including but not

2.1 limited to employees of county historical societies that receive funding from the county  
2.2 and employees of the Minnesota Inter-county Association. The appropriate officer of  
2.3 the governmental unit, or those disbursing county extension funds, shall deduct from  
2.4 the salary or wages of each officer and employee who elects to become insured or so  
2.5 protected, on the officer's or employee's written order, all or part of the officer's or  
2.6 employee's share of premiums or charges and remit the share or portion to the insurer or  
2.7 company issuing the policy or contract.

2.8 A governmental unit, other than a school district, that pays all or part of the premiums  
2.9 or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy  
2.10 for the purpose of providing the necessary money for the payment of the premiums or  
2.11 charges, and the sums levied and appropriated are not, in the event the sum exceeds the  
2.12 maximum sum allowed by the charter of a municipal corporation, considered part of  
2.13 the cost of government of the governmental unit as defined in any levy or expenditure  
2.14 limitation; provided at least 50 percent of the cost of benefits on dependents must be  
2.15 contributed by the employee or be paid by levies within existing charter tax limitations.

2.16 The word "dependents" as used in this subdivision means spouse and minor  
2.17 unmarried children under the age of 18 years actually dependent upon the employee.

2.18 Notwithstanding any other law to the contrary, a political subdivision described in  
2.19 this subdivision may provide health benefits to its employees, dependents, and other  
2.20 eligible persons through negotiated contributions to self-funded, multiemployer health  
2.21 and welfare funds.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment;  
2.23 applies to contributions made before, on, or after that date; and is intended as a clarification  
2.24 of existing law.