

amended to read:

Subd. 6. **COSTS, ATTORNEY FEES, EXPENSES.** The proceeds of all actions for damages or settlement thereof under section 176.061, received by the injured employee or his dependents or by the employer as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or his dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer shall be reimbursed ~~for-in an amount equal to~~ all compensation paid under chapter 176 ~~to the employee or his dependents by the employer less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all compensation paid by the employer to the employee or his dependents~~ .

(d) Any balance remaining shall be paid to the employee or his dependents, and shall be a credit to employer for any compensation which employer is obligated to pay, but has not paid, and for any compensation that such employer shall be obligated to make in the future.

There shall be no reimbursement or credit to employer for interest or penalties.

Sec. 3. Minnesota Statutes 1974, Section 176.061, Subdivision 10, is repealed.

Sec. 4. This act is effective on the day following its final enactment.

Approved April 3, 1976.

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## CHAPTER 155—S.F.No.2033

[Coded in Part]

*An act relating to municipalities; clarifying the application of certain laws to certain municipalities; authorizing certain investments; bidding for certain government insurance contracts; amending Minnesota Statutes 1974, Section 471.616, Subdivision 1; Minnesota Statutes, 1975 Supplement, Section 471.561 and Laws 1976, Chapter 44, Section 19.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MIN-

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## NESOTA:

Section 1. Minnesota Statutes, 1975 Supplement, Section 471.561, is amended to read:

**471.561 MUNICIPALITIES; COUNTIES, CITIES AND SCHOOL DISTRICTS; INVESTMENT OF FUNDS; GROUP INSURANCE.** Subdivision 1. In addition to other investments authorized by law, a city, county ~~or~~, school district, or an agency or instrumentality thereof, may invest moneys in its treasury which are not currently needed, in securities issued by the United States government or agency or instrumentality thereof or the state of Minnesota or any agency, instrumentality, political subdivision or municipality therein, when such securities are accompanied by simultaneous repurchase agreements issued by a state or federally chartered banking institution or securities broker-dealer licensed pursuant to Minnesota Statutes, Chapter 80A, or an affiliate thereof, that is a reporting dealer to the Federal Reserve Bank of New York under the terms of which the securities are to be repurchased by the particular banking institution, dealer or an affiliate thereof on a specified date at a predetermined price.

Subd. 2. As used in subdivision 1, "reporting dealer to Federal Reserve Bank of New York" includes any banking institution or dealer making primary markets in United States government securities which report daily to Federal Reserve Bank of New York their positions with respect to United States government securities held and borrowings thereon.

Sec. 2. Minnesota Statutes 1974, Section 471.616, Subdivision 1, is amended to read:

**471.616 GROUP INSURANCE; GOVERNMENTAL UNITS.** 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. 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.

Provided, however, that no such contract need be awarded or submitted or resubmitted to bid more frequently than once every ~~60-48~~ months, unless

~~(a) pursuant to a change in benefits or protections under the policy, contract or program; a 10 to 20 percent change in the original premium under the policy contract is provided, required or indicated; or~~

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(b) for any reason whatsoever, a ~~20-50~~ percent or greater change in the original premium under the policy contract is provided, required or indicated.

When an insurer proposes an increase in rates of ~~20 percent or more~~, it shall accompany its proposal with ~~a~~ an aggregate claims listing record for the appropriate period that explains the proposed increase. When a contract is resubmitted for bids ~~because of a proposed increase in rates of 20 percent or more~~ the aggregate claims listing record shall accompany the specifications for the contract.

Sec. 3. Laws 1976, Chapter 44, Section 19, is amended to read:

**[410.015] DEFINITIONS RELATING TO CITIES.** The term "statutory city" means any city which has not adopted a home rule charter pursuant to the constitution and laws; the words "home rule charter city" mean any city which has adopted such a charter. In any law adopted after July 1, ~~1976-1976~~, the word "city" when used without further description extending the application of the term to home rule charter cities means statutory cities only.

Sec. 4. This act is effective the day following final enactment.

Approved April 3, 1976.

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#### CHAPTER 156—S.F.No.2051

*An act relating to local improvements; council procedure; authorizing percentage payment in advance of completion of improvement on engineer's estimate; amending Minnesota Statutes 1974, Section 429.041, Subdivision 6.*

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

Section 1. Minnesota Statutes 1974, Section 429.041, Subdivision 6, is amended to read:

Subd. 6. **LOCAL IMPROVEMENTS; ADVANCE PAYMENTS; PERCENTAGE PAYMENT ON ENGINEER'S ESTIMATE.** In case the contractor properly performs the work, the council may, from month to month before completion of the work, pay him not to exceed 90 percent of the amount already earned under the contract, upon the estimate of the engineer or other competent person selected by the council, and the contract may so provide, and may further agree that when the work is 90 percent or more completed upon the recommendation of the engineer such portions of the retained price may be released as the governing body of the municipality determines are not required to be retained to protect the municipality's interest in satisfactory completion of the contract.

Changes or additions indicated by underline deletions by ~~strikeout~~