

House Research Act Summary

CHAPTER: 269

SESSION: 2004 Regular Session

TOPIC: Insurance fraud; merger of Cosmetology and Barbering Boards

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Overview

Article 1 authorizes the Commissioner of Commerce to create a Division of Insurance Fraud Prevention, as a law enforcement agency, and establishes duties and powers of the division. Section 9 requires each insurer to remit an assessment to the commissioner, to be deposited in the insurance fraud account. The act repeals current laws creating and establishing duties of the division.

Article 2 transfers duties relating to auto theft prevention programs from the Department of Public Safety to the Department of Commerce.

Article 3 of the Act adds the regulation of cosmetology, presently under the Department of Commerce, to the responsibilities of the Board of Barber Examiners and also changes the composition of the board and renames it the Board of Barber and Cosmetologist Examiners. This article also amends and codifies fee schedules for barbers and cosmetologists.

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Article 1: Insurance Fraud Prevention

- 1** **Application.** Adds the Division of Insurance Fraud Prevention to the list of law enforcement agencies entitled to access to law enforcement data.
- 2** **Authorization.** Authorizes the commissioner of commerce to appoint peace officers and establish a law enforcement agency known as the Division of Insurance Fraud Prevention. Authorizes the division to conduct investigations and to make arrests. The jurisdiction of the

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agency is limited to insurance fraud offenses.

- 3 Duties.** Lists duties of the Division of Insurance Fraud Prevention. These include conducting investigations when the division believes insurance fraud has been or is being committed, reporting incidents of alleged insurance fraud to appropriate law enforcement agencies, and assisting law enforcement authorities.
- 4 Arrests and investigations.** Provides that the Division of Insurance Fraud Prevention is responsible for initial processing and subsequent investigation of a person it arrests for an offense within the division's jurisdiction, unless otherwise directed by the law enforcement agency with primary jurisdiction. Authorizes the division to assist in a subsequent investigation being carried out by the primary jurisdiction.
- 5 Policy for notice of investigations.** Requires the division to develop a policy for notifying the law enforcement agency with primary jurisdiction when it has initiated an investigation.
- 6 Chief law enforcement officer.** Requires the commissioner of commerce to appoint a peace officer with necessary police and management experience to be employed full-time to manage the Division of Insurance Fraud Prevention. Provides for the chief law enforcement officer to appoint, discipline, and discharge other employees. Requires managerial and supervisory personnel to be full-time. Requires supervisory personnel to be on duty and available any time peace officers of the division are on duty.
- 7 Compliance.** Requires that except as otherwise provided, the division must comply with statutes and rules relating to operation and management of a law enforcement agency.
- 8 Insurance prevention account.** Specifies money that is in the insurance fraud prevention account.
- 9 Insurance fraud prevention account.** Requires each insurer authorized to sell insurance in Minnesota to remit an assessment to the commissioner for deposit in the insurance fraud prevention account by June 1 each year. Specifies the amount of the assessment, which is based on the insurer's total assets and total written Minnesota premium. Provides that risk retention groups, township mutuals, and health maintenance organizations are not insurers for purposes of this assessment.
- 10 Use of data.** Permits access by the Department of Commerce to data gathered under the Minnesota Unemployment Compensation Law and now available to the Department of Labor and Industry.
- 11 Peace officer definition.** Amends the definition of "peace officer" in the laws governing the Board of Peace Officer Standards and Training to include Department of Commerce Insurance Fraud Unit officers.
- 12 Repealer.** Repeals section 45.0135, subdivisions 1 and 2, which currently establish the Division of Insurance Fraud Prevention and list powers of the division.
- 13 Effective date.** This article is effective the day following final enactment.

Article 2: Transfer of Auto Theft Duties

- 1 Transfer of powers.** Transfers duties relating to the statewide auto theft prevention program from the Department of Public Safety to the Department of Commerce. Requires the commissioner of commerce to consult with the commissioner of public safety in allocating auto theft prevention grants.
- 2 Annual report.** Specifies that the commissioner of commerce must provide the auto theft program's annual report to the chairs and ranking minority members of the house and senate committees having jurisdiction over the Departments of Commerce and Public Safety.

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- 3 **Grant criteria.** The commissioner of commerce must consult with the commissioner of public safety in developing grant criteria for auto theft prevention grants.
- 4 **Transfer of duties.** Requires the transfer of duties related to auto theft prevention programs to the commissioner of commerce.
- 5 **Revisor instruction.** Revisor instructions related to the transfer provided for in this article.
- 6 **Effective date.** The transfer is effective July 1, 2004.

Article 3: Barbers and Cosmetologists

- 1 **Business licenses.** Updates references to barbers and cosmetologists in statute identifying licenses that are not business licenses.
- 2 **Registration.** Changes Board of Barber Examiners to Board of Barber and Cosmetologist Examiners and makes conforming changes to statutory references.
- 3 **Conforming changes.** Makes conforming changes to statutory references.
- 4 **Conforming changes.** Makes conforming changes to statutory references.
- 5 **Conforming changes.** Makes conforming changes to statutory references.
- 6 **Conforming changes.** Makes conforming changes to statutory references and adopts preferred language.
- 7 **Conforming changes.** Makes conforming changes to statutory references and adopts preferred language.
- 8 **Name change.** Changes Board of Barber Examiners to Board of Barber and Cosmetologist Examiners and adopts preferred language.
- 9 **Conforming changes.** Makes conforming changes to statutory references and changes references to barber licensure to barber registration.
- 10 **Conforming changes.** Makes conforming changes to statutory references and changes references to barber licensure to barber registration.
- 11 **Conforming changes.** Changes references to barber licensure to barber registration.
- 12 **Conforming changes.** Makes conforming changes to statutory references and changes references to barber licensure to barber registration.
- 13 **Conforming changes.** Changes references to barber licensure to barber registration.
- 14 **Conforming changes.** Makes conforming changes to statutory references.
- 15 **Fees.** Establishes a fee schedule for barbers, provides that the fees are due on September 1 of the year in which they are payable, that the money collected shall be deposited in the special revenue fund, and that the money is annually appropriated for expenses of the board other than salaries. (Fee schedule currently found in rules, which would be repealed by this bill.)
- 16 **Conforming changes.** Makes conforming changes to statutory references, changes references to barber licensure to barber registration, and changes Board of Barber Examiners to Board of Barber and Cosmetologist Examiners.
- 17 **Conforming changes.** Makes conforming changes to statutory references.
- 18 **Composition of Board of Barber and Cosmetologist Examiners.** Provides for a Board of Barber and Cosmetologist Examiners to consist of three barber members, three cosmetologist members, and one public member. Requires all members to be currently licensed and to have practiced in the licensed occupation for at least five years. Provides that the barber members of the board shall separately oversee the barber registration provisions of the statute.
- 19 **Conforming changes.** Changes Board of Barber Examiners to Board of Barber and

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- Cosmetologist Examiners and makes conforming changes to statutory references.
- 20** **Conforming changes.** Changes Board of Barber Examiners to Board of Barber and Cosmetologist Examiners and makes conforming changes to statutory references.
- 21** **Conforming changes.** Makes conforming changes to statutory references.
- 22** **Responsibility for regulation of cosmetology.** Vests responsibility for regulation of cosmetology in the Board of Barber and Cosmetologist Examiners rather than in the Commissioner of Commerce.
- 23** **Conforming changes.** Makes conforming changes to statutory references.
- 24** **Conforming changes.** Makes conforming changes to statutory references.
- 25** **Defines “Board”.** “Board” means Board of Barber and Cosmetologist Examiners.
- 26** **Conforming changes.** Makes conforming changes to statutory references.
- 27** **Definition.** Defines licensed practice of cosmetology.
- 28** **Conforming changes.** Changes “commissioner” to “board.”
- 29** **Fee schedule.** Amends cosmetology fee schedule, and provides that all fees are due on or before September 1 of the year in which they are payable.
- 30** **Conforming changes.** Changes “commissioner” to “board” and makes conforming changes to statutory references.
- 31** **Conforming changes.** Changes “commissioner” to “board.”
- 32** **Conforming changes.** Makes conforming changes to statutory references.
- 33** **Nonresident licenses.** Provides for Minnesota licensure of nonresident cosmetologists, manicurists or estheticians if they have completed cosmetology school in a state with at least the same school hour requirements, have an active license in that state, and pass a Minnesota written operator exam. Tests should be translated into applicant’s native language within the limits of available resources.
- 34** **Practice with physician.** Eliminates the need to be licensed as a salon when employed by a licensed physician.
- 35** **Conforming changes.** Changes “commissioner” to “board” and adopts preferred language.
- 36** **Conforming changes.** Changes “commissioner” to “board.”
- 37** **Conforming changes.** Makes conforming changes to statutory references, changes “commissioner” to “board” and adopts preferred language.
- 38** **Conforming changes.** Makes conforming changes to statutory references and changes “commissioner” to “board.”
- 39** **Conforming changes.** Makes conforming changes to statutory references and changes “commissioner” to “board.”
- 40** **Conforming changes.** Makes conforming changes to statutory references.
- 41** **Conforming changes.** Makes conforming changes to statutory references.
- 42** **Conforming changes.** Makes conforming changes to statutory references and changes “commissioner” to “board.”
- 43** **Conforming changes.** Makes conforming changes to statutory references.
- 44** **Appropriation.** Appropriates \$572,000 from the general fund to the Board of Barber and Cosmetologist Examiners for the fiscal year ending June 30, 2005. This appropriation is added to the Board’s base.