

## STATE OF MINNESOTA

## SEVENTY-SECOND SESSION - 1981

## THIRTY-NINTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 23, 1981

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Eugene N. Seltz, Hopkins, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	Novak	Shea
Ainley	Evans	Kelly	Nysether	Sherman
Anderson, B.	Ewald	Knickerbocker	O'Connor	Sherwood
Anderson, G.	Fjoslien	Kostohryz	Ogren	Sieben, M.
Anderson, I.	Forsythe	Kvam	Olsen	Simoneau
Anderson, R.	Friedrich	Laidig	Onnen	Skoglund
Battaglia	Greenfield	Lehto	Osthoff	Stadum
Begich	Gruenes	Lemen	Otis	Staten
Berkelman	Gustafson	Levi	Peterson, B.	Stowell
Blatz	Halberg	Long	Peterson, D.	Stumpf
Brandl	Hanson	Ludeman	Piepho	Sviggum
Brinkman	Harens	Luknic	Pogemiller	Swanson
Byrne	Hauge	Mann	Redalen	Tomlinson
Carlson, D.	Heap	Marsh	Reding	Valan
Carlson, L.	Heinitz	McCarron	Rees	Valento
Clark, J.	Himle	McDonald	Reif	Vanasek
Clark, K.	Hoberg	McEachern	Rice	Vellenga
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hokr	Metzen	Rodriguez, F.	Weaver
Dean	Jacobs	Minne	Rose	Welch
Dempsey	Jennings	Munger	Rothenberg	Welker
Den Ouden	Johnson, C.	Murphy	Samuelson	Wenzel
Drew	Johnson, D.	Nelsen, B.	Sarna	Wieser
Eken	Jude	Nelson, K.	Schafer	Zubay
Ellingson	Kahn	Niehaus	Schoenfeld	Spkr. Sieben, H.
Erickson	Kaley	Norton	Schreiber	

A quorum was present.

Elioff, Haukoos, Searles and Wigley were excused. Wynia was excused until 3:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be

dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

#### REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1421, 673, 889, 935, 460, 886, 188 and 697 and S. F. Nos. 254, 278, 411, 805, 452, 708, 760, 886, 1058, 835, 915, 525, 625, 664, 818, 650, 674, 817, 359, 99, 145, 513, 560, 375, 520 and 874 have been placed in the members' files.

S. F. No. 760 and H. F. No. 746, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Carlson, L., moved that the rules be so far suspended that S. F. No. 760 be substituted for H. F. No. 746 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 805 and H. F. No. 725, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 805 be substituted for H. F. No. 725 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1058 and H. F. No. 517, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Blatz moved that the rules be so far suspended that S. F. No. 1058 be substituted for H. F. No. 517 and that the House File be indefinitely postponed. The motion prevailed.

#### REPORTS OF STANDING COMMITTEES

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 184, A bill for an act relating to cities; increasing the amount of obligations that may be issued for television systems; validating prior issuances; amending Minnesota Statutes 1980, Section 465.70.

Reported the same back with the following amendments:

Page 1, line 10, before "TELEVISION" insert "CABLE"

Page 1, line 10, after "TELEVISION" insert "OR"

Page 1, line 10, strike "; HOME RULE"

Page 1, line 11, strike everything before the period

Page 1, line 12, strike "of the"

Page 1, strike line 13

Page 1, line 14, strike "a city of the first class"

Page 1, line 16, after "may" insert "*wholly or partially do the following.*"

Page 1, line 17, strike "and" and insert "or"

Page 1, line 18, after "system" insert "*or interest therein*"

Page 2, line 9, strike "the" and insert "a" and after "system" insert "*and may issue revenue obligations without limitation for acquisition or betterment of all or part of a system or interest therein*"

Delete the title and insert:

"A bill for an act relating to cities; enlarging the class of cities that may maintain cable television or signal distribution systems; clarifying the description of a system; increasing the amount of obligations that may be issued for television systems; providing for revenue obligations; validating prior issuances; amending Minnesota Statutes 1980, Section 465.70."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 403, A bill for an act relating to public utilities; providing for rights of shareholders of cooperative electric associations; proposing new law coded in Minnesota Statutes, Chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

**"Section 1. [216B.166] [ELECTRIC COOPERATIVE SHAREHOLDER RIGHTS.]**

*Subdivision 1. [INTENT.] It is the intent of this section to specify those rights which shall be extended to shareholders of cooperative electric associations. The guarantee of these rights, as specified herein, is intended to further the active participation of shareholders in any and all matters pertaining to the prudent operation of their organization.*

*Subd. 2. [SCOPE.] Cooperative associations organized under chapter 308 for the purpose of providing rural electrification at retail to ultimate consumers shall comply with the provisions of this section in addition to other applicable provisions of chapter 308 and other applicable state and federal laws.*

*Subd. 3. [BUSINESS RECORDS.] The provisions of section 301.34 and any amendments or successor requirements to it shall apply to every wholesale or retail cooperative electric association. The rights granted to wholesale and retail electric cooperative shareholders in this section shall apply also to the spouse of the shareholder. In addition to the requirements of section 301.34, a wholesale or retail electric cooperative shall maintain records of all proceedings of meetings of shareholders and directors during the previous three year period including the vote of each director on roll call votes. Roll call votes are required on actions establishing service charge and rate schedules. Roll call voting shall also be required on any matter upon the request of one or more directors. Every duly elected director of a retail cooperative electric association shall have the right to inspect in person and at any reasonable time the business records required by this subdivision that are maintained by the wholesale cooperative electric association from which it purchases the majority of its electric requirements.*

*Subd. 4. [OPEN MEETINGS.] All meetings of the board of directors of any retail cooperative electric association shall be open to the shareholders of the cooperative and the shareholders' spouses. Shareholders shall be given notice of all meetings. All duly elected directors of retail cooperative associations shall be given notice, through their retail cooperative associations, of all meetings of the board of directors of the wholesale cooperative association from which the retail cooperative purchases the majority of its electric requirements. Portions of meetings relating to labor negotiations, current litigations, personnel matters and nonpayment of customer accounts shall be excluded from the provisions of this subdivision.*

*Subd. 5. [PETITIONS; VOTING.] Notwithstanding the provisions of section 308.09, upon the receipt of a written peti-*

*tion concerning governance matters signed by at least 500 or ten percent of the shareholders, whichever is less, of a retail cooperative electric association, the matter in the petition shall be presented to the shareholders of the cooperative for a vote at the next annual meeting. Petitions must be received by the cooperative electric association 120 days prior to the scheduled annual meeting. For purposes of this section, "governance matters" means matters properly contained in the articles of incorporation or bylaws by adopting, amending, or repealing bylaws or the articles of incorporation.*

**Subd. 6. [EQUAL TIME; PETITIONERS.]** *Whenever the directors of a retail cooperative electric association provide information to shareholders to influence their vote on a matter to be decided by a vote of the shareholders pursuant to a successful petition submitted under the provisions of subdivision 5 or section 216B.02, subdivision 4, the directors shall provide equivalent access to the organizers of the petition to enable them to present their position on the matter to the members.*

**Subd. 7. [PENALTIES.]** *In addition to the remedies provided in this chapter, the department of public service may commence proceedings in the district court of any county in which repeated and willful violations of this section have occurred for a temporary or permanent injunction against any person violating any provision of this section."*

With the recommendation that when so amended the bill pass.

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 658, A bill for an act relating to financial institutions; permitting banks to make adjustable-rate mortgage loans; proposing new law coded in Minnesota Statutes, Chapter 48.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [48.186] [ADJUSTABLE-RATE MORTGAGE LOANS.]

**Subdivision 1. [DEFINITIONS.]** *For purposes of this section the following terms have the meanings given them:*

(a) "Adjustable-rate mortgage loan" means a loan or advance of credit to a noncorporate borrower in an original principal amount of less than \$100,000 secured by a lien on a one to

four family dwelling, including a condominium unit, cooperative apartment unit, or a mobile home, made pursuant to an agreement intended to enable the lender to adjust the rate of interest from time to time.

(b) "Bank" means any bank organized under the laws of this state or any national banking association doing business in this state.

**Subd. 2. [ADJUSTABLE-RATE MORTGAGE LOAN AGREEMENT.]** Pursuant to rules the commissioner finds necessary and proper, a bank may contract to extend credit pursuant to an adjustable-rate mortgage loan agreement. An adjustable-rate mortgage loan agreement shall provide that the loan issued be for a term of three to five years, secured by a mortgage maturing in not to exceed 40 years, and automatically renewable at the end of each term for a subsequent term of three to five years. An adjustable-rate mortgage loan agreement must provide that the loan be repayable in equal monthly installments of principal and interest during the loan term, in an amount at least sufficient to amortize a loan with the same principal and at the same interest rate over the remaining life of the mortgage.

An adjustable-rate mortgage loan agreement must grant to the borrower an option to renew the loan for a new term, but not beyond the maturity date of the mortgage, at a new interest rate which will be the bank's current market rate of interest on similar loans determined 30 days before the due date of the loan; provided, that the maximum interest rate increase shall be equal to one-half of one percent per year multiplied by the number of years in the loan term with the maximum net increase or decrease not to exceed one-half of the initial contract interest rate over the life of the mortgage. Interest rate increases are optional with the bank; net decreases from the previous loan term are mandatory.

**Subd. 3. [LIMITATION ON ASSUMPTIONS.]** An adjustable-rate mortgage agreement may provide that if all or any part of the property or an interest therein is sold or transferred by the borrower without the bank's prior written consent, the bank may declare all sums secured by the mortgage due and payable. The bank shall consent to a subsequent transfer of the property if the transferee meets the bank's reasonable standards of credit worthiness, including, but not limited to, the ability of the transferee to make the loan payments and satisfactorily maintain the real estate used as collateral. Any such agreement shall not affect the priority, validity, or enforceability of any loan instrument. A lender may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee, and the existing borrower is released from all obligations under the loan instrument.

*Subd. 4. [INTEREST.] The interest rate or loan yields of an adjustable-rate mortgage loan and subsequent renewals thereof are subject to the maximum lawful interest rate ceiling as prescribed for conventional loans by Minnesota Statutes, Sections 47.20 and 47.21.*

*Subd. 5. [WRITTEN DISCLOSURES.] At the time an initial application for an adjustable-rate mortgage loan is requested, the applicant must be given written disclosures prepared in reasonably simple terms that contain at least the following information: (a) an explanation of how an adjustable rate mortgage loan differs from a standard, fixed-rate mortgage; (b) an example of an adjustable rate mortgage loan indicating the maximum possible interest rate increase and monthly payment calculated on that rate at the time of the first renewal; (c) an explanation of how the bank determines what the rate will be at the end of the term; and (d) an estimate of possible costs of renewal.*

*Subd. 6. [NOTICE TO BORROWER.] Thirty days before the due date of the adjustable-rate mortgage loan, the bank shall send a written notification to the borrower containing the following information: (a) the date on which the entire balance of borrower's loan is due and payable; (b) a statement that the loan will be renewed automatically by the bank at the rate specified in the notice unless the borrower pays the loan by the due date; (c) the amount of the monthly payment, calculated according to the new rate determined by the time of notice; (d) a statement that the borrower may prepay the loan without penalty at any time after the original loan becomes due and payable; (e) the cost, if any, of document preparation and recording; and (f) the telephone number of the bank where questions concerning the information in the notice may be obtained by the borrower.*

## **Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective the day following final enactment."*

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 870, A bill for an act relating to motor vehicles; providing for the re-registration of certain motor vehicles and combinations of vehicles; defining gross vehicle weight; exempting certain vehicles from certain weight limitations; establishing gross weight limitations on certain highways for certain motor vehicles and combinations of vehicles; providing exceptions to certain gross weight limitations; providing for the designation

and undesignation of certain routes; providing for the weighing of certain vehicles and combinations of vehicles and the enforcement of weight limitations; allowing the use of certain documents as relevant evidence of exceeding vehicle weight limits, and providing exceptions; requiring record keeping for shipments loaded or unloaded, and providing exceptions; imposing civil and criminal penalties; amending Minnesota Statutes 1980, Sections 168.013, Subdivision 3; 169.01, Subdivision 46; 169.03, Subdivision 6; 169.832, Subdivision 11; 169.85; 169.851; 169.86, Subdivision 1a; 169.87, Subdivision 2; 169.871; 169.872; proposing new law coded in Minnesota Statutes, Chapter 169; repealing Minnesota Statutes 1980, Sections 169.83; 169.832, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 12; and 169.834.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 168.013, Subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELLATION; EXCESSIVE GROSS WEIGHTS FORBIDDEN.] The applicant for all licenses based on gross weight shall state in writing upon oath, (AMONG OTHER THINGS,) the unloaded weight of (SUCH) *the motor vehicle (OR), trailer or semi-trailer* and the maximum load the applicant proposes to carry thereon, the sum of which shall constitute the gross weight upon which the license tax shall be paid, but in no case shall the declared gross weight upon which the tax is paid be less than 1-1/2 times the declared unloaded weight of the *motor vehicle (OR), trailer or semi-trailer* to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18 and wreckers defined in section 169.01, subdivision 52. The gross weight of a wrecker is the actual weight of the wrecker fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the wrecker.

The gross weight of no *motor vehicle (OR), trailer or semi-trailer* shall exceed the gross weight upon which the license tax has been paid by more than four percent or 1000 pounds, whichever is greater.

The gross weight of the *motor vehicle (OR), trailer or semi-trailer* for which (SUCH) *the* license tax is paid shall be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates shall be kept clean and clearly visible at all times.

The owner, driver, or user of a *motor vehicle (OR), trailer or semi-trailer* upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum



lawful axle load weight shall be guilty of a misdemeanor and be subject to increased registration or re-registration according to the following schedule:

(1) The owner, driver or user of a *motor vehicle* (OR), trailer or *semi-trailer* upon conviction for transporting a gross weight in excess of the gross weight for which it is registered by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent or for operating or using a *motor vehicle* (OR), trailer or *semi-trailer* with an axle weight exceeding the maximum lawful axle load as provided in section (169.83) 4 by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent, in addition to any penalty imposed (ON HIM) for the misdemeanor shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight (OF WHICH) the owner, driver, or user was convicted of carrying, the increase computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for (SUCH A) the vehicle under section (169.83) 4, that additional amount shall nevertheless be paid into the highway fund, but the additional tax thus paid shall not (BE DEEMED TO) permit the vehicle to be operated with a gross weight in excess of the maximum legal weight as provided by section (169.83) 4. Unless the owner within 30 days after (SUCH) a conviction shall apply to increase the authorized weight and pay the additional tax as (HEREIN) provided in *this section*, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued (BY HIM) on that registration.

(2) The owner or driver or user of a *motor vehicle* (OR), trailer or *semi-trailer* upon conviction for transporting a gross weight in excess of the gross weight for which the *motor vehicle* (OR), trailer or *semi-trailer* was registered by 25 percent or more, or for operating or using a vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in section (169.83) 4 by 25 percent or more, in addition to any penalty imposed (ON HIM) for the misdemeanor, shall have the reciprocity privileges on the vehicle involved if the (SAME) vehicle is being operated under reciprocity (CANCELED) *cancelled* by the registrar, or if the vehicle is not being operated under reciprocity, the certificate of registration on the vehicle (SO) operated shall be (CANCELED) *cancelled* by the registrar and the registrar shall demand the return of the registration certificate and registration plates. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed (BE) is paid.

(3) When the registration on a motor vehicle, trailer or semi-trailer (HAS BEEN) is revoked by the registrar according to provisions of this section, (SUCH) *the* vehicle shall not be (AGAIN) operated on the highways of the state until it is registered or re-registered, as the case may be, and new plates issued, and the registration fee (THEREFOR) shall be the annual tax for the total gross weight of the vehicle at the time of violation. *The re-registration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to section 168.181 or 168.187 shall be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state.*

Sec. 2. Minnesota Statutes 1980, Section 169.01, Subdivision 46, is amended to read:

Subd. 46. [GROSS VEHICLE WEIGHT.] "*Gross vehicle weight*" means the unloaded weight of a vehicle or the unloaded weight of a truck-tractor and semi-trailer combination, plus the weight of the load.

Sec. 3. Minnesota Statutes 1980, Section 169.03, Subdivision 6, is amended to read:

Subd. 6. The provisions of this chapter shall not apply to persons, motor vehicles, and other equipment while actually engaged in work upon the (ROADWAY OF A) highway, but shall apply to (SUCH) *those* persons and vehicles when traveling to or from such work, except that persons operating equipment owned (OR), rented or hired by road authorities shall be exempt from the *width, height and length* provisions of sections 169.80 and 169.81 and shall be exempt from the *weight limitations of this chapter while engaged in snow or ice removal and while engaged in flood control operations on behalf of the state or a local governmental unit.*

Sec. 4. [169.825] [WEIGHT LIMITATIONS.]

*Subdivision 1. [DEFINITIONS.] The terms defined in this section shall have the meanings given them.*

Subd. 2. [GROSS WEIGHT.] "*Gross weight*" means the weight on any single wheel, single axle or group of consecutive axles and the gross vehicle weight.

Subd. 3. [SINGLE AXLE.] "*Single axle*" includes all wheels whose centers may be included within two parallel transverse vertical planes 40 inches apart.

Subd. 4. [SINGLE WHEEL.] "*Single wheel*" includes two or more wheels with centers less than 48 inches apart on an axle.

**Subd. 5. [TIRE WIDTH.]** "Tire width" means the manufacturer's width as shown on the tire or the width at the widest part of the tire excluding protective side ribs, bars and decorations.

**Subd. 6. [TRIDEM AXLES.]** "Tridem axles" mean three axles spaced within 9 feet or less.

**Subd. 7. [VARIABLE LOAD AXLE.]** "Variable load axle" means any axle which is specifically designed so that, through use of an actuating control, the wheels may be lifted so that the wheels do not contact the road surface or may be lowered to carry loads of varying weights when in contact with the road surface.

**Subd. 8. [PNEUMATIC-TIRED VEHICLES.]** No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state:

(a) Where the gross weight on any wheel exceeds 9,000 pounds, except that on designated routes the gross weight on any single wheel shall not exceed 10,000 pounds;

(b) Where the gross weight on any single axle exceeds 18,000 pounds, except that on designated routes the gross weight on any single axle shall not exceed 20,000 pounds;

(c) Where the maximum wheel load exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less;

(d) Where the gross weight on any axle of a tridem exceeds 15,000 pounds, except that for vehicles to which an additional axle has been added prior to June 1, 1981, the maximum gross weight on any axle of a tridem shall not exceed 16,000 pounds and the gross weight of the tridem combination shall not exceed 37,000 pounds where the first and third axles of the tridem are spaced seven feet apart; 38,500 pounds where the first and third axles of the tridem are spaced eight feet apart; and 39,900 pounds where the first and third axles of the tridem are spaced nine feet apart;

(e) Where the gross weight on any group of axles exceeds the weights permitted under this section with any or all of the interior axles disregarded and their gross weights subtracted from the gross weight of all axles of the vehicle.

**Subd. 9. [VEHICLES NOT EQUIPPED WITH PNEUMATIC TIRES.]** A vehicle or combination of vehicles not equipped with pneumatic tires shall be governed by the provisions of this section, except that the gross weight limitations shall be reduced by 40 percent.

*Subd. 10. [GROSS WEIGHT SCHEDULE.] (a) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state where the total gross weight on any group of two or more consecutive axles of any vehicle or combination of vehicles exceeds that given in the following table for the distance between the centers of the first and last axles of any group of two or more consecutive axles under consideration; the distance between axles being measured longitudinally to the nearest even foot, and when the measurement is a fraction of exactly one-half foot the next largest whole number in feet shall be used, except that when the distance between axles is more than three feet four inches and less than three feet six inches the distance of four feet shall be used:*

*Maximum gross weight in pounds on a group of*

	2	3	4
<i>Distances in feet between centers of fore- most and rearmost axles of a group</i>	<i>consecutive axles of a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles</i>	<i>consecutive axles of a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles</i>	<i>consecutive axles of a 4-axle vehicle or any com- bination of vehicles having a total of 4 or more axles</i>
4	34,000		
5	34,000 (35,000)		
6	34,000 (36,000)		
7	34,000 (37,000)	41,500	
8	34,000 (38,000)	42,000	
9	35,000 (39,000)	43,000	
10	36,000 (40,000)	43,500	49,000
11	36,000	44,500	49,500

**39th Day]****THURSDAY, APRIL 23, 1981****1913**

<i>12</i>	<i>45,000</i>	<i>50,000</i>
<i>13</i>	<i>46,000</i>	<i>51,000</i>
<i>14</i>	<i>46,500</i>	<i>51,500</i>
<i>15</i>	<i>47,500</i>	<i>52,000</i>
<i>16</i>	<i>48,000</i>	<i>53,000</i>
<i>17</i>	<i>49,000</i>	<i>53,500</i>
<i>18</i>	<i>49,500</i>	<i>54,000</i>
<i>19</i>	<i>50,500</i>	<i>55,000</i>
<i>20</i>	<i>51,000</i>	<i>55,500</i>
<i>21</i>	<i>52,000</i>	<i>56,000</i>
<i>22</i>	<i>52,500</i>	<i>57,000</i>
<i>23</i>	<i>53,500</i>	<i>57,500</i>
<i>24</i>	<i>54,000</i>	<i>58,000</i>
<i>25</i>	<i>(55,000)</i>	<i>59,000</i>
<i>26</i>	<i>(55,500)</i>	<i>59,500</i>
<i>27</i>	<i>(56,500)</i>	<i>60,000</i>
<i>28</i>	<i>(57,000)</i>	<i>61,000</i>
<i>29</i>	<i>(58,000)</i>	<i>61,500</i>
<i>30</i>	<i>(58,500)</i>	<i>62,000</i>
<i>31</i>	<i>(59,500)</i>	<i>63,000</i>
<i>32</i>	<i>(60,000)</i>	<i>63,500</i>
<i>33</i>		<i>64,000</i>
<i>34</i>		<i>65,000</i>
<i>35</i>		<i>65,500</i>
<i>36</i>		<i>66,000</i>

37	67,000
38	67,500
39	68,000
40	69,000
41	69,500
42	70,000
43	71,000
44	71,500
45	72,000
46	(72,500)
47	(73,500)
48	(74,000)
49	(74,500)
50	(75,500)
51	(76,000)

*Maximum gross weight in pounds on a group of*

	5	6	7
<i>Distances in feet between centers of fore- most and rear-most axles of a group</i>	<i>consecutive axles of a 5-axle vehicle or any com- bination of vehicles having a total of 5 or more axles</i>	<i>consecutive axles of a combination of vehicles having a total of 6 or more axles</i>	<i>consecutive axles of a combination of vehicles having a total of 7 or more axles</i>
14	57,000		
15	57,500		
16	58,000		

39th Day]

THURSDAY, APRIL 23, 1981

1915

17	59,000		
18	59,500		
19	60,000		
20	60,500	66,000	72,000
21	61,500	67,000	72,500
22	62,000	67,500	73,000
23	62,500	68,000	73,500
24	63,000	68,500	74,000
25	64,000	69,000	75,000
26	64,500	70,000	75,500
27	65,000	70,500	76,000
28	65,500	71,000	76,500
29	66,500	71,500	77,000
30	67,000	72,000	77,500
31	67,500	73,000	78,500
32	68,000	73,500	79,000
33	69,000	74,000	79,500
34	69,500	74,500	80,000
35	70,000	75,000	
36	70,500	76,000	
37	71,500	76,500	
38	72,000	77,000	
39	72,500	77,500	
40	73,000	78,000	
41	74,000	79,000	

42	74,500	79,500
43	75,000	80,000
44	75,500	
45	76,500	
46	77,000	
47	77,500	
48	78,000	
49	79,000	
50	79,500	
51	80,000	

*The gross weights shown in parentheses in this clause are permitted only on routes designated under section 169.832, subdivision 11.*

*(b) Notwithstanding any lesser weight in pounds shown in this table but subject to the restrictions on gross vehicle weights in clause (c), two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross load of 68,000 pounds provided the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more.*

*(c) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed the following:*

*(1) 80,000 pounds for routes designated under section 169.832, subdivision 11; and*

*(2) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes not designated under section 169.832, subdivision 11; and*

*(3) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes not designated under section 169.832, subdivision 11;*

*(d) The maximum weights specified in this subdivision for five and six consecutive axles shall not apply to a combination of vehicles that includes a three axle semi-trailer first registered before the effective date of sections 1 to 12. The gross*



*weight for four or fewer consecutive axles on a combination of vehicles excepted under this clause shall not exceed any maximum weight specified for four or fewer consecutive axles.*

**Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.]**

*(a) The limitations provided in this section shall be increased:*

*(1) By ten percent from January 1 to March 7 each winter, statewide;*

*(2) By ten percent from December 1 through December 31 each winter in the zone bounded as follows: Beginning at Pigeon River in the northeast corner of Minnesota; thence in a south-westerly direction along the north shore of Lake Superior along Trunk Highway No. 61 to the junction with Trunk Highway No. 210; thence westerly along Trunk Highway No. 210 to the junction with Trunk Highway No. 10; thence northwesterly along Trunk Highway No. 10 to the junction with Trunk Highway No. 59; thence northerly along Trunk Highway No. 59 to the junction with Trunk Highway No. 2; thence westerly along Trunk Highway No. 2 to the junction with Trunk Highway No. 32; thence northerly along Trunk Highway No. 32 to the junction with Trunk Highway No. 11; thence northeast along Trunk Highway No. 11 to the east line of Range 43W to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior;*

*(b) The duration of any ten percent increase shall be subject to limitation by order of the commissioner;*

*(c) When the ten percent increase is in effect, a permit shall be required for any motor vehicle, trailer, or semi-trailer combination that has a gross weight in excess of 80,000 pounds and which travels on interstate routes;*

*(d) In all cases where gross weights in an amount less than those set forth in this section are fixed, limited or restricted on any highway or bridge by or pursuant to any other section of this chapter, the lesser gross weight as so fixed, limited or restricted shall not be exceeded and shall control instead of the gross weights set forth in this section;*

*(e) Notwithstanding any other provision of this subdivision, no vehicle shall exceed a total gross vehicle weight of 80,000 pounds on routes which have not been designated by the commissioner pursuant to section 169.832, subdivision 11.*

**Subd. 12. [GROSS WEIGHT REDUCTION ON RESTRICTED ROUTES.]** *The gross weight of any axle or group of consecutive axles of any vehicle or combination of vehicles operated on a route on which a load restriction is imposed in accordance with section 169.87 shall not exceed the gross weights allowed under this section multiplied by a factor of the axle weight in*

tons allowed on the restricted route divided by nine, except that for routes designated under 169.832, subdivision 11, on which a load restriction has been imposed, the allowable load shall not exceed the weights listed for routes not designated under section 169.832 in the gross weight schedule in this section. The weight reductions imposed in this subdivision shall not apply to total gross vehicle weight.

**Subd. 13. [CONSECUTIVE AXLE WEIGHT AND NUMBER OF AXLES.]** No vehicle alone nor any single vehicle of a combination of vehicles shall be equipped with more than four axles unless the additional axles are steering axles or castering axles; provided that the limitation on the number of axles as provided in this section shall not apply to any vehicle operated under permit pursuant to section 169.86. No vehicle alone nor any single vehicle of a combination of vehicles shall exceed the posted weight limit for a single vehicle.

**Subd. 14. [VARIABLE LOAD AXLES.]** A vehicle or combination of vehicles equipped with one or more variable load axles shall have the pressure control preset so that the weight carried on the variable load axle may not be varied by the operator during transport of any load. The actuating control for the axle shall function only as an on and off switch. The provisions of this subdivision do not apply to any truck weighing not more than 57,000 pounds and registered in this state as a farm truck under section 168.013, subdivision 1c, on July 1, 1981.

**Subd. 15. [APPLICATION.]** The provisions of this section do not apply to vehicles operated exclusively in any city in this state which has in effect an ordinance regulating the gross weight of vehicles operated within that city. This subdivision does not apply to trunk highways.

**Sec. 5. Minnesota Statutes 1980, Section 169.832, Subdivision 11, is amended to read:**

**Subd. 11. [DESIGNATION OF ROUTES.]** The commissioner may designate any street or highway route or segment of a route to carry the gross weights permitted under (THIS) section 4. Any designation of a route pursuant to this subdivision, other than a trunk highway route, is subject to the approval of the local authority having jurisdiction over the route. A route may not be designated if the commissioner finds that designation

(a) creates an undue hazard to traffic safety; or

(b) is inconsistent with structural capacity of the route, including consideration of the volume of traffic expected to occur on the route after designation.

Notwithstanding any finding under clause (b), the commissioner shall designate any route which he determines is needed to provide

(i) a connection between significant centers of population or commerce, or between other designated routes; or

(ii) access to a transportation terminal; or

(iii) temporary emergency service to a particular shipping or receiving point on the route.

The commissioner may undesignate any route when continued designation is inconsistent with the provisions of this subdivision, subject to the approval of any local authority having jurisdiction over the route.

(EXCEPT AS PROVIDED IN SUBDIVISION 12,) Any route designation or undesignation shall be effective when (PROPOSED AND) adopted (AS A RULE IN ACCORDANCE WITH CHAPTER 15). The commissioner (SHALL PROPOSE THE DESIGNATION OR UNDESIGNATION OF) *may designate or undesignate* any route when requested by any local authority having jurisdiction over the route. (THE COMMISSIONER SHALL PROPOSE RULES OR AMENDMENTS TO RULES FOR THE PURPOSE OF ROUTE DESIGNATION OR UNDESIGNATION ONLY ONCE IN ANY CALENDAR YEAR.)

Sec. 6. Minnesota Statutes 1980, Section 169.85, is amended to read:

169.85 [WEIGHING; PENALTY.]

(ANY POLICE OFFICER HAVING REASON TO BELIEVE THAT THE WEIGHT OF A VEHICLE AND LOAD IS UNLAWFUL IS AUTHORIZED TO REQUIRE THE DRIVER TO STOP AND) *The driver of any vehicle which has been lawfully stopped may be required by a peace officer to submit the vehicle and load to a weighing (OF THE SAME EITHER) by means of portable or stationary scales, and the peace officer may require that (SUCH) the vehicle be driven to the nearest (PUBLIC) available scales in the event (SUCH) the scales are within five miles. Official traffic control devices as authorized by section 169.06 may be used to direct the driver to the nearest scale. (WHEN ANY WEIGH STATION UPON A TRUNK HIGHWAY OR INTERSTATE HIGHWAY IS OPEN AND SIGNS GIVING NOTICE OF THAT FACT ARE POSTED IN ACCORDANCE WITH SECTION 169.06 AND ARE NOT POSTED MORE THAN ONE MILE FROM THE WEIGH STATION, THE DRIVER OF EVERY VEHICLE OR COMBINATION OF VEHICLES REGISTERED FOR OR WEIGH-*

ING IN EXCESS OF 11,000 POUNDS, EXCEPT BUSES REGISTERED IN THIS STATE, SHALL COMPLY WITH THE DIRECTION OF THE SIGNS AND SUBMIT THE VEHICLE TO WEIGHING AND INSPECTION AT THE WEIGH STATION) *When any truck weight enforcement operation is conducted by means of portable or stationary scales and signs giving notice of the operation are posted within the highway right-of-way and adjacent to the roadway within two miles of the operation, the driver of every truck or combination of vehicles registered for or weighing in excess of 12,000 pounds, and the driver of every charter bus, shall proceed to the scale site and submit the vehicle to weighing and inspection.*

Upon weighing a vehicle and load, as provided (ABOVE) in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under (SECTIONS 169.83 OR 169.832, WHICHEVER APPLIES) *section 4*. A driver may be required to unload a vehicle only if the weighing officer determines that (a) on routes subject to the provisions of section (169.83) 4, the weight on any axle exceeds the lawful gross weight prescribed by section (169.83) 4, by 2,000 pounds or more, or the weight on any group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by section (169.83) 4, by 4,000 pounds or more; or (b) on routes (SUBJECT TO THE PROVISIONS OF SECTION 169.832) *designated by the commissioner in section 5*, the overall weight of the vehicle or the weight on any axle or group of consecutive axles exceeds the maximum lawful gross weights prescribed by section (169.832) 4; or (c) the weight is unlawful on any axle or group of consecutive axles on any road restricted in accordance with section 169.87. All material so unloaded shall be cared for by the owner or driver of (SUCH) *the* vehicle at the risk of (SUCH) *the* owner or driver.

Any driver of a vehicle who fails or refuses to stop and submit the vehicle and load to a weighing as required (HEREIN) *in this section*, or who fails or refuses, when directed by an officer upon a weighing of the vehicle, to stop the vehicle and otherwise comply with the provisions of this section, (SHALL BE) *is* guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1980, Section 169.851, is amended to read:

169.851 [WEIGHT RECORD.]

Subdivision 1. [(DEFINITION) DEFINITIONS.] *For the purposes of this section and sections 169.871 and 169.872, the terms defined in subdivisions 2 and 3 have the meanings given to them.*

*Subd. 2. [DOCUMENT.] "Document" includes a bill of lading, freight bill, weight certification, or other similar document.*

*Subd. 3. [FIRST HAUL.] "First haul" means the first, continuous transportation from the place of production or farmstead to any other location within 50 miles of the place of production or farmstead.*

(SUBD. 2.) *Subd. 4. [RELEVANT EVIDENCE.] A document evidencing the receipt of goods issued by the person consigning the goods for shipment or a person engaged in the business of transporting or forwarding goods, which states a gross weight of the vehicle and load or the weight of the load when combined with the empty weight of the vehicle that is in excess of the prescribed maximum weight limitation permitted by this chapter is relevant evidence that the weight of the vehicle and load is unlawful. (THE PROVISIONS OF THIS SECTION DO NOT APPLY TO THE TRANSPORTATION OF UNPROCESSED OR RAW FARM PRODUCTS FROM THE PLACE OF PRODUCTION TO MARKET PROVIDED THE TRANSPORTATION CONSTITUTES THE FIRST HAUL OF THE PRODUCTS.)* For the purposes of this section and sections 169.871 and 169.872, a document required to be kept under section 169.872 indicating a unit of measure that, when converted to weight and combined with the weight of the empty vehicle, indicates a gross weight in excess of the prescribed maximum weight limitation permitted by this chapter is relevant evidence that the weight of the vehicle and load is unlawful. The foregoing provisions do not limit the introduction of other competent evidence bearing upon the question of whether or not there is a violation of the prescribed maximum weight limitations permitted by this chapter.

*Subd. 5. [EXCEPTION.] The provisions of this section do not apply to the first haul of unprocessed or raw farm products and the transportation of raw and unfinished forest products.*

Sec. 8. Minnesota Statutes 1980, Section 169.86, Subdivision 1a, is amended to read:

**Subd. 1a. [SEASONAL PERMITS FOR CERTAIN HAULERS.]** The commissioner of transportation, upon application in writing therefor, may issue special permits annually to any hauler (OF RAW AND UNFINISHED FOREST PRODUCTS) authorizing the hauler to move vehicles or combinations of vehicles with weights exceeding by not more than ten percent the weight limitations contained in section (169.832) 4, on interstate highways during the times and within the zones specified in section (169.83, SUBDIVISION 1, CLAUSE 3) 4.

(IN ALL CASES WHERE GROSS WEIGHTS IN AN AMOUNT LESS THAN THOSE PERMITTED UNDER THIS

SUBDIVISION ARE FIXED, LIMITED OR RESTRICTED ON ANY INTERSTATE HIGHWAY OR BRIDGE THEREON BY OR PURSUANT TO ANY OTHER SECTION OF THIS CHAPTER THE LESSER GROSS WEIGHTS AS SO FIXED, LIMITED OR RESTRICTED SHALL NOT BE EXCEEDED AND SHALL CONTROL INSTEAD OF THE GROSS WEIGHTS PERMITTED UNDER THIS SUBDIVISION.)

Sec. 9. Minnesota Statutes 1980, Section 169.87, Subdivision 2, is amended to read:

Subd. 2. [SEASONAL LOAD RESTRICTIONS.] (EXCEPT WHERE RESTRICTIONS ARE IMPOSED AS PROVIDED IN SUBDIVISION 1, NO PERSON SHALL OPERATE ANY VEHICLE OR COMBINATION OF VEHICLES UPON ANY COUNTY OR TOWN ROAD DURING THE PERIOD BETWEEN MARCH 20 AND MAY 15 OF EACH YEAR WHERE THE GROSS WEIGHT ON ANY SINGLE AXLE, AS DEFINED IN MINNESOTA STATUTES 1945, SECTION 169.83, EXCEEDS 10,000 POUNDS; PROVIDED, THAT THERE SHALL BE EXCEPTED AND EXEMPTED FROM THE PROVISIONS OF THIS SECTION EMERGENCY VEHICLES OF PUBLIC UTILITIES USED INCIDENTAL TO MAKING REPAIRS TO ITS PLANT OR EQUIPMENT; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT APPLY TO ROADS PAVED WITH CEMENT CONCRETE. SUBDIVISION 2 SHALL APPLY ONLY TO COUNTY AND TOWN ROADS LOCATED WESTERLY AND SOUTHERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT ON THE SOUTH SHORE OF LAKE OF THE WOODS, THENCE SOUTHERLY ALONG THE WESTERLY BORDERS OF LAKE OF THE WOODS AND BELTRAMI COUNTIES TO THE INTERSECTION WITH STATE TRUNK HIGHWAY NO. 2, THENCE EASTERLY AND SOUTHEASTERLY ALONG STATE TRUNK HIGHWAY NO. 2 TO DULUTH) *From March 20 to May 15 of each year, the weight on any single axle shall not exceed five tons on a county or town road that has not been restricted as provided in subdivision 1. The gross weight on consecutive axles shall not exceed the gross weight allowed in section 4 of this act multiplied by a factor of five divided by nine. This reduction shall not apply to the gross vehicle weight.*

Sec. 10. Minnesota Statutes 1980, Section 169.871, is amended to read:

169.871 [CIVIL PENALTY.]

*Subdivision 1. The owner or lessee of a vehicle that is operated with a gross weight in excess of a weight limit imposed under sections (169.83) 4 and 169.832 to 169.87 or a shipper*

who ships or tenders goods for shipment in a single truck or combination vehicle that exceeds a weight limit imposed under sections (169.83) 4 and 169.832 to 169.87 is liable for a civil penalty as follows:

(a) If the total gross excess weight is not more than (2,000) 3,000 pounds, one cent per pound for each pound in excess of the legal limit;

(b) If the total gross excess weight is more than (2,000) 3,000 pounds but not more than (3,000) 4,000 pounds, five cents per pound for each pound in excess of the legal limit;

(c) If the total gross excess weight is more than (3,000) 4,000 pounds but not more than (5,000) 6,000 pounds, 15 cents per pound for each pound in excess of the legal limit; or

(d) If the total gross excess weight is more than (5,000) 6,000 pounds, 30 cents per pound for each pound in excess of the legal limit.

(ANY PENALTY IMPOSED AND FINES COLLECTED PURSUANT TO THIS SUBDIVISION SHALL BE DISPOSED OF AS PROVIDED IN SECTION 299D.03, SUBDIVISION 5, WITH THE FOLLOWING EXCEPTIONS:)

((a) IF THE VIOLATION OCCURS IN THE COUNTY, THE REMAINING FIVE-EIGHTHS SHALL BE CREDITED TO THE HIGHWAY USER TAX DISTRIBUTION FUND.)

((b) IF THE VIOLATION OCCURS WITHIN THE MUNICIPALITY, AND THE CITY ATTORNEY PROSECUTES THE OFFENSE, AND A PLEA OF NOT GUILTY IS ENTERED, THE REMAINING ONE-THIRD SHALL BE PAID TO THE HIGHWAY USER TAX DISTRIBUTION FUND.)

*Any penalty imposed upon a defendant under this section shall not exceed the maximum penalty prescribed by this subdivision. Any fine paid by the defendant in a criminal overweight action that arose from the same overweight violation shall be applied toward payment of the civil penalty. A peace officer who cites a driver for a violation of the weight limitations established by sections 169.81 through 169.87 shall give written notice to the driver that he or another may also be liable for the civil penalties provided herein in the same or separate proceedings.*

*Subd. 2. [JURISDICTION.] Notwithstanding the provisions of sections 487.15, 488A.01 and 488A.18, the county and municipal courts may hear, try and determine actions commenced under this section. Trials under this section shall be to*

*the court, sitting without a jury. Trials to the court under this section shall, if possible, be conducted at the same time as pre-trial motions or trials in the criminal prosecution under sections 169.81 through 169.87, if any, subject to the agreement of the defendant.*

*Subd. 3. [APPEARANCES.] Notwithstanding the provisions of section 8.01, county or city attorneys shall appear for the state in civil actions commenced under this section.*

*Subd. 4. [VENUE.] Civil actions under this section may be commenced in any county in which the vehicle was loaded, unloaded or operated in violation of subdivision 1 unless there is agreement that the action may be tried in another county or municipality.*

*Subd. 5. [FINES.] Any penalty imposed and fines collected pursuant to this section shall be disposed of as provided in section 299D.03, subdivision 5, with the following exceptions:*

*(a) If the violation occurs in the county, the remaining five-eighths shall be credited to the highway user tax distribution fund.*

*(b) If the violation occurs within the municipality, and the city attorney appears in the action, the remaining one-third shall be paid to the highway user tax distribution fund.*

*Subd. 6. [COSTS AND DISBURSEMENTS.] The prevailing party in any action commenced under this section shall be entitled to reasonable costs incurred in the action.*

**Sec. 11. Minnesota Statutes 1980, Section 169.872, is amended to read:**

**169.872 [RECEIPT OF CERTAIN OVERWEIGHT LOADS.]**

**Subdivision 1. [RECORD KEEPING.]** A person who weighs goods before or after unloading or a person who loads or unloads goods on the basis of liquid volume measure shall keep a written record of the origin, weight and composition of each shipment, the date of loading or receipt, the name and address of the shipper, the total number of axles on the vehicle or combination of vehicles, and the registration number of the power unit or some other means of identification by which the shipment was transported. The record shall be retained for 30 days and shall be open to inspection and copying by a state law enforcement officer or motor transport representative or a peace officer as defined in section 626.84, subdivision 1, clause (c), except state conservation officers, upon demand. No search warrant is required to inspect or copy the record. This subdivision does not apply to a person weighing goods who is not involved



in the shipping, receiving and transporting of those goods. (THIS SUBDIVISION ALSO DOES NOT APPLY, AT ANY TIME DURING THE YEAR, TO A PERSON WHO WEIGHS A COMMODITY FOR WHICH A WEIGHT VARIANCE IS PERMITTED UNDER SECTION 169.83, SUBDIVISION 1, CLAUSE 3.)

Subd. 2. [EVIDENCE.] *Except for records relating to the loading and unloading of the first haul of unprocessed or raw farm products and the transportation of raw and unfinished forest products, a record kept and maintained as provided in subdivision 1 that shows that a vehicle has exceeded a gross weight limit imposed by this chapter is relevant evidence of a violation of this chapter. The foregoing provisions do not limit the introduction of other competent evidence bearing upon the question of whether or not there is a violation of the prescribed maximum weight limitation permitted by this chapter.*

Subd. 3. [PENALTY.] A person who fails to keep and maintain documents as required in subdivision 1 is (SUBJECT TO A CIVIL PENALTY OF NOT TO EXCEED \$500 FOR EACH VIOLATION. A CIVIL PENALTY IMPOSED AND COLLECTED PURSUANT TO THIS SUBDIVISION SHALL BE CREDITED TO THE HIGHWAY USER TAX DISTRIBUTION FUND OF THE STATE) *guilty of a misdemeanor.*

Sec. 12. [REPEALER.]

*Minnesota Statutes 1980, Sections 169.83; 169.832, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 12; and 169.834, are repealed.*

Sec. 13. [EFFECTIVE DATE.]

*Sections 2, 5, 6, 7, 10 and 11 are effective the day following their final enactment; section 4, subdivision 14, is effective January 1, 1982."*

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 890, A bill for an act relating to the state board of investment; establishing standards for the selection of certain prudent investments; amending Minnesota Statutes 1980, Section 11A.09.

Reported the same back with the following amendments:

Page 1, line 19, after the period, insert "*Further, the legislature finds that the investment of money solely to benefit the interests of retirement plan participants and beneficiaries represents a highly desirable goal.*"

Page 2, line 1, after "act" insert "*solely in the interest of the beneficiaries of the money and for the exclusive purpose of providing benefits to the beneficiaries, shall act*"

Page 2, line 4, strike "their"

Page 2, line 5, strike "own affairs" and insert "*an enterprise of like character*"

Page 2, line 16, after "*expansion*" insert "*in the state*"

Page 2, after line 31, insert:

*"In applying the standards contained in this subdivision, the state board and its staff shall take no actions which they construe to be not in the best interests of retirement plan participants and beneficiaries."*

Page 2, delete lines 32 to 36

Page 3, delete lines 1 to 8 and insert:

*"Subd. 4. [EXEMPTIONS.] The standards and prohibitions contained in subdivision 3 shall not apply in respect to the investments of the post-retirement investment fund established in section 11A.18."*

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1124, A bill for an act relating to retirement; local police relief associations; authorizing the payment of benefits outside the United States in certain instances; proposing new law coded in Minnesota Statutes, Chapter 423; repealing Minnesota Statutes 1980, Section 423.811.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1131, A bill for an act relating to the state fire marshal; deleting references to a dedicated fund and to archaic misdemeanor fines; repealing obsolete statutory requirements pertaining to flammable liquids, fire extinguishers, doors of buildings, and theaters; correcting an erroneous designation of responsibility concerning fire insurance premium returns; setting a penalty; amending Minnesota Statutes 1980, Sections 299F.011, Subdivision 1; 299F.19; 299F.20; 299F.21; 299F.22; 299F.23; 299F.24; 299F.26, Subdivision 1; 299F.29; 299F.31; 299F.36, Subdivision 2; 299F.391, Subdivision 1; and 299F.46, Subdivision 1; repealing Minnesota Statutes 1980, Sections 299F.011, Subdivision 2; 299F.27; 299G.10; 299H.01; 299H.02; and 299H.28, Subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

S. F. No. 225, A bill for an act relating to labor; regulating certain charges to persons earning the minimum wage; amending Minnesota Statutes 1980, Section 177.24, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 12, delete "*minimum*" and insert "*minimums*"

Page 1, line 20, delete everything after "(c)"

Page 1, line 21, delete "*subdivision 7, clause (4),*"

Page 2, delete lines 1 to 6 and insert:

*"Subd. 5. An employer, at the termination of an employee's employment, shall provide reimbursement of the full cost to the employee of any of the items listed in subdivision 4 which he was obliged to purchase during his employment. If such reimbursement is made the employer may at that time require the employee to surrender any items for which the employer provided reimbursement which are still extant."*

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

S. F. No. 338, A bill for an act relating to public employment; eliminating certain part time adult vocational education instructors from the definition of public employee; amending Minnesota Statutes 1980, Section 179.63, Subdivision 7.

Reported the same back with the following amendments:

Page 2, after line 21, insert:

"Sec. 2. Minnesota Statutes 1980, Section 179.64, Subdivision 1a, is amended to read:

Subd. 1a. Except as otherwise provided by section 179.691, teachers employed by a local school district, other than principals and assistant principals, may strike only under the following circumstances:

(1)(a) The collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179.691 has occurred; and

(b) The exclusive representative and the employer have participated in mediation over a period of at least 60 days, 30 days of which have occurred after the expiration date of the collective bargaining agreement, provided that the mediation period established by section 179.691 shall govern negotiations pursuant to that section. For the purposes of this sub-clause the mediation period commences on the day following receipt by the director of a request for mediation; and

(c) Written notification of intent to strike was served on the employer and the director by the exclusive representative on or after the expiration date of the collective bargaining agreement or, if there is no agreement, on or after the date impasse under section 179.691 has occurred and at least ten days prior to the commencement of the strike, provided that if more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification; and

(d) A request for binding arbitration has been rejected pursuant to section 179.69; or

(2) 45 days after impasse pursuant to section 179.69, subdivisions 3 (, 3A) and 3b, or section 179.691, neither party has requested arbitration; or

(3) The employer violates section 179.68, subdivision 2, clause (9).

Written notification of intent to strike under clauses (2) and (3) shall be served on the employer and the director by the exclusive representative at least ten days prior to the commencement of the strike, provided that if more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification, and further provided that notice of intent to strike under clause (2) shall be given no earlier than the last day of the period provided in clause (2).

Sec. 3. Minnesota Statutes 1980, Section 179.691, is amended to read:

**179.691 [NEW EXCLUSIVE REPRESENTATIVE OF TEACHERS.]**

If a new or different exclusive representative of teachers employed by a local school district is certified by the director at any time other than the period between 120 days before the termination date of a contract and the termination date of the contract, or if on July 1 of any odd-numbered year a representation proceeding involving the employer and the employer's teachers is before the director, the provisions of (LAWS 1980, CHAPTER 617, SECTION 22, CLAUSE (1)) *section 179.64, subdivision 1a*, shall apply. In those cases, however, the employer and the exclusive representative of the teachers shall execute a written contract or memorandum of contract as provided in section 179.70 no later than 60 days after a certification by the director of a new or different exclusive representative or the resolution by the director of a representation proceeding. Either party may petition the director of mediation services for assistance in reaching an agreement, as provided in section 179.69, subdivision 1. If the employer and the exclusive representative of the teachers fail to execute a contract by 60 days after the certification of a new or different exclusive representative or the resolution by the director of a representation proceeding, they shall be conclusively presumed to be at an impasse after having participated in mediation sessions called pursuant to section 179.69 over a period of no less than 60 days.

Sec. 4. Minnesota Statutes 1980, Section 179.692, is amended to read:

**179.692 [NEW EXCLUSIVE REPRESENTATIVE; NON-TEACHERS.]**

If a new or different exclusive representative of employees other than teachers employed by a local school district is certified by the director, or if on the expiration date of an existing

contract a representation proceeding is before the director, the provisions of (LAWS 1980, CHAPTER 617, SECTION 22, CLAUSE (1)) *section 179.64, subdivision 1*, shall apply. In those cases, however, the employer and the exclusive representative of the employees shall execute a written contract or memorandum of contract as provided in section 179.70 no later than 45 days after a certification by the director of a new or different exclusive representative or the resolution by the director of a representation proceeding. Either party may petition the director of mediation services for assistance in reaching an agreement, as provided in section 179.69, subdivision 1. If the employer and the exclusive representative fail to execute a contract by 45 days after the certification of a new or different exclusive representative or the resolution by the director of a representation proceeding, they shall be conclusively presumed to be at an impasse after having participated for a period of no less than 45 days in mediation sessions called pursuant to section 179.69."

Page 2, line 22, delete "2" and insert "5"

Page 2, line 23, delete "*July 1, 1981*" and insert "*the day following final enactment*"

Amend the title as follows:

Page 1, line 2, after the semi-colon insert "clarifying impasse procedures when a school employee exclusive representative changes;"

Page 1, line 5, delete "Section" and insert "Sections"

Page 1, line 5, after "7" insert " ; 179.64, Subdivision 1a ; 179.-691 ; and 179.692"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

S. F. No. 903, A bill for an act relating to the city of Minneapolis; providing for amendment of certain special revenue obligations; amending Laws 1975, Chapter 188, Section 3, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 964, A bill for an act relating to human rights; requiring certain state contractors to have affirmative action plans approved by the commissioner of human rights; amending Minnesota Statutes 1980, Section 363.073; proposing new law coded in Minnesota Statutes, Chapter 363.

Reported the same back with the following amendments:

Page 1, line 18, delete "*with*" and strike "any firm"

Page 1, line 19, delete the comma and strike "or"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 1043, A bill for an act relating to administrative procedures; providing for changes in the recompilation, publication, and drafting of administrative rules; modifying the powers of the revisor of statutes with respect to compiling, publishing, and drafting of administrative rules; clarifying which rules are to be published; fixing a common nomenclature for certain steps in the administrative process; extending statutory standard definitions of terms and principles of construction to administrative rules; providing for the effect of transferring responsibilities between agencies; extending the jurisdiction of the LCRAR; clarifying when a rule suspended by the LCRAR becomes effective; modifying certain provisions of the administrative procedure act; removing certain obsolete terms and clarifying certain language; amending Minnesota Statutes 1980, Sections 3.965, Subdivision 2; 15.0411, Subdivisions 2 and 3; 15.0412, Subdivisions 1, 1a, 2a, 4, 4c, 4d, 4e, 4f, 4g, 4h, 5, 7, 8, 9 and 10; 15.0413; 15.0415; 16.86, Subdivision 2; 62E.10, Subdivision 8; 121.931, Subdivision 8; 121.932, Subdivision 3; 169.128; 182.655, Subdivision 1; 238.09, Subdivision 9; 271.06, Subdivision 7; 299A.03, Subdivision 6; 299F.19, Subdivision 6; 360.015, Subdivisions 4, 5 and 16; 645.071, Subdivision 1; 645.08; 645.11; 645.12, Subdivision 1; 645.13; 645.14; 645.15; 645.18; 645.19; 645.20; 645.21; 645.23; 645.24; 645.26, Subdivisions 1 and 2; 645.31, Subdivision 1; 645.34; 645.35; 645.36; 645.37; 645.39; 645.40; 645.41; 645.44, Subdivision 1; 645.45; 645.451, Subdivision 1; 645.46; 645.48; 648.31, Subdivision 6; 648.50, Subdivisions 1, 2, 3, 4 and 6, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapters 15 and 645; repealing Minnesota Statutes 1980, Sections 15.015 to 15.04; 174.06, Subdivision 6; and 245.04 to 245.07.

Reported the same back with the following amendments:

Page 2, line 8, after "3b" insert *"or were filed with the secretary of state in accordance with the provisions of section 15.0413, subdivision 3, which were in effect on the date the rules were filed"*

Page 6, line 4, after "unless" insert *"either"*

Page 6, line 4, after "examiner" insert *", for rules adopted pursuant to subdivisions 4 to 4g, or the attorney general, for rules adopted pursuant to subdivision 4h or 5,"*

Page 7, after line 3, insert:

*"An agency may incorporate by reference into its rules the text from Minnesota Statutes, United States Statutes at Large, United States Code, Laws of Minnesota, Code of Federal Regulations, the Federal Register, and other publications which are determined by the revisor of statutes, after consultation with the chief hearing examiner, to be conveniently available to the public. When presented with a rule for certification pursuant to this subdivision, the revisor of statutes should indicate in the certification that the rule incorporates text from other publications. If the revisor certifies that the form of a rule is approved, that approval constitutes the revisor's finding that the text of a publication other than those listed by name in this subdivision, and which are incorporated by reference into the rules, are conveniently available to the public."*

Delete page 16, line 27, to page 18, line 21, and insert:

*"Subd. 3. [EXEMPT AGENCIES AND RULES.] (a) Any rules adopted, amended, suspended, or repealed by any agency but excluded from the administrative procedure act by section 15.0411, subdivision 2, shall have the force and effect of law upon compliance with the procedures of paragraph (c) of this subdivision. However, this subdivision does not apply to:*

*(1) rules implementing emergency powers pursuant to sections 12.31 to 12.37;*

*(2) rules of agencies directly in the legislative or judicial branches; or*

*(3) rules of the regents of the University of Minnesota.*

*(b) Rules (HEREAFTER PROMULGATED) adopted, amended, suspended, or repealed (OF) by any (STATE OFFICER, BOARD, COMMISSION, BUREAU, DIVISION, DEPARTMENT, OR TRIBUNAL OTHER THAN A COURT,*



HAVING STATEWIDE JURISDICTION AND AUTHORIZED BY LAW TO MAKE RULES,) *agency* but excluded (FROM THE DEFINITION OF "AGENCY" IN SECTION 15.0411) *from the definition of "rule" in section 15.0411, subdivision 3,* shall have the force and effect of law (IF THEY) *upon compliance with paragraph (c) of this subdivision. However, this subdivision does not apply to:*

(1) *rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; or,*

(2) *opinions of the attorney general.*

(c) *The rules have the force and effect of law if:*

(1) *the revisor of statutes approves the form of the rules by certificate;*

(2) *two copies of the rules with the revisor's certificate are filed in the office of the secretary of state (IN THE SAME MANNER AS RULES ADOPTED PURSUANT TO SECTION 15.0412 ARE SO FILED AND IF THEY ARE SUBMITTED TO THE COMMISSIONER OF ADMINISTRATION IN A MANNER HE SHALL PRESCRIBE); and,*

(3) *a copy is published in the state register.*

(d) *The rules become effective five working days after publication in the state register. The secretary of state shall forward one copy of each rule to the revisor of statutes. Rules filed in accordance with this subdivision, as it is in effect on the date the rules are filed, shall be included in Minnesota Rules.*

(e) (THIS SUBDIVISION, HOWEVER, SHALL NOT APPLY TO RULES OF THE REGENTS OF THE UNIVERSITY OF MINNESOTA.) *Any law exempting an agency or rule from sections 15.0411 to 15.052 shall not be construed as preventing an agency from complying with this subdivision, unless the law specifically provides to the contrary.*

*Subd. 3a. [PREVIOUSLY FILED RULES; PREVIOUSLY EXEMPT AGENCIES.] Rules excluded from the administrative procedure act in Minnesota Statutes 1978, Section 15.0411, Subdivision 2, but included in the rulemaking provisions of the act in Minnesota Statutes 1980, Section 15.0411, Subdivision 2, have the force and effect of law and shall be published by the revisor of statutes pursuant to section 648.50, to the extent the rules are still in effect, if the rules were:*

(1) *adopted by an agency; and,*

(2) *filed with the secretary of state before April 25, 1980.*

**Subd. 3b. [UNFILED RULES; PREVIOUSLY EXEMPT AGENCIES.]** *Rules excluded from the administrative procedure act in Minnesota Statutes 1978, Section 15.0411, Subdivision 2, but included in the rulemaking provisions of the act in Minnesota Statutes 1980, Section 15.0411, Subdivision 2, shall have the force and effect of law and be published by the revisor of statutes pursuant to section 648.50, to the extent the rules are still in effect, if:*

(1) *the rules were adopted by an agency;*

(2) *the rules were not filed with the secretary of state before April 25, 1980; and,*

(3) *a copy of the rules which were effective on April 25, 1980, but unfiled with the secretary of state are filed with both the secretary of state and the revisor of statutes before September 1, 1981."*

Page 24, line 31, after "contrary" insert "by law or rule"

Page 24, lines 31 and 32, delete "July 1" and insert "June 30"

Delete page 24, line 33, to page 25, line 18

Renumber the remaining sections

Page 25, line 29, strike "(a)" and insert "(1)"

Page 25, line 32, after "to" insert "the provisions of"

Page 25, line 32, after "3" insert "which were in effect at the time the rules were filed"

Page 26, line 3, strike "(b)" and insert "(2)"

Page 26, line 5, after "to" insert "the provisions of"

Page 26, line 6, after "3" insert "which were in effect at the time the rules were filed"

Page 26, line 8, strike "(c)" and insert "(3)"

Page 26, line 13, strike "(d)" and insert "(4)"

Page 26, line 21, strike "(e)" and insert "(5)"

Page 26, line 25, strike "(f)" and insert "(6)"

Page 26, line 28, strike "(g)" and insert "(7)"

Page 27, line 17, delete "(a)" and insert "(1)"

Page 27, line 19, delete "(b)" and insert "(2)"

Page 27, line 21, delete "40" and insert "38"

Page 27, line 22, delete "(c)" and insert "(3)"

Page 27, line 23, delete "40" and insert "38"

Page 29, line 2, delete "47" and insert "45"

Page 29, line 23, delete "47" and insert "45"

Page 29, line 29, delete "46" and insert "44" and delete "47" and insert "45"

Page 29, line 31, delete "42" and insert "40"

Page 32, line 10, after "15.04;" insert "15.0412, Subdivision 4a;"

Page 32, line 13, delete "50" and insert "48"

Amend the title as follows:

Page 1, line 13, delete "LCRAR" and insert "Legislative Commission to Review Administrative Rules"

Page 1, line 14, delete "LCRAR" and insert "Legislative Commission to Review Administrative Rules"

Page 1, line 14, after the semicolon insert "allowing an agency to enact a rule repealed by the legislature and the Legislative Commission to Review Administrative Rules to suspend it again;"

Page 1, line 26, after the first semicolon delete the remaining text

Page 1, delete lines 27 to 31

Page 1, line 36, after "15.04;" insert "15.0412, Subdivision 4a;"

With the recommendation that when so amended the bill pass.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 1421, 184, 403, 658, 870, 890, 1124 and 1131 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 760, 805, 1058, 225, 338, 903, 964 and 1043 were read for the second time.

INTRODUCTION AND FIRST READING  
OF HOUSE BILLS

The following House Files were introduced:

Minne introduced:

H. F. No. 1430, A bill for an act relating to the city of Hibbing; fixing the amount of the mayor's contingent fund; amending Laws 1939, Chapter 329, Section 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Kelly, Gustafson and Lemen introduced:

H. F. No. 1431, A bill for an act relating to crimes; eliminating the defenses of mental illness and mental deficiency; amending Minnesota Statutes 1980, Section 611.026.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Himle; Osthoff; Carlson, D., and Tomlinson introduced:

H. F. No. 1432, A bill for an act relating to taxation; increasing the sales and use tax and motor vehicle excise tax rate for sales occurring after June 30, 1981 and prior to July 1, 1983; amending Minnesota Statutes 1980, Sections 297A.02; 297A.14; and 297A.24.

The bill was read for the first time and referred to the Committee on Taxes.

Brandl; Anderson, I., and Novak introduced:

H. F. No. 1433, A bill for an act relating to taxation; altering the corporate income tax rate; suspending inflation adjustments to individual income tax brackets, the standard deduction and personal and dependent credits; providing a credit for certain research and experimental expenditures; increasing the standard deduction; appropriating money; amending Minnesota Statutes 1980, Sections 290.06, Subdivisions 1, 2d, 3f, and 3g; 290.09, Subdivision 15; 290.361, Subdivision 2; and proposing new law coded in Minnesota Statutes, Chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Sieben, M., for the Committee on Appropriations, introduced:

H. F. No. 1434, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; amending Minnesota Statutes 1980, Sections 12.14; 43.491, Subdivision 2; 46.131, Subdivision 3; 161.242, Subdivision 4; 169.451; 173.25; 174.255, by adding a subdivision; 216B.62, Subdivision 3, and by adding a subdivision; 237.295, Subdivision 2, and by adding a subdivision; 239.10; 239.52; 326.241, Subdivision 3; 326.244, Subdivision 2; 340.11, Subdivision 14; 340.113, Subdivision 2; 340.119, Subdivision 3; 340.402; 340.493, Subdivision 2; 340.62; 360.021, Subdivisions 1 and 2; 360.305, by adding subdivisions; 388.14; 388.19, Subdivision 1; and 414.051; proposing new law coded in Minnesota Statutes, Chapter 138.

The bill was read for the first time and laid over one day.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 435, A bill for an act relating to taxation; income; property tax refund; adopting certain federal income tax amendments; amending Minnesota Statutes 1980, Sections 290.01, Subdivision 20; 290.06, Subdivision 14; 290.07, Subdivision 5; 290.077, Subdivision 4; 290.08, Subdivisions 8 and 20; 290.09, Subdivisions 3, 4, 17a, and 19; 290.091; 290.131, Subdivision 2; 290.132, Subdivision 2; 290.135, Subdivision 2; 290.136, Subdivi-

sion 1; 290.138, by adding a subdivision; 290.26, Subdivision 2; 290.31, Subdivision 3; 290.41, by adding subdivisions; 290.92, Subdivision 20; 290.934, Subdivision 4; 290.971, by adding a subdivision; 290A.03, Subdivision 3; 474.12, Subdivision 2; and Laws 1980, Chapter 607, Article I, Section 34; repealing Minnesota Statutes 1980, Sections 290.08, Subdivisions 7 and 13; 290.09, Subdivision 12; 290.136, Subdivisions 2, 3, 4, 5, 6, 7, and 9; 290.137, and 290.138, Subdivisions 1 and 2.

PATRICK E. FLAHAVER, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Novak moved that the House concur in the Senate amendments to H. F. No. 435 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 435, A bill for an act relating to taxation; income; property tax refund; adopting certain federal income tax amendments; amending Minnesota Statutes 1980, Sections 290.01, Subdivision 20; 290.06, Subdivision 14; 290.07, Subdivision 5; 290.077, Subdivision 4; 290.08, Subdivisions 8 and 20; 290.09, Subdivisions 3, 4, 17a, and 19; 290.091; 290.131, Subdivision 2; 290.132, Subdivision 2; 290.135, Subdivision 2; 290.136, Subdivision 1; 290.138, by adding a subdivision; 290.26, Subdivision 2; 290.31, Subdivision 3; 290.41, by adding subdivisions; 290.92, Subdivision 20; 290.934, Subdivision 4; 290.971, by adding a subdivision; 290A.03, Subdivision 3; 474.12, Subdivision 2; and Laws 1980, Chapter 607, Article I, Section 34; repealing Minnesota Statutes 1980, Sections 290.08, Subdivisions 7 and 13; 290.09, Subdivision 12; 290.136, Subdivisions 2, 3, 4, 5, 6, 7, and 9; 290.137, and 290.138, Subdivisions 1 and 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Clark, J.	Forsythe	Jacobs	Long
Ainley	Clark, K.	Friedrich	Jennings	Ludeman
Anderson, B.	Clawson	Greenfield	Johnson, C.	Luknic
Anderson, G.	Dahlvang	Gruenes	Johnson, D.	Mann
Anderson, I.	Dean	Gustafson	Jude	Marsh
Anderson, R.	Dempsey	Halberg	Kahn	McCarron
Battaglia	Den Ouden	Hanson	Kaley	McDonald
Begich	Drew	Harens	Kalis	McEachern
Berkelman	Eken	Hauge	Kelly	Mehrkens
Blatz	Ellingson	Heap	Knickerbocker	Metzen
Brandl	Erickson	Heinitz	Kostohryz	Minne
Brinkman	Esau	Himle	Kvam	Munger
Byrne	Evans	Hoberg	Lehto	Murphy
Carlson, D.	Ewald	Hokanson	Lemen	Nelsen, B.
Carlson, L.	Fjoslien	Hokr	Levi	Nelson, K.

Niehaus	Peterson, D.	Rothenberg	Skoglund	Voss
Norton	Piepho	Samuelson	Stadum	Weaver
Novak	Pogemiller	Sarna	Staten	Welch
Nysether	Redalen	Schafer	Stowell	Welker
O'Connor	Reding	Schoenfeld	Stumpf	Wenzel
Ogren	Rees	Schreiber	Swiggum	Wieser
Olsen	Reif	Shea	Swanson	Zubay
Onnen	Rice	Sherman	Tomlinson	Spkr. Sieben, H.
Osthoff	Rodriguez, C.	Sherwood	Valan	
Otis	Rodriguez, F.	Sieben, M.	Valento	
Peterson, B.	Rose	Simoneau	Vellenga	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 518, A bill for an act relating to education; including state hospitals as eligible employers for the purpose of work-study grants; amending Minnesota Statutes 1980, Section 136A.233, Subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Zubay moved that the House concur in the Senate amendments to H. F. No. 518 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 518, A bill for an act relating to education; including state institutions as eligible employers for the purpose of work-study grants; amending Minnesota Statutes 1980, Section 136A.233, Subdivision 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Berkelman	Clark, K.	Ellingson	Greenfield
Ainley	Blatz	Clawson	Erickson	Gruenes
Anderson, B.	Brandl	Dahlvang	Esau	Gustafson
Anderson, G.	Brinkman	Dean	Evans	Halberg
Anderson, I.	Byrne	Dempsey	Ewald	Hanson
Anderson, R.	Carlson, D.	Den Ouden	Fjoslien	Harens
Battaglia	Carlson, L.	Drew	Forsythe	Hauge
Beigh	Clark, J.	Eken	Friedrich	Heap

Heinitz	Lemen	Norton	Rodriguez, F.	Sviggum
Himle	Levi	Novak	Rose	Swanson
Hoberg	Long	Nysether	Rothenberg	Tomlinson
Hokanson	Ludeman	O'Connor	Samuelson	Valan
Hokr	Luknic	Ogren	Sarna	Valento
Jacobs	Mann	Olsen	Schafer	Vanasek
Jennings	Marsh	Onnen	Schoenfeld	Vellenga
Johnson, C.	McCarron	Osthoff	Schreiber	Voss
Johnson, D.	McDonald	Otis	Shea	Weaver
Jude	McEachern	Peterson, B.	Sherman	Welch
Kahn	Mehrkens	Peterson, D.	Sherwood	Welker
Kaley	Metzen	Piepho	Sieben, M.	Wenzel
Kalis	Minne	Pogemiller	Simoneau	Wieser
Kelly	Munger	Reding	Skoglund	Zubay
Knickerbocker	Murphy	Rees	Stadum	Spkr. Sieben, H.
Kostohryz	Nelsen, B.	Reif	Staten	
Kvam	Nelson, K.	Rice	Stowell	
Lehto	Niehaus	Rodriguez, C.	Stumpf	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 314, 399, 443, 510 and 549.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 368, 562 and 595.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 939, 1064, 1140 and 1150.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:



S. F. Nos. 378, 763, 782, 808, 827 and 1008.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 314, A bill for an act relating to Ramsey County; simplifying the numbering of the county code; amending Laws 1974, Chapter 435, Articles I to IV, as amended.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 399, A bill for an act relating to drugs; requiring imprinting of legend drugs; amending Minnesota Statutes 1980, Section 151.361.

The bill was read for the first time.

Simoneau moved that S. F. No. 399 and H. F. No. 460, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 443, A bill for an act relating to commerce; regulating franchises; providing a penalty; amending Minnesota Statutes 1980, Sections 80C.01, Subdivision 4, and by adding subdivisions; 80C.03; 80C.14; 80C.17, by adding a subdivision; 80C.18, Subdivision 2; and 80C.19, Subdivision 1.

The bill was read for the first time.

Staten moved that S. F. No. 443 and H. F. No. 695, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 510, A bill for an act relating to arrest; providing for the extradition and rendition of accused persons, escapees and other persons subject to orders in criminal proceedings; enacting the uniform extradition and rendition act; amending Minnesota Statutes 1980, Sections 480.059, Subdivision 7; 611.14; and 629.404, Subdivision 2; proposing new law coded as Minnesota Statutes, Chapter 629A; repealing Minnesota Statutes 1980, Sections 629.01 to 629.29.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 549, A bill for an act relating to elections; clarifying and correcting certain provisions and eliminating certain obsolete provisions of the ethics in government act; amending Minnesota Statutes 1980, Sections 10A.25, Subdivisions 2 and 6;

10A.255, by adding a subdivision; 10A.31, Subdivision 2; 10A.-32, Subdivision 3b; and 10A.335; repealing Minnesota Statutes 1980, Section 10A.25, Subdivision 7.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

S. F. No. 368, A bill for an act relating to housing; requiring municipal housing plans to incorporate policies to minimize displacement and encourage citizen participation; encouraging the use of bond proceeds for housing for persons and families of low income; providing that multifamily housing loans may be used to acquire structures for conversion to cooperative ownership; amending Minnesota Statutes 1980, Sections 462C.03, Subdivisions 1 and 2; and 462C.05, Subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

S. F. No. 562, A bill for an act relating to housing; providing statutory warranties on home improvement work; establishing a cause of action for breach of warranty; providing remedies; amending Minnesota Statutes 1980, Sections 327A.01, Subdivisions 5, 8 and by adding subdivisions; 327A.02, by adding a subdivision; 327A.03; 327A.04, Subdivision 2; 327A.05; and 327A.07; proposing new law coded in Minnesota Statutes, Chapter 327A.

The bill was read for the first time.

Byrne moved that S. F. No. 562 and H. F. No. 453, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 595, A bill for an act relating to education; providing for the preparation of a report by the legislative commission on employee relations analyzing current insurance programs available to teachers and other public school employees in Minnesota; amending Minnesota Statutes 1980, Section 3.855, Subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 939, A bill for an act relating to human rights; authorizing injunctions for acts of reprisal; increasing the award of punitive damages; permitting the recovery of damages for mental anguish and suffering; amending Minnesota Statutes 1980, Sections 363.06, Subdivision 4; and 363.071, Subdivision 2.

The bill was read for the first time.

Staten moved that S. F. No. 939 and H. F. No. 1072, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1064, A bill for an act relating to crimes; changing certain penalties and enforcement procedures in the fair campaign practices act; amending Minnesota Statutes 1980, Sections 210A.05, by adding a subdivision; and 210A.37.

The bill was read for the first time and referred to the Committee on Reapportionment and Elections.

S. F. No. 1140, A bill for an act relating to statutory cities; raising the limitation on city contracts which the city manager may make; amending Minnesota Statutes 1980, Section 412.691.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 1150, A bill for an act relating to the interstate compact on juveniles; amending the compact to require the home state to authorize the return of a runaway juvenile and to permit a state in which a juvenile is found to return him to a state in which the juvenile is charged with being a delinquent by reason of a violation of criminal law; amending Minnesota Statutes 1980, Section 260.51.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 378, A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1980, Section 518.552.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 763, A bill for an act relating to the cities of Minneapolis and St. Paul; authorizing the implementation of energy conservation programs; authorizing the financing of residential energy conservation programs; authorizing the issuance of qualified mortgage bonds; requiring a report to the legislature.

The bill was read for the first time.

Nelson, K., moved that S. F. No. 763 and H. F. No. 834, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 782, A bill for an act relating to St. Louis county; revising the county civil service law; providing for commis-

sioners' pay, provisional appointments, employment of resignees, and treatment of examination errors; amending Laws 1941, Chapter 423, Sections 2, as amended, 5, as amended, 11, 12, and 17.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

S. F. No. 808, A bill for an act relating to the city of Duluth; authorizing the establishment of a home energy conservation program as part of its municipal utility system and the issuance of municipal revenue bonds or notes for that purpose; requiring a report to the legislature.

The bill was read for the first time.

Munger moved that S. F. No. 808 and H. F. No. 848, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 827, A bill for an act relating to arson; prescribing procedures for the investigation of fires by the fire marshal; amending Minnesota Statutes 1980, Sections 299F.08; and 299F.09.

The bill was read for the first time and referred to the Committee on Criminal Justice.

S. F. No. 1008, A bill for an act relating to courts; tax court; increasing the number of authorized administrative employees; amending Minnesota Statutes 1980, Section 271.02.

The bill was read for the first time and referred to the Committee on Appropriations.

## CONSENT CALENDAR

S. F. No. 305, A bill for an act relating to retirement; various retirement funds; crediting service for vesting and benefit accrual purposes in the Minnesota demonstration job-sharing program; removing certain transitional provisions governing the fire state aid program; providing police state aid for municipalities which employ police officers with less than a full year of service; allowing disability benefit recipients to elect actuarially equivalent joint and survivor optional annuities; providing retirement coverage in the public employees retirement association for employees of the Range Association of Municipalities and Schools, the soil and water conservation districts and the Suburban Public Health Nursing Service, Incorporated; increasing the minimum salary requirement for inclusion in membership in the public employees retirement association;

requiring various public pension plans to provide information on annuity forms to retiring members and notification to spouse of annuity form elected; authorizing certain former members of the Minneapolis municipal employees retirement fund to repay refund amounts under certain conditions; authorizing benefit increases for the Chisholm police relief association, the Chisholm firefighters relief association, the Eveleth police and firefighters retirement trust fund, the Thief River Falls police retirement trust fund, and the Buhl police relief association; specifying the investment authority of the St. Paul police relief association and the St. Paul firefighters relief association; amending Minnesota Statutes 1980, Sections 43.60, Subdivision 3; 69.011, Subdivisions 1 and 2; 69.021, Subdivisions 1, 2, 6 and 7; 69.031, Subdivision 5; 352.113, Subdivisions 3 and 12; 352.95, Subdivision 5 and by adding a subdivision; 352B.10; 352B.105; 353.01, Subdivisions 2a, 2b, and 6; 353.33, Subdivision 11 and by adding a subdivision; 353.656, Subdivision 6 and by adding a subdivision; 354.48, Subdivision 10 and by adding a subdivision; 354A.36, Subdivision 10 and by adding a subdivision; Laws 1945, Chapter 74, Sections 2, as amended, 3 and 4, as amended; 1955, Chapters 151, Section 7, as amended; and 375, Section 12, as amended; 1961, Chapter 631, Section 1, as amended; 1974, Chapter 435, Section 3.03; 1977, Chapter 61, Section 6; and 1978, Chapter 689, Section 5; proposing new law coded in Minnesota Statutes, Chapters 43; 353; 356; and 422A; repealing Minnesota Statutes 1980, Section 353.022.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Eken	Jennings	Metzen	Rice
Ainley	Ellingson	Johnson, C.	Minne	Rodriguez, C.
Anderson, B.	Erickson	Johnson, D.	Munger	Rodriguez, F.
Anderson, G.	Esau	Jude	Murphy	Rose
Anderson, I.	Evans	Kahn	Nelsen, B.	Rothenberg
Anderson, R.	Ewald	Kaley	Nelson, K.	Samuelson
Battaglia	Fjoslien	Kalis	Niehaus	Sarna
Begich	Forsythe	Kelly	Norton	Schafer
Berkelman	Friedrich	Knickerbocker	Nysether	Schoenfeld
Blatz	Greenfield	Kostohryz	O'Connor	Schreiber
Brandl	Gruenes	Kvam	Ogren	Shea
Brinkman	Gustafson	Lehto	Olsen	Sherman
Byrne	Halberg	Lemen	Onnen	Sherwood
Carlson, D.	Hanson	Levi	Osthoff	Sieben, M.
Carlson, L.	Harens	Long	Otis	Simoneau
Clark, J.	Hauge	Ludeman	Peterson, B.	Skoglund
Clark, K.	Heap	Luknic	Peterson, D.	Stadum
Clawson	Heinitz	Mann	Piepho	Staten
Dahlvang	Himle	Marsh	Pogemiller	Stowell
Dean	Hoberg	McCarron	Redalen	Stumpf
Dempsey	Hokanson	McDonald	Reding	Swiggum
Den Ouden	Hokr	McEachern	Rees	Swanson
Drew	Jacobs	Mehrkens	Reif	Tomlinson

Valan  
Valento  
Vanasek

Vellenga  
Voss  
Weaver

Welch  
Welker  
Wenzel

Wieser  
Zubay

Spkr. Sieben, H.

The bill was passed and its title agreed to.

S. F. No. 1044, A bill for an act relating to the city of Echo; authorizing the issuance of bonds for the acquisition and betterment of a community center.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kalis	Novak	Shea
Ainley	Evans	Kelly	Nysether	Sherman
Anderson, B.	Ewald	Knickerbocker	O'Connor	Sherwood
Anderson, G.	Fjoslien	Kostohryz	Ogren	Sieben, M.
Anderson, I.	Forsythe	Kvam	Olsen	Simoneau
Anderson, R.	Friedrich	Laidig	Onnen	Skoglund
Battaglia	Greenfield	Lehto	Osthoff	Stadum
Begich	Gruenes	Lemen	Otis	Staten
Berkelman	Gustafson	Levi	Peterson, B.	Stowell
Blatz	Halberg	Long	Peterson, D.	Stumpf
Brandl	Hanson	Ludeman	Piepho	Sviggum
Brinkman	Harens	Luknic	Pogemiller	Swanson
Byrne	Hauge	Mann	Redalen	Tomlinson
Carlson, D.	Heap	Marsh	Reding	Valan
Carlson, L.	Heinitz	McCarron	Rees	Valento
Clark, J.	Himle	McDonald	Reif	Vanasek
Clark, K.	Hoberg	McEachern	Rice	Vellenga
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hokr	Metzen	Rodriguez, F.	Weaver
Dean	Jacobs	Minne	Rose	Welch
Dempsey	Jennings	Munger	Rothenberg	Welker
Den Ouden	Johnson, C.	Murphy	Samuelson	Wenzel
Drew	Johnson, D.	Nelsen, B.	Sarna	Wieser
Eken	Jude	Nelson, K.	Schafer	Zubay
Ellingson	Kahn	Niehaus	Schoenfeld	Spkr. Sieben, H.
Erickson	Kaley	Norton	Schreiber	

The bill was passed and its title agreed to.

## CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Sieben, M., requested immediate consideration of H. F. Nos. 1421 and 1218.

H. F. No. 1421 was reported to the House.

## SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sieben, M., moved that the rule therein be

suspended and an urgency be declared so that H. F. No. 1421 be given its third reading and be placed upon its final passage. The motion prevailed.

Sieben, M., moved that the rules of the House be so far suspended that H. F. No. 1421 be given its third reading and be placed upon its final passage. The motion prevailed.

Sherman moved to amend H. F. No. 1421 as follows:

Page 8, delete line 45 and insert:

"\$5,105,000                      \$5,105,000"

Page 9, line 13, delete "\$300" and insert "\$500"

Page 9, line 18, delete "\$240" and insert "\$400"

The question was taken on the amendment and the roll was called. There were 26 yeas and 97 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Knickerbocker	Reif	Weaver
Berkelman	Fjoslien	Marsh	Rose	Wieser
Blatz	Forsythe	McDonald	Sherman	
Brandl	Gruenes	Mehrkens	Valan	
Dempsey	Hoberg	Osthoff	Valento	
Drew	Johnson, D.	Piepho	Voss	

Those who voted in the negative were:

Aasness	Ewald	Kostohryz	O'Connor	Sieben, M.
Ainley	Friedrich	Kvam	Ogren	Simoneau
Anderson, G.	Greenfield	Laidig	Olsen	Skoglund
Anderson, I.	Gustafson	Lehto	Onnen	Stadum
Battaglia	Hanson	Lemen	Otis	Staten
Begich	Harens	Long	Peterson, D.	Stowell
Brinkman	Hauge	Ludeman	Pogemiller	Stumpf
Byrne	Heap	Luknic	Reding	Sviggum
Carlson, D.	Heinitz	Mann	Rees	Tomlinson
Carlson, L.	Himle	McCarron	Rice	Vanasek
Clark, J.	Hokanson	McEachern	Rodriguez, C.	Vellenga
Clark, K.	Hokr	Metzen	Rodriguez, F.	Welch
Clawson	Jacobs	Minne	Rothenberg	Welker
Dahlyang	Jennings	Munger	Samuelson	Wenzel
Dean	Johnson, C.	Murphy	Sarna	Wynia
Den Ouden	Jude	Nelsen, B.	Schafer	Zubay
Eken	Kahn	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Ellingson	Kaley	Niehaus	Schreiber	
Erickson	Kalis	Norton	Shea	
Esau	Kelly	Nysether	Sherwood	

The motion did not prevail and the amendment was not adopted.

Osthoff and Rodriguez, F., moved to amend H. F. No. 1421 as follows:

Page 9, after line 56, insert a new subdivision as follows:

"Subd. 16. The Higher Education Coordinating Board shall continue and improve its efforts to provide accurate, timely and accessible information about post-secondary education and financial assistance to Latino-Chicano students. The Higher Education Coordinating Board shall provide general information and financial aid application instructions in Spanish. The Higher Education Coordinating Board shall continue to work with the Spanish-Speaking Affairs Council, the Minnesota Migrant Council and other organizations concerned with Hispanic students to improve opportunities for and services to Hispanic students."

Kahn moved to amend the Osthoff and Rodriguez, F., amendment to H. F. No. 1421 as follows:

Line 4, after "students." delete "The Higher Education Coordinating Board shall provide general information and financial aid application instructions in Spanish."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Osthoff amendment, as amended, and the amendment was not adopted.

Carlson, D., moved that H. F. No. 1421 be re-referred to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 44 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Ainley	Forsythe	Lemen	Olsen	Schafer
Blatz	Friedrich	Levi	Onnen	Sherwood
Carlson, D.	Heap	Ludeman	Peterson, B.	Stowell
Dempsey	Heinitz	Luknic	Piepho	Sviggum
Den Ouden	Himle	Marsh	Redalen	Valento
Esau	Hokr	McDonald	Rees	Welker
Evans	Kaley	Mehrkens	Reif	Wieser
Ewald	Knickerbocker	Niehaus	Rose	Zubay
Fjoslien	Kvam	Nysether	Rothenberg	

Those who voted in the negative were:

Anderson, B.	Battaglia	Brandl	Carlson, L.	Clawson
Anderson, G.	Begich	Brinkman	Clark, J.	Dahlvang
Anderson, I.	Berkelman	Byrne	Clark, K.	Dean



Drew	Johnson, D.	Munger	Rodriguez, C.	Tomlinson
Eken	Jude	Murphy	Rodriguez, F.	Valan
Ellingson	Kahn	Nelsen, B.	Samuelson	Vanasek
Erickson	Kalis	Nelson, K.	Sarna	Vellenga
Greenfield	Kelly	Norton	Schoenfeld	Voss
Gruenes	Kostohryz	Novak	Shea	Weaver
Gustafson	Laidig	O'Connor	Sherman	Welch
Hanson	Lehto	Ogren	Sieben, M.	Wenzel
Harens	Long	Osthoff	Simoneau	Wynia
Hauge	Mann	Otis	Skoglund	Spkr. Sieben, H.
Hoberg	McCarron	Peterson, D.	Stadum	
Hokanson	McEachern	Pogemiller	Staten	
Jacobs	Metzen	Reding	Stumpf	
Johnson, C.	Minne	Rice	Swanson	

The motion did not prevail.

Clawson was excused for the remainder of today's session.

Carlson, D., moved to amend H. F. No. 1421 as follows:

Page 7, after line 28, insert a new subdivision as follows:

"Subd. 10. Budget Reductions

The general fund appropriations provided in this section shall be reduced 2.0 percent for fiscal years 1982 and 1983. These reductions shall be equal to \$510,842 in fiscal year 1982 and \$510,032 in fiscal year 1983. Modifications in the amounts specified in subdivisions 2 through 9 of this section shall be made accordingly."

Page 9, after line 56, insert a new subdivision as follows:

"Subd. 16. Budget Reductions

The general fund appropriations provided in this section shall be reduced 2.0 percent for fiscal year 1982 and fiscal year 1983. These reductions shall be equal to \$982,330 in fiscal year 1982 and \$954,474 in fiscal year 1983. Modifications in the amounts specified in subdivisions 2 through 13 of this section shall be made accordingly."

Page 12, after line 17, insert a new subdivision as follows:

"Subd. 8. Budget Reductions

The general fund appropriations provided in this section shall be reduced 2.0 percent for fiscal years 1982 and 1983. The reductions shall be equal to \$1,662,784 in fiscal year 1982 and \$1,642,364 in fiscal year 1983. Modifications in the amounts specified in subdivisions 2 through 6 shall be made accordingly."

Page 14, after line 20, insert a new subdivision as follows:

**"Subd. 9. Budget Reductions**

The general fund appropriations provided in this section shall be reduced 2.0 percent for fiscal years 1982 and 1983. These reductions shall be equal to \$813,698 for fiscal year 1982 and \$784,168 for fiscal year 1983. Modifications in the amounts specified in subdivisions 2 through 8 shall be made accordingly."

Page 14, line 23, insert "Subd. 1" before "The".

Page 14, after line 26, insert a new subdivision as follows:

**"Subd. 2. Budget Reductions**

The amounts specified in subdivision 1 of this section are reduced as follows: (a) by \$1,492,000 for fiscal year 1982 and \$3,066,200 for fiscal year 1983 to offset the expected increase in non-dedicated revenue at the University; (b) by the amounts specified in section 7, subdivision 1(a); and (c) by an additional 2.0 percent for fiscal years 1982 and 1983, which shall be equal to \$4,737,816 for fiscal year 1982 and \$4,676,346 for fiscal year 1983. Modifications in the amounts specified in sections 7 through 9 shall be made accordingly."

Page 19, after line 34, insert a new paragraph as follows:

"The general fund appropriations specified in this subdivision shall be reduced by 2.0 percent for fiscal years 1982 and 1983. These reductions shall be equal to \$30,142 for fiscal year 1982 and \$32,508 for fiscal year 1983. Modifications in the amounts specified in this subdivision shall be made accordingly."

Page 19, after line 40, insert a new paragraph as follows:

"The general fund appropriations specified in this subdivision shall be reduced by 2.0 percent for fiscal years 1982 and 1983. These reductions shall be equal to \$3120 for fiscal year 1982 and \$3422 for fiscal year 1983. Modifications in the amounts specified in this subdivision shall be made accordingly."

**Sec. 11. Budget Reductions**

The individual system totals contained in section 2, subdivision 1, section 3, subdivision 1, section 4, subdivision 1, section 5, subdivision 1, section 6, subdivision 1, and section 10 and the combined system totals contained in section 1 shall be modified to reflect the specified reduction."

Renumber the subsequent sections accordingly.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 37 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Kvam	Osthoff	Svigum
Blatz	Friedrich	Lemen	Peterson, B.	Valento
Carlson, D.	Halberg	Ludeman	Redalen	Welker
Dempsey	Heinitz	McDonald	Rees	Wieser
Den Ouden	Himle	Mehrkens	Rothenberg	Zubay
Esau	Hokr	Niehaus	Schaefer	
Evans	Kaley	Nysether	Schreiber	
Ewald	Knickerbocker	Onnen	Sherwood	

Those who voted in the negative were:

Ainley	Ellingson	Kostohryz	O'Connor	Stadum
Anderson, B.	Erickson	Laidig	Ogren	Staten
Anderson, G.	Forsythe	Lehto	Olsen	Stowell
Anderson, I.	Greenfield	Levi	Otis	Stumpf
Anderson, R.	Gruenes	Long	Peterson, D.	Swanson
Battaglia	Gustafson	Luknic	Piepho	Tomlinson
Begich	Hanson	Mann	Pogemiller	Valan
Berkelman	Harens	Marsh	Reding	Vanasek
Brandl	Hauge	McCarron	Reif	Vellenga
Brinkman	Heap	McEachern	Rice	Voss
Byrne	Hoberg	Metzen	Rodriguez, C.	Weaver
Carlson, L.	Hokanson	Minne	Rodriguez, F.	Welch
Clark, J.	Jacobs	Munger	Samuelson	Wenzel
Clark, K.	Johnson, C.	Murphy	Schoenfeld	Wynia
Dahlvang	Johnson, D.	Nelsen, B.	Sherman	Spkr. Sieben, H.
Dean	Jude	Nelson, K.	Sieben, M.	
Drew	Kahn	Norton	Simoneau	
Eken	Kelly	Novak	Skoglund	

The motion did not prevail and the amendment was not adopted.

H. F. No. 1421, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes, including the department of education, higher education coordinating board, state universities, community colleges, and the university of Minnesota and its hospitals, with certain conditions; amending Minnesota Statutes 1980, Sections 15.38; 121.931, Subdivision 5; 123.742, by adding a subdivision; 123.743; and 136A.121, Subdivisions 4 and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 101 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Aasness	Ainley	Anderson, B.	Anderson, G.	Anderson, I.
---------	--------	--------------	--------------	--------------

Battaglia	Greenfield	Laidig	Olsen	Stadum
Begich	Gruenes	Lehto	Onnen	Staten
Berkelman	Gustafson	Levi	Osthoff	Stowell
Blatz	Halberg	Long	Otis	Stumpf
Brandl	Hanson	Luknic	Peterson, D.	Swanson
Brinkman	Harens	Mann	Piepho	Tomlinson
Byrne	Hauge	Marsh	Pogemiller	Valan
Carlson, L.	Heap	McCarron	Reding	Vanasek
Clark, J.	Himle	McEachern	Reif	Vellenga
Clark, K.	Hoberg	Mehrkens	Rice	Voss
Dahlvang	Hokanson	Metzen	Rodriguez, C.	Weaver
Dean	Hokr	Minne	Rodriguez, F.	Welch
Drew	Jacobs	Munger	Samuelson	Wenzel
Eken	Johnson, C.	Murphy	Sarna	Wieser
Ellingson	Johnson, D.	Nelsen, B.	Schoenfeld	Wynia
Erickson	Jude	Nelson, K.	Shea	Spkr. Sieben, H.
Evans	Kahn	Norton	Sherman	
Ewald	Kalis	Novak	Sieben, M.	
Fjoslien	Kelly	O'Connor	Simoneau	
Forsythe	Kostohryz	Ogren	Skoglund	

Those who voted in the negative were:

Anderson, R.	Heinitz	Ludeman	Rees	Svigum
Carlson, D.	Jennings	McDonald	Rose	Valento
Dempsey	Kaley	Niehaus	Rothenberg	Welker
Den Ouden	Knickerbocker	Nysether	Schafer	Zubay
Esau	Kvam	Peterson, B.	Schreiber	
Friedrich	Lemen	Redalen	Sherwood	

The bill was passed and its title agreed to.

H. F. No. 1218, A bill for an act relating to education; extending due dates for plans and reports relating to the state-wide education management information system; authorizing the state board to perform certain duties according to specified criteria in the absence of rules; amending Minnesota Statutes 1980, Sections 121.931, Subdivisions 3, 4 and 7; and 121.938, Subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Byrne	Erickson	Hauge	Kalis
Ainley	Carlson, D.	Esau	Heap	Kelly
Anderson, B.	Carlson, L.	Evans	Himle	Knickerbocker
Anderson, G.	Clark, J.	Ewald	Hoberg	Kostohryz
Anderson, I.	Clark, K.	Fjoslien	Hokanson	Kvam
Anderson, R.	Dahlvang	Forsythe	Hokr	Laidig
Battaglia	Dean	Friedrich	Jacobs	Lehto
Begich	Dempsey	Greenfield	Johnson, C.	Lemen
Berkelman	Den Ouden	Gruenes	Johnson, D.	Levi
Blatz	Drew	Gustafson	Jude	Long
Brandl	Eken	Halberg	Kahn	Ludeman
Brinkman	Ellingson	Hanson	Kaley	Luknic

Mann	Novak	Rees	Sherwood	Vellenga
Marsh	Nysether	Reif	Sieben, M.	Voss
McCarron	O'Connor	Rice	Simoneau	Weaver
McDonald	Ogren	Rodriguez, C.	Skoglund	Welch
McEachern	Olsen	Rodriguez, F.	Stadum	Welker
Mehrkens	Onnen	Rose	Staten	Wenzel
Metzen	Osthoff	Rothenberg	Stowell	Wieser
Minne	Otis	Samuelson	Stumpf	Wynia
Munger	Peterson, B.	Sarna	Sviggum	Zubay
Murphy	Peterson, D.	Schafer	Swanson	Spkr. Sieben, H.
Nelsen, B.	Piepho	Schoenfeld	Tomlinson	
Nelson, K.	Pogemiller	Schreiber	Valan	
Niehaus	Redalen	Shea	Valento	
Norton	Reding	Sherman	Vanasek	

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Reports of Standing Committees.

## REPORTS OF STANDING COMMITTEES

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1108, A bill for an act relating to health; prohibiting disciplinary action against a physician who administers dimethyl sulfoxide under certain conditions; proposing new law coded in Minnesota Statutes, Chapter 147.

Reported the same back with the following amendments:

Page 1, line 17, after "substance" insert "*except when the prescribing or administering physician demonstrates a willful or careless disregard for the health, welfare or safety of a patient*"

Page 1, line 20, delete "cure" and insert "benefit"

Page 1, after line 23, insert

*"The patient, when presenting a prescription to a pharmacist for dimethyl sulfoxide (DMSO) shall sign a written release that releases the pharmacist and the pharmacy from any liability therefor."*

Page 2, delete lines 4 to 9 and insert

"Sec. 2. [151.41] [SALE OF DIMETHYL SULFOXIDE.]

*Subdivision 1. [BOND.] Any person not licensed or registered by the board of pharmacy pursuant to sections 151.01 to 151.40 and this section, as a pharmacist or pharmacy, or not licensed to practice medicine by the board of medical examiners*

*pursuant to sections 147.01 to 147.33, selling or offering for sale at retail in Minnesota dimethyl sulfoxide in quantities of 64 fluid ounces or less shall file with the board of pharmacy a bond with corporate surety, cash, or United States government bonds in the sum of \$15,000, made payable to the state of Minnesota.*

*Subd. 2. [EXEMPT SALES.] Provisions of this section shall not apply to legend drugs as defined in section 151.01, subdivision 17; to industrial dimethyl sulfoxide designed for use as a commercial cleaner or solvent and sold in quantities larger than 64 fluid ounces; or to dimethyl sulfoxide intended for veterinary medicine use.*

*Subd. 3. [LABELING REQUIREMENTS.] Except when dispensed upon the prescription of a physician, no container of dimethyl sulfoxide containing 64 fluid ounces or less shall be sold or offered for sale unless the labeling states at least the following:*

- (a) quantity;*
- (b) concentration of product;*
- (c) vehicle or diluent;*
- (d) indications for use approved by the food and drug administration of the United States department of health and human services;*
- (e) recommended dosages;*
- (f) statement of side effects;*
- (g) contraindications for use;*
- (h) antidote in case of accidental ingestion;*
- (i) name of the manufacturer.*

*Failure to comply with these requirements shall mean the drug is deemed to be misbranded.*

*Subd. 4. [VIOLATION.] Violation of this section shall result in forfeiture of the bond and subject the product to embargo under section 151.38.*

### **Sec. 3. [EFFECTIVE DATE.]**

*Sections 1 and 2 are effective the day following its final enactment."*

Amend the title as follows:

Page 1, line 4, after the semicolon insert "regulating the sale of dimethyl sulfoxide;"

Page 1, line 5, delete "Chapter 147" and insert "Chapters 147 and 151"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

House Resolution No. 14, A house resolution proclaiming Minnesota Environmental Awareness Day.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. No. 1108 was read for the second time.

The following conference committee report was received:

### CONFERENCE COMMITTEE REPORT ON H. F. NO. 339

A bill for an act relating to towns; providing for the opening of cartways under certain circumstances; providing a method for determining whether to open or maintain certain town roads; amending Minnesota Statutes 1980, Sections 164.08, Subdivision 2; and 365.10.

April 21, 1981

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jack Davies  
President of the Senate

We, the undersigned conferees for H. F. No. 339, report that we have agreed upon the items in dispute and recommend as follows:

The Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: THOMAS R. BERKELMAN, LONA A. MINNE and JOSEPH R. BEGICH.

Senate Conferees: RONALD R. DICKLICH, DOUGLAS J. JOHNSON and SAM G. SOLON.

Berkelman moved that the report of the Conference Committee on H. F. No. 339 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 339, A bill for an act relating to towns; providing for the opening of cartways under certain circumstances; providing a method for determining whether to open or maintain certain town roads; amending Minnesota Statutes 1980, Sections 164.08, Subdivision 2; and 365.10.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Knickerbocker	O'Connor	Sherman
Ainley	Evans	Kostohryz	Ogren	Sherwood
Anderson, B.	Ewald	Kvam	Olsen	Sieben, M.
Anderson, G.	Fjoslien	Laidig	Onnen	Simoneau
Anderson, I.	Forsythe	Lehto	Osthoff	Skoglund
Anderson, R.	Friedrich	Lemen	Otis	Stadum
Battaglia	Greenfield	Levi	Peterson, B.	Staten
Begich	Gruenes	Long	Peterson, D.	Stowell
Berkelman	Halberg	Ludeman	Piepho	Stumpf
Blatz	Hanson	Luknic	Pogemiller	Sviggum
Brandl	Hauge	Mann	Redalen	Swanson
Brinkman	Heap	Marsh	Reding	Tomlinson
Byrne	Himle	McCarron	Rees	Valan
Carlson, D.	Hoberg	McEachern	Reif	Valento
Carlson, L.	Hokanson	Mehrkens	Rice	Vanasek
Clark, J.	Hokr	Metzen	Rodriguez, C.	Vellenga
Clark, K.	Jacobs	Minne	Rodriguez, F.	Voss
Dahlvang	Jennings	Munger	Rose	Weaver
Dean	Johnson, C.	Murphy	Rothenberg	Welch
Dempsey	Johnson, D.	Nelsen, B.	Samuelson	Welker
Den Ouden	Jude	Nelson, K.	Sarna	Wenzel
Drew	Kahn	Niehaus	Schafer	Wieser
Eken	Kaley	Norton	Schoenfeld	Wynia
Ellingson	Kalis	Novak	Schreiber	Zubay
Erickson	Kelly	Nysether	Shea	Spkr. Sieben, H.

The bill was repassed, as amended by Conference, and its title agreed to.



## CALENDAR

H. F. No. 188, A bill for an act relating to financial institutions; increasing the maximum lawful interest rate chargeable by state banks and savings banks on certain transactions; amending Minnesota Statutes 1980, Section 48.195.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Aasness	Forsythe	Lehto	Otis	Stadum
Ainley	Friedrich	Lemen	Peterson, B.	Stowell
Anderson, B.	Gruenes	Levi	Peterson, D.	Stumpf
Anderson, G.	Halberg	Ludeman	Piepho	Sviggum
Anderson, I.	Hauge	Luknic	Redalen	Swanson
Anderson, R.	Heap	Mann	Reding	Tomlinson
Berkelman	Heinitz	Marsh	Rees	Valan
Blatz	Himle	McCarron	Reif	Valento
Brandl	Hoberg	McDonald	Rodriguez, C.	Vanasek
Brinkman	Hokanson	McEachern	Rodriguez, F.	Vellenga
Carlson, D.	Hokr	Mehrkens	Rose	Weaver
Dahlvang	Jacobs	Metzen	Rothenberg	Welch
Dean	Jennings	Munger	Sarna	Welker
Dempsey	Johnson, C.	Murphy	Schafer	Wenzel
Den Ouden	Johnson, D.	Nelsen, B.	Schoenfeld	Wieser
Drew	Jude	Niehaus	Schreiber	Wynia
Eken	Kaley	Norton	Shea	Zubay
Erickson	Kalis	Novak	Sherman	Sprk. Sieben, H.
Esau	Knickerbocker	Nysether	Sherwood	
Evans	Kostohryz	Olsen	Sieben, M.	
Ewald	Kvam	Onnen	Simoneau	
Fjoslien	Laidig	Osthoff	Skoglund	

Those who voted in the negative were:

Battaglia	Clark, J.	Hanson	Nelson, K.	Samuelson
Begich	Clark, K.	Kahn	O'Connor	Staten
Byrne	Ellingson	Kelly	Ogren	Voss
Carlson, L.	Greenfield	Minne	Rice	

The bill was passed and its title agreed to.

S. F. No. 520, A bill for an act relating to elections; allowing cities and counties to elect to use data processing systems in lieu of duplicate registration cards; requiring the secretary of state to prescribe alternate forms for duplicate registration files; changing voter verification requirements for cities and counties which elect to use data processing systems; amending Minnesota Statutes 1980, Sections 201.071, Subdivision 4, and by adding subdivisions; 201.221, Subdivision 4; and 204A.29, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Knickerbocker	O'Connor	Sherwood
Ainley	Ewald	Kostohryz	Ogren	Sieben, M.
Anderson, B.	Fjoslien	Kvam	Olsen	Simoneau
Anderson, G.	Forsythe	Laidig	Onnen	Skoglund
Anderson, I.	Friedrich	Lehto	Osthoff	Stadum
Anderson, R.	Greenfield	Lemen	Otis	Staten
Battaglia	Gruenes	Levi	Peterson, B.	Stowell
Begich	Halberg	Long	Peterson, D.	Stumpf
Berkelman	Hanson	Ludeman	Piepho	Sviggum
Blatz	Harens	Luknic	Pogemiller	Swanson
Brandl	Hauge	Mann	Redalen	Tomlinson
Brinkman	Heap	Marsh	Reding	Valan
Byrne	Heinitz	McCarron	Rees	Valento
Carlson, D.	Himle	McDonald	Reif	Vanasek
Carlson, L.	Hoberg	McEachern	Rice	Vellenga
Clark, J.	Hokanson	Mehrrens	Rodriguez, C.	Voss
Clark, K.	Hokr	Metzen	Rodriguez, F.	Weaver
Dahlvang	Jacobs	Minne	Rose	Welker
Dean	Jennings	Munger	Rothenberg	Wenzel
Dempsey	Johnson, C.	Murphy	Samuelson	Wieser
Den Ouden	Johnson, D.	Nelsen, B.	Sarna	Wynia
Drew	Jude	Nelson, K.	Schafer	Zubay
Eken	Kahn	Niehaus	Schoenfeld	Spkr. Sieben, H.
Ellingson	Kaley	Norton	Schreiber	
Erickson	Kalis	Novak	Shea	
Esau	Kelly	Nysether	Sherman	

The bill was passed and its title agreed to.

S. F. No. 874, A bill for an act relating to energy; requiring the provision of energy audits for certain rental housing; expanding certain utility investment programs; amending Minnesota Statutes 1980, Sections 116H.17, by adding a subdivision; 216B.165, Subdivisions 1 and 2; and 216B.241, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 54 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Berkelman	Dean	Hauge	Lehto	Norton
Brandl	Eken	Hokanson	Long	Novak
Byrne	Ellingson	Jacobs	Mann	O'Connor
Carlson, L.	Greenfield	Jude	McCarron	Ogren
Clark, J.	Gustafson	Kahn	Munger	Osthoff
Clark, K.	Hanson	Kelly	Murphy	Otis
Dahlvang	Harens	Kostohryz	Nelson, K.	Peterson, D.

Pogemiller	Rodriguez, F.	Skoglund	Vanasek	Wenzel
Reding	Schoenfeld	Staten	Vellenga	Wynia
Rice	Sieben, M.	Swanson	Voss	Spkr. Sieben, H.
Rodriguez, C.	Simoneau	Tomlinson	Welch	

Those who voted in the negative were:

Aasness	Esau	Kaley	Nelsen, B.	Schreiber
Ainley	Evans	Kalis	Niehaus	Shea
Anderson, B.	Ewald	Knickerbocker	Nysether	Sherman
Anderson, G.	Fjoslien	Kvam	Olsen	Sherwood
Anderson, I.	Friedrich	Laidig	Onnen	Stadum
Anderson, R.	Gruenes	Lemen	Peterson, B.	Stowell
Battaglia	Halberg	Levi	Piepho	Stumpf
Begich	Heap	Ludeman	Redalen	Sviggum
Blatz	Heinitz	Luknic	Rees	Valento
Brinkman	Himle	Marsh	Reif	Weaver
Carlson, D.	Hoberg	McDonald	Rose	Welker
Dempsey	Hokr	McEachern	Rothenberg	Wieser
Den Ouden	Jennings	Mehrkins	Samuelson	Zubay
Drew	Johnson, C.	Metzen	Sarna	
Erickson	Johnson, D.	Minne	Schafer	

The bill was not passed.

H. F. No. 697, A bill for an act relating to agriculture; regulating alien use of agricultural land; providing penalties; amending Minnesota Statutes 1980, Section 500.221.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Aasness	Ellingson	Kaley	Ogren	Sherwood
Ainley	Erickson	Kalis	Olsen	Sieben, M.
Anderson, B.	Esau	Knickerbocker	Onnen	Simoneau
Anderson, G.	Evans	Lemen	Osthoff	Stadum
Anderson, I.	Ewald	Levi	Otis	Staten
Anderson, R.	Fjoslien	Luknic	Peterson, B.	Stumpf
Battaglia	Forsythe	Mann	Peterson, D.	Sviggum
Begich	Friedrich	Marsh	Piepho	Swanson
Berkelman	Gruenes	McCarron	Pogemiller	Tomlinson
Blatz	Halberg	McDonald	Redalen	Valento
Brandl	Hanson	McEachern	Reding	Vanasek
Brinkman	Harens	Mehrkins	Rees	Vellenga
Byrne	Hauge	Metzen	Reif	Voss
Carlson, D.	Heap	Minne	Rice	Weaver
Carlson, L.	Heinitz	Munger	Rodriguez, F.	Welch
Clark, J.	Himle	Murphy	Rose	Wenzel
Clark, K.	Hoberg	Nelsen, B.	Rothenberg	Wieser
Dahlvang	Hokanson	Nelson, K.	Samuelson	Wynia
Dean	Hokr	Niehaus	Sarna	Zubay
Dempsey	Jacobs	Norton	Schafer	Spkr. Sieben, H.
Den Ouden	Johnson, C.	Novak	Schoenfeld	
Drew	Johnson, D.	Nysether	Shea	
Eken	Jude	O'Connor	Sherman	

Those who voted in the negative were:

Greenfield	Kelly	Laidig	Rodriguez, C.	Welker
Gustafson	Kostohryz	Lehto	Schreiber	
Kahn	Kvam	Ludeman	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 732, A bill for an act relating to agriculture; providing for continuation of certain farm tenancies on termination of life estates; proposing new law coded in Minnesota Statutes, Chapter 500.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Ainley	Ewald	Kelly	Novak	Shea
Anderson, B.	Fjoslien	Knickerbocker	Nysether	Sherman
Anderson, G.	Forsythe	Kostohryz	O'Connor	Sherwood
Anderson, I.	Friedrich	Kvam	Ogren	Sieben, M.
Anderson, R.	Greenfield	Laidig	Olsen	Simoneau
Battaglia	Gruenes	Lehto	Onnen	Skoglund
Begich	Gustafson	Lemen	Osthoff	Stadum
Berkelman	Halberg	Levi	Otis	Staten
Blatz	Hanson	Long	Peterson, B.	Stowell
Brandl	Harens	Ludeman	Peterson, D.	Stumpf
Brinkman	Hauge	Luknic	Piepho	Sviggum
Byrne	Heap	Mann	Pogemiller	Swanson
Carlson, D.	Heinitz	Marsh	Redalen	Valan
Carlson, L.	Himle	McCarron	Reding	Valento
Clark, J.	Hoberg	McDonald	Rees	Vanasek
Clark, K.	Hokanson	McEachern	Reif	Vellenga
Dahlvang	Hokr	Mehrkens	Rice	Voss
Dempsey	Jacobs	Metzen	Rodriguez, C.	Weaver
Den Ouden	Jennings	Minne	Rodriguez, F.	Welch
Drew	Johnson, C.	Munger	Rothenberg	Welker
Eken	Johnson, D.	Murphy	Samuelson	Wenzel
Ellingson	Jude	Nelsen, B.	Sarna	Wieser
Erickson	Kahn	Nelson, K.	Schafer	Wynia
Esau	Kaley	Niehaus	Schoenfeld	Zubay
Evans	Kalis	Norton	Schreiber	Spkr. Sieben, H.

The bill was passed and its title agreed to.

S. F. No. 375, A bill for an act relating to Hennepin county; providing for the administration of health care and related services of the county; providing for the administration of the duties and the appointment of the county medical examiner; repealing Laws 1963, Chapter 738, as amended; and Laws 1963, Chapter 848, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	Nysether	Sieben, M.
Ainley	Ewald	Knickerbocker	O'Connor	Simoneau
Anderson, B.	Fjoslien	Kostohryz	Ogren	Skoglund
Anderson, G.	Forsythe	Kvam	Olsen	Stadum
Anderson, I.	Friedrich	Laidig	Onnen	Staten
Anderson, R.	Greenfield	Lehto	Osthoff	Stowell
Battaglia	Gruenes	Lemen	Otis	Stumpf
Begich	Gustafson	Levi	Peterson, B.	Svigum
Berkelman	Halberg	Long	Peterson, D.	Swanson
Blatz	Hanson	Ludeman	Piepho	Tomlinson
Brandl	Harens	Luknic	Pogemiller	Valan
Brinkman	Hauge	Mann	Redalen	Valento
Byrne	Heap	Marsh	Reding	Vanasek
Carlson, D.	Heinitz	McCarron	Rees	Vellenga
Carlson, L.	Himle	McDonald	Reif	Voss
Clark, J.	Hoberg	McEachern	Rice	Weaver
Clark, K.	Hokanson	Mehrkens	Rodriguez, C.	Welch
Dahlvang	Hokr	Metzen	Rodriguez, F.	Welker
Dean	Jacobs	Minne	Rothenberg	Wenzel
Dempsey	Jennings	Munger	Samuelson	Wieser
Den Ouden	Johnson, C.	Murphy	Sarna	Wynia
Drew	Johnson, D.	Nelsen, B.	Schafer	Zubay
Eken	Jude	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Ellingson	Kahn	Niehaus	Schreiber	
Erickson	Kaley	Norton	Sherman	
Esau	Kalis	Novak	Sherwood	

The bill was passed and its title agreed to.

Rose was excused for the remainder of today's session.

H. F. No. 889, A bill for an act relating to water well contractors; altering the exemption from license requirements for certain registered professional engineers; providing for licensing of thermal exchange devices; amending Minnesota Statutes 1980, Sections 156A.02, by adding a subdivision; and 156A.03, Subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, R.	Blatz	Carlson, D.	Dahlvang
Ainley	Battaglia	Brandl	Carlson, L.	Dean
Anderson, G.	Begich	Brinkman	Clark, J.	Dempsey
Anderson, I.	Berkelman	Byrne	Clark, K.	Den Ouden

Drew	Hokr	McDonald	Pogemiller	Stowell
Eken	Jacobs	McEachern	Redalen	Stumpf
Ellingson	Jennings	Mehrkens	Reding	Sviggum
Erickson	Johnson, C.	Metzen	Rees	Swanson
Esau	Johnson, D.	Minne	Reif	Tomlinson
Evans	Jude	Munger	Rice	Valan
Ewald	Kaley	Murphy	Rodriguez, C.	Valento
Fjoslien	Kalis	Nelsen, B.	Rodriguez, F.	Vanasek
Forsythe	Kelly	Nelson, K.	Rothenberg	Vellenga
Friedrich	Knickerbocker	Niehaus	Samuelson	Voss
Greenfield	Kostohryz	Norton	Sarna	Weaver
Gruenes	Kvam	Novak	Schafer	Welch
Gustafson	Laidig	Nysether	Schoenfeld	Welker
Halberg	Lehto	O'Connor	Schreiber	Wenzel
Hanson	Lemen	Ogren	Shea	Wieser
Harens	Levi	Olsen	Sherman	Wynia
Hauge	Long	Onnen	Sherwood	Zubay
Heap	Ludeman	Osthoff	Sieben, M.	Spkr. Sieben, H.
Heinitz	Luknic	Otis	Simoneau	
Himle	Mann	Peterson, B.	Skoglund	
Hoberg	Marsh	Peterson, D.	Stadum	
Hokanson	McCarron	Piepho	Staten	

Those who voted in the negative were:

Anderson, B. Kahn

The bill was passed and its title agreed to.

H. F. No. 25, A bill for an act relating to courts; changing the compensation of Hennepin County conciliation court referees; providing for the establishment of misdemeanor violation bureaus for Hennepin County; amending Minnesota Statutes 1980, Sections 488A.08, Subdivision 1; and 488A.13, Subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Dahlvang	Gustafson	Kahn	McCarron
Ainley	Dean	Halberg	Kaley	McDonald
Anderson, B.	Dempsey	Hanson	Kalis	McEachern
Anderson, G.	Den Ouden	Harens	Kelly	Mehrkens
Anderson, I.	Drew	Hauge	Knickerbocker	Metzen
Anderson, R.	Eken	Heap	Kostohryz	Minne
Battaglia	Ellingson	Heinitz	Kvam	Munger
Berkelman	Erickson	Himle	Laidig	Murphy
Blatz	Esau	Hokanson	Lehto	Nelsen, B.
Brandl	Evans	Hokanson	Lemen	Nelson, K.
Brinkman	Ewald	Hokr	Levi	Niehaus
Byrne	Fjoslien	Jacobs	Long	Norton
Carlson, D.	Forsythe	Jennings	Ludeman	Novak
Carlson, L.	Friedrich	Johnson, C.	Luknic	Nysether
Clark, J.	Greenfield	Johnson, D.	Mann	O'Connor
Clark, K.	Gruenes	Jude	Marsh	Ogren

Olsen	Rees	Schreiber	Stumpf	Welch
Onnen	Reif	Shea	Sviggun	Welker
Osthoff	Rice	Sherman	Swanson	Wenzel
Otis	Rodriguez, C.	Sherwood	Tomlinson	Wieser
Peterson, B.	Rodriguez, F.	Sieben, M.	Valan	Wynia
Peterson, D.	Rothenberg	Simoneau	Valento	Zubay
Piepho	Samuelson	Skoglund	Vanasek	Spkr. Sieben, H.
Pogemiller	Sarna	Stadum	Vellenga	
Redalen	Schafer	Staten	Voss	
Reding	Schoenfeld	Stowell	Weaver	

The bill was passed and its title agreed to.

H. F. No. 35, A resolution memorializing Congress to enact legislation relating to the early release of election returns.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Knickerbocker	O'Connor	Simoneau
Anderson, B.	Forsythe	Kostohryz	Ogren	Skoglund
Anderson, G.	Friedrich	Kvam	Olsen	Stadum
Anderson, I.	Greenfield	Laidig	Osthoff	Staten
Anderson, R.	Gruenes	Lehto	Otis	Stumpf
Battaglia	Gustafson	Lemen	Peterson, B.	Sviggun
Begich	Halberg	Long	Peterson, D.	Swanson
Berkelman	Hanson	Luknic	Piepho	Tomlinson
Blatz	Harens	Mann	Pogemiller	Valan
Brandl	Hauge	Marsh	Redalen	Vanasek
Brinkman	Heap	McCarron	Reding	Vellenga
Carlson, D.	Heinitz	McDonald	Reif	Voss
Carlson, L.	Himle	McEachern	Rice	Weaver
Clark, J.	Hoberg	Mehrkens	Rodriguez, C.	Welch
Clark, K.	Hokanson	Metzen	Rodriguez, F.	Welker
Dahlvang	Hokr	Minne	Samuelson	Wenzel
Dempsey	Jacobs	Munger	Sarna	Wieser
Drew	Johnson, C.	Murphy	Schafer	Wynia
Eken	Johnson, D.	Nelsen, B.	Schoenfeld	Zubay
Ellingson	Jude	Nelson, K.	Schreiber	Spkr. Sieben, H.
Erickson	Kahn	Niehaus	Shea	
Esau	Kaley	Norton	Sherman	
Evans	Kalis	Novak	Sherwood	
Ewald	Kelly	Nysether	Sieben, M.	

Those who voted in the negative were:

Ainley	Jennings	Ludeman	Rees	Stowell
Dean	Levi	Onnen	Rothenberg	Valento

The bill was passed and its title agreed to.

H. F. No. 54, A bill for an act relating to meetings of public bodies; allowing public employers to determine negotiation strategy at a nonpublic meeting; amending Minnesota Statutes 1980, Section 471.705, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Aasness	Friedrich	Knickerbocker	O'Connor	Sherman
Anderson, B.	Gruenes	Kvam	Ogren	Sherwood
Anderson, G.	Gustafson	Laidig	Olsen	Simoneau
Battaglia	Halberg	Lehto	Onnen	Skoglund
Begich	Harens	Lemen	Otis	Stadum
Berkelman	Hauge	Levi	Peterson, B.	Stowell
Blatz	Heap	Ludeman	Peterson, D.	Stumpf
Brandl	Heinitz	Luknic	Piepho	Sviggum
Brinkman	Himle	Mann	Pogemiller	Swanson
Carlson, D.	Hoberg	Marsh	Redalen	Tomlinson
Dahlvang	Hokanson	McDonald	Reding	Valan
Dempsey	Hokr	McEachern	Rees	Valento
Den Ouden	Jacobs	Mehrkens	Reif	Vellenga
Drew	Jennings	Metzen	Rice	Weaver
Eken	Johnson, C.	Minne	Rodriguez, C.	Welker
Erickson	Johnson, D.	Munger	Rodriguez, F.	Wenzel
Esau	Jude	Murphy	Samuelson	Wieser
Evans	Kahn	Nelsen, B.	Schafer	Zubay
Ewald	Kaley	Niehaus	Schoenfeld	
Fjoslien	Kalis	Norton	Schreiber	
Forsythe	Kelly	Nysether	Shea	

Those who voted in the negative were:

Ainley	Clark, J.	Hanson	Novak	Spkr. Sieben, H.
Anderson, I.	Clark, K.	Kostohryz	Osthoff	
Anderson, R.	Dean	Long	Vanasek	
Byrne	Ellingson	McCarron	Voss	
Carlson, L.	Greenfield	Nelson, K.	Welch	

The bill was passed and its title agreed to.

Norton and Shea were excused at 5:30 p.m. Vanasek was excused at 5:40 p.m. Laidig was excused at 5:50 p.m. Luknic was excused at 6:30 p.m. Clark, K., was excused at 6:35 p.m.

## GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

## REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:



H. F. No. 137 which it recommended to pass.

H. F. No. 673 which it recommended progress.

H. F. No. 236 which it recommended progress until Monday, May 11, 1981.

H. F. No. 192 which it recommended to pass with the following amendment offered by Rodriquez, F.:

Page 5, line 15, delete "4" and insert "3"

H. F. No. 126 which it recommended to pass with the following amendments:

Offered by Anderson, B.:

Page 1, line 23, delete "*or private*" and after "*point*" insert "*and other areas commonly used by the public for access to the lake*"

Offered by Stumpf and Rees:

Page 2, after line 16, insert:

"Sec. 2. Minnesota Statutes 1980, Section 112.36, is amended to read:

#### 112.36 [ESTABLISHMENT OF DISTRICTS.]

*Subdivision 1.* [GENERAL POWER.] The board is hereby vested with jurisdiction, power, and authority, upon filing of a nominating petition, to establish a watershed district and define and fix the boundaries thereof, all areas of which shall be contiguous and which may be entirely within or partly within and partly without any county, and may include the whole or any part of any watershed or watersheds within the discretion of the board and may include the whole or any part of one or more counties, and to appoint the first board of managers thereof, as herein provided.

*Subd. 2.* [PURPOSES OF DISTRICT.] A watershed district may be established for any or all of the following conservation purposes:

- (1) Control or alleviation of damage by flood waters;
- (2) Improvement of stream channels for drainage, navigation, and any other public purpose;
- (3) Reclaiming or filling wet and overflowed lands;

- (4) Providing water supply for irrigation;
- (5) Regulating the flow of streams and conserving the waters thereof;
- (6) Diverting or changing watercourses in whole or in part;
- (7) Providing and conserving water supply for domestic, industrial, recreational, agricultural, or other public use;
- (8) Providing for sanitation and public health and regulating the use of streams, ditches, or watercourses for the purpose of disposing of waste;
- (9) Repair, improve, relocate, modify, consolidate, and abandon, in whole or in part, drainage systems within a watershed district;
- (10) Imposition of preventive or remedial measures for the control or alleviation of land and soil erosion and siltation of watercourses or bodies of water affected thereby;
- (11) Regulating improvements by riparian landowners of the beds, banks, and shores of lakes, streams, and marshes by permit or otherwise in order to preserve the same for beneficial use;
- (12) *Protecting the habitat of fish, waterfowl, game or other wildlife;*
- (13) *Providing for the generation of hydroelectric power; and*
- (14) *Protecting or enhancing the quality of water in watercourses or bodies of water.*

Sec. 3. Minnesota Statutes 1980, Section 112.53, Subdivision 1, is amended to read:

Subdivision 1. The managers shall by publication give notice of the pendency of the petition or resolution; the time and place for hearing thereon; that the engineer's and appraisers' reports, including the plans, have been filed with the managers and are subject to inspection. The notice shall contain a brief description of the proposed (IMPROVEMENT) *project*, together with a description of the properties benefited or damaged, and the names of the owners thereof, the public and other corporations affected thereby as shown by the engineer's and appraisers' reports *or a map of the area affected*; and require all parties interested in the proposed improvement to appear before the managers at the time and place designated in the notice and there present their objections, if any they have, and show cause

why an order should not be made by the managers granting the petition and confirming the reports of the engineer and the appraisers and ordering the establishment and construction of the improvement."

Amend the title as follows:

Page 1, line 5, after "care;" insert "changing and clarifying administrative provisions regarding watershed districts; permitting use of a map to show notification of an assessment area; amending Minnesota Statutes 1980, Sections 112.36; 112.53, Subdivision 1;"

H. F. No. 217 which it recommended progress with the following amendment offered by Redalen:

Page 1, after line 23, insert:

**"Sec. 2. [SALE OF CERTAIN TRAIL LANDS.]**

*The commissioner of natural resources may, in the manner provided by law for the sale of trust fund lands, sell at public auction the lands and interest in lands consisting of the abandoned railway line in Mower, Olmsted and Fillmore counties which were acquired by the state in 1978 from the Chicago North Western Transportation Company which lie along the north right-of-way line of U.S. highways 16/63 near the city of Spring Valley in Fillmore County to the city of Stewartville in Olmsted County, excepting from sale: (a) those lands and interests in lands needed by the department of transportation for highway 63 improvements near Racine, in Mower County, those lands being a strip of land a maximum of 25 feet in width being the westerly 25 feet of the railroad right-of-way in the SW 1/4 of the NW 1/4 and the W 1/2 of the SW 1/4 of Section 14; the E 1/2 of the SE 1/4 and SE 1/4 of the NE 1/4 of Section 15; the E 1/2 of the NE 1/4 and the E 1/2 of the SE 1/4 of Section 22; the W 1/2 of the NW 1/4 of Section 23; the NE 1/4 of the NE 1/4 of Section 27; the W 1/2 of the SW 1/4 and the W 1/2 of the NW 1/4 of Section 26; and the E 1/2 of the SW 1/4, the E 1/2 of the NW 1/4 and the NW 1/4 of the NW 1/4 of Section 35; Township 104N, Range 14W; and (b) that part of the railroad right-of-way located in the W 1/2 of the NW 1/4 of section 23 and in the E 1/2 of the NE 1/4 of section 22, Township 104N, Range 14W in Mower County, but not including the westerly 25 feet of the right-of-way needed by the department of transportation. The commissioner may subdivide the lands and interest in lands into smaller parcels for the purpose of this sale.*

**Sec. 3. [CONVEYANCE OF RIGHT-OF-WAY.]**

*The commissioner of natural resources, in the name of the state, may convey to adjoining property owners by quitclaim deed, at not less than the appraised value, the following described*

*real property when the state's title has been clarified either through litigation or land exchange:*

*A strip of land 100 feet in width extending over and across Government Lots Four (4) and Five (5), the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) and the Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4) of Section Nine (9); Government Lots One (1), Two (2), Three (3), Four (4) and Five (5) and the Southwest Quarter of the Southwest Quarter (SW 1/4 SW 1/4) of Section Sixteen (16); Government Lots One (1) and Two (2) and the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4) of Section Twenty (20); Government Lot One (1), of Section Twenty-one (21); said strip of land being 50 feet in width on each side of the center line of the main track, now removed, of the former Saint Paul, Minneapolis and Manitoba Railway Company, now Burlington Northern Incorporated, as originally located and established over and across said Sections Nine (9), Sixteen (16), Twenty (20) and Twenty-one (21), Township One Hundred Forty-three (143) North, Range Thirty-one (31) West.*

*The deed shall be in a form approved by the attorney general.*

Sec. 4. [EFFECTIVE DATE.]

*This act is effective the day following its final enactment."*

Amend the title as follows:

Page 1, line 2, after "sale" insert "or conveyance"

Page 1, line 3, after "Trail" insert "and certain other lands acquired for trail purposes"

On the motion of Eken the report of the Committee of the Whole was adopted.

#### ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Kvam moved to amend H. F. No. 217, as amended, as follows:

Page 1, delete lines 9 to 15, and insert:

*"the western boundary of Carver County to the end of the trail at Clara City in Chippewa"*

The question was taken on the amendment and the roll was called. There were 29 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kvam	Niehaus	Sviggunn
Ainley	Evans	Lemen	Nysether	Valento
Anderson, R.	Fjoslien	Levi	Onnen	Weaver
Dempsey	Gruenes	Ludeman	Piepho	Welker
Den Ouden	Hokr	McDonald	Schafer	Wieser
Erickson	Jennings	McEachern	Stadum	

Those who voted in the negative were:

Anderson, B.	Forsythe	Kelly	Otis	Simoneau
Anderson, G.	Greenfield	Knickerbocker	Peterson, B.	Skoglund
Anderson, I.	Gustafson	Kostohryz	Peterson, D.	Staten
Battaglia	Halberg	Lehto	Pogemiller	Stowell
Begich	Hanson	Long	Redalen	Stumpf
Berkelman	Harens	Mann	Reding	Swanson
Blatz	Hauge	Marsh	Rees	Tomlinson
Brandl	Heap	McCarron	Reif	Vanasek
Byrne	Heinitz	Metzen	Rice	Vellenga
Carlson, D.	Himle	Minne	Rodriguez, C.	Voss
Carlson, L.	Hokanson	Munger	Rodriguez, F.	Welch
Clark, J.	Jacobs	Murphy	Rothenberg	Wenzel
Dahlvang	Johnson, C.	Nelsen, B.	Samuelson	Wynia
Dean	Johnson, D.	Nelson, K.	Sarna	Zubay
Drew	Jude	Novak	Schoenfeld	Spkr. Sieben, H.
Eken	Kahn	O'Connor	Schreiber	
Ellingson	Kaley	Ogren	Sherman	
Ewald	Kalis	Osthoff	Sherwood	

The motion did not prevail and the amendment was not adopted.

There being no objection the order of business reverted to Reports of Standing Committees.

## REPORTS OF STANDING COMMITTEES

Rice from the Committee on Labor-Management Relations to which was referred:

H. F. No. 682, A bill for an act relating to workers' compensation; altering and establishing schedules of payment for permanent partial disability; amending Minnesota Statutes 1980, Section 176.101, Subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 10A.01, Subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

(a) Member of the legislature;

(b) Constitutional officer in the executive branch and his chief administrative deputy;

(c) Member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;

(d) Commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;

(e) Individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;

(f) Executive director of the state board of investment;

(g) Executive director of the Indian affairs intertribal board;

(h) Commissioner of the iron range resources and rehabilitation board;

(i) Director of mediation services;

(j) Deputy of any official listed in clauses (e) to (i);

(k) Judge of *the workers' compensation court of appeals*;

(l) Hearing examiner or *compensation judge* in the state office of administrative hearings or *hearing examiner* in the department of economic security;

(m) Solicitor general or deputy, assistant or special assistant attorney general;

(n) Individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or

(o) Member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission.

Sec. 2. Minnesota Statutes 1980, Section 15.052, Subdivision 1, is amended to read:

Subdivision 1. A state office of administrative hearings is created. The office shall be under the direction of a chief hearing examiner, who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. The chief hearing examiner shall appoint additional hearing examiners *and compensation judges* to serve in his office as necessary to fulfill the duties prescribed in this section. All hearing examiners *and compensation judges* shall be in the classified service except that the chief hearing examiner shall be in the unclassified service, but may be removed from his position only for cause. (ADDITIONALLY,) All hearing examiners shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner. *All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.*

Sec. 3. Minnesota Statutes 1980, Section 15.052, Subdivision 2, is amended to read:

Subd. 2. When regularly appointed hearing examiners *or compensation judges* are not available, the chief hearing examiner may contract with qualified individuals to serve as hearing examiners. Such temporary hearing examiners *or compensation judges* shall not be employees of the state.

Sec. 4. Minnesota Statutes 1980, Section 15.052, Subdivision 3, is amended to read:

Subd. 3. All hearings of state agencies required to be conducted under this chapter shall be conducted by a hearing examiner assigned by the chief hearing examiner. *All hearings required to be conducted under chapter 176 shall be conducted by a compensation judge assigned by the chief hearing examiner.* In assigning hearing examiners *or compensation judges* to conduct such hearings, the chief hearing examiner shall attempt to utilize personnel having expertise in the subject to be dealt with in the hearing. Only hearing examiners learned in the law shall be assigned to contested case hearings. *Only compensation judges shall be assigned to workers' compensation matters.* It shall be the duty of the hearing examiner to: (1) advise an agency as to the location at which and time during which a hearing should be held so as to allow for participation by all affected interests; (2) conduct only hearings for which proper notice has been given; (3) see to it that all hearings are conducted in a fair and impartial manner ( ; AND (4)). *Except in the case of workers' compensation hearings involving claims for compensation it shall also be the duty of the chief hearing examiner to make a report on each proposed agency action in which the hearing examiner func-*

tioned in an official capacity, stating his findings of fact and his conclusions and recommendations, taking notice of the degree to which the agency has (i) documented its statutory authority to take the proposed action, (ii) fulfilled all relevant substantive and procedural requirements of law or rule, and (iii) in rulemaking proceedings, demonstrated the need for and reasonableness of its proposed action with an affirmative presentation of facts.

Sec. 5. Minnesota Statutes 1980, Section 15.052, Subdivision 4, is amended to read:

Subd. 4. The chief hearing examiner shall (PROMULGATE) *adopt* rules to govern the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings (AND), contested case hearings, *and workers' compensation hearings. Temporary rule-making authority is granted to the chief hearing examiner for the purpose of implementing sections 2 to 6, 84, 85 to 100, 105 to 113, and 118.* (SUCH) The procedural rules for hearings shall be binding upon all agencies and shall supersede any other agency procedural rules with which they may be in conflict. The procedural rules for hearings shall include in addition to normal procedural matters provisions relating to recessing and reconvening new hearings when the proposed final rule of an agency is substantially different from that which was proposed at the public hearing. The procedural rules shall establish a procedure whereby the proposed final rule of an agency shall be reviewed by the chief hearing examiner to determine whether or not a new hearing is required because of substantial changes or failure of the agency to meet the requirements of section 15.0412, subdivisions 4 to 4f. Upon his own initiative or upon written request of an interested party, the chief hearing examiner may issue a subpoena for the attendance of a witness or the production of (SUCH) books, papers, records or other documents as are material to the matter being heard. The subpoenas shall be enforceable through the district court in the district in which the subpoena is issued.

Sec. 6. Minnesota Statutes 1980, Section 15.052, Subdivision 5, is amended to read:

Subd. 5. The office of administrative hearings may maintain a court reporter system *for administrative hearings* and in addition to or in lieu thereof may contract with non-governmental sources for court reporter services *for such hearings. The office of administrative hearings shall maintain a court reporter system for workers' compensation hearings.* The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter, *provided, however, that*



*court reporters shall be utilized in all cases arising under chapter 176.*

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings.

Sec. 7. Minnesota Statutes 1980, Section 15A.083, is amended by adding a subdivision to read:

*Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS.] Salaries of judges of the workers' compensation court of appeals shall be the same as the salary for district judges as provided in subdivision 1.*

Sec. 8. Minnesota Statutes 1980, Section 43.064, is amended to read:

**43.064 [OTHER SALARIES SET BY COMMISSIONER OF EMPLOYEE RELATIONS.]**

Notwithstanding any other law to the contrary, compensation for all unclassified positions in the executive branch not enumerated in the listing described in section 15A.081, shall be established by the commissioner except for the following: (1) positions listed in section 299D.03; (2) employees in the office of the governor whose salaries shall be determined by the governor; (3) employees in the office of the attorney general; (4) employees of the state board of investment; (5) positions in the state university system, the community college system, and in the higher education coordinating board whose primary duties consist of instructing and counseling students, directing academic programs of schools, divisions or departments of colleges and community colleges, or conducting research on academic subjects, or conducting academic support programs; and the positions of state university and community college presidents. Individual salaries for positions enumerated in clauses (3), (4) and (5) and for classified hearing examiners *and compensation judges* in the office of administrative hearings shall be determined by the attorney general, the state board of investment, the state university board, the state board for community colleges, the higher education coordinating board, and the chief hearing examiner, respectively, within the limits of salary plans which shall have been approved by the commissioner before becoming effective.

No provision of any subsequent law relating to salaries of state employees shall be construed as inconsistent with this section unless it is expressly provided in the subsequent act that

the provisions of this section shall not be applicable or shall be superseded, amended, or repealed.

Sec. 9. Minnesota Statutes 1980, Section 60A.15, Subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES OTHER THAN TOWN AND FARMERS' MUTUAL AND DOMESTIC MUTUALS OTHER THAN LIFE.] On or before April 15, *May 15*, June 15, (SEPTEMBER 15) and December 15 of each year following December 31, 1971, every domestic and foreign company, except town and farmers' mutual insurance companies and domestic mutual insurance companies other than life, shall pay to the state treasurer through the commissioner of insurance (QUARTERLY) installments *equal to one-fourth* of the insurer's total estimated tax for the current year based on a sum equal to two percent of the gross premiums less return premiums on all direct business received by it in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6. If unpaid by such dates penalties of ten percent shall accrue thereon, and thereafter such sum and penalties shall draw interest at the rate of one percent per month until paid. Failure of a company to make (QUARTERLY) payments of at least one-fourth of either (a) the total tax paid during the previous calendar year or (b) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this subdivision.

Sec. 10. Minnesota Statutes 1980, Section 79.01, Subdivision 2, is amended to read:

Subd. 2. [INSURER.] The word "insurer" means any insurance carrier authorized by license issued by the commissioner of insurance to transact the business of workers' compensation insurance in this state (. FOR PURPOSES OF THIS SUBDIVISION "INSURER" DOES NOT INCLUDE) *and includes* a political subdivision providing self insurance or establishing a pool under section 471.981, subdivision 3.

Sec. 11. Minnesota Statutes 1980, Section 79.01, Subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] The word "insurance" means workers' compensation insurance and insurance covering any part of the liability of an employer exempted from insuring his liability for compensation, as provided in section 176.181 (.) *and includes* a program of self insurance, self insurance revolving fund or pool established under section 471.981 (IS NOT INSURANCE FOR PURPOSES OF THIS SUBDIVISION).

Sec. 12. Minnesota Statutes 1980, Section 79.071, is amended by adding a subdivision to read:

*Subd. 1a. If the legislature enacts amendments to the workers' compensation laws of this state which indicate a reduction in the schedule of rates, or the commissioner determines that the loss experience of Minnesota workers' compensation insurers indicates a change in the existing schedule of rates, the commissioner may, in his discretion order a change in the schedule of rates or order a hearing to determine whether and by what percentage the schedule of rates should be changed. A hearing held pursuant to this subdivision is not subject to the contested case proceeding requirements of sections 79.071 and 79.072, notwithstanding section 79.076.*

**Sec. 13.** Minnesota Statutes 1980, Section 79.071, is amended by adding subdivisions to read:

*Subd. 8. When an insurer's estimate of amounts required to be reserved is based in any part on the operation of section 176.645, any assumption as to reserves required due to the operation of section 176.645, shall, for the purposes of determining rates, be offset by an assumption that the amount initially reserved shall be invested and yield a return equal to the annual percentage increase in the statewide average weekly wage. With respect to other reserved amounts, the commissioner shall, in determining rates, cause those rates to fully reflect the investment earnings of insurers which arise from revenues derived from the sale of workers' compensation insurance, either by use of a discount rate of no less than six percent in determining the reserves necessary for all claims, or by the use of an alternative methodology which the commissioner finds is more appropriate. Insurers shall provide the commissioner with any information which he deems necessary to arrive at the determination required by this subdivision.*

*Subd. 9. [EXPENSE ALLOWANCE.] A schedule of rates shall be deemed excessive and shall not be approved by the commissioner if it contemplates or would result in an expense allocation for workers' compensation insurers in excess of 30.85 percent of premium. Any approved schedule of rates which would result in an excessive expense allocation shall be modified to comply with this subdivision pursuant to section 12.*

*Subd. 10. In no case shall more than one insurer reserve amounts in anticipation of losses on a single claim, nor shall an insurer reserve amounts in anticipation of losses which are the responsibility of the reinsurance association.*

**Sec. 14.** Minnesota Statutes 1980, Section 79.34, Subdivision 1, is amended to read:

**Subdivision 1.** A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the pro-

visions of that chapter are inconsistent with sections 79.34 to 79.42 or any amendments thereto, sections 79.34 to 79.42 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; *provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association.* Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; *provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association.* The reinsurance association shall not be deemed a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association shall not be subject to chapter 15. The reinsurance association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation. The reinsurance association shall not be obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 15. Minnesota Statutes 1980, Section 79.34, Subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be considered to be involved in a separate loss occurrence. (EACH) The \$100,000 retention limit shall be increased to the nearest \$10,000, on January 1, (1981) 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 there-

*after, the \$300,000 retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.*

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (OR (D) ANY OTHER REINSURANCE OR CONTRACT APPROVED BY THE COMMISSIONER UPON HIS DETERMINATION THAT THE REINSURANCE OR CONTRACT IS NOT INCONSISTENT WITH THE BASES FOR EXCEPTION PROVIDED UNDER CLAUSES (A), (B) AND (C) ABOVE) (d) *when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or re-*

*insurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.*

*Whenever it appears to the commissioner that any member that chooses the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.*

Sec. 16. Minnesota Statutes 1980, Section 79.35, is amended to read:

#### 79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the rein-

surance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than (\$500,000) *the prefunded limit*, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of (\$500,000 FOR THE PERIOD TO WHICH THIS PREMIUM IS APPLICABLE) *the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20.* Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the total standard earned premium of all members during the period to which the reinsurance association premium will apply, as determined by the commissioner. Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each (MEMBER'S PREMIUM) member shall (INCLUDE AN AMOUNT) *also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit.* An equitable basis for determining standard earned premium for self-insurers shall be established by the commissioner. The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association and may charge the cost of the adjustment to the member; and

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 17. Minnesota Statutes 1980, Section 79.36, is amended to read:

79.36 [ADDITIONAL POWERS.]

In addition to the powers granted in section 79.35, the reinsurance association may do the following:

(a) Sue and be sued. A judgment against the reinsurance association shall not create any direct liability against the individual members of the reinsurance association. The reinsurance association shall provide in the plan of operation for the indemnification, to the extent provided in the plan of operation, of the members, members of the board of directors of the reinsurance association, and officers, employees and other persons lawfully acting on behalf of the reinsurance association;

(b) Reinsure all or any portion of its potential liability, including potential liability in excess of (\$500,000) *the pre-funded limit*, with reinsurers licensed to transact insurance in this state or otherwise approved by the commissioner;

(c) Provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the reinsurance association;

(d) Contract for goods and services, including but not limited to independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(e) Adopt operating rules, consistent with the plan of operation, for the administration of the reinsurance association, enforce those operating rules, and delegate authority as necessary to assure the proper administration and operation of the reinsurance association;

(f) Intervene in or prosecute at any time, including but not limited to intervention or prosecution as subrogee to the member's rights in a third party action, any proceeding under this chapter or chapter 176 in which liability of the reinsurance association may, in the opinion of the board of directors of the reinsurance association or its designee, be established, or the reinsurance association affected in any other way;

(g) The net proceeds derived from intervention or prosecution of any subrogation interest, or other recovery, shall first be used to reimburse the reinsurance association for amounts paid or payable pursuant to this chapter, together with any



expenses of recovery, including attorney's fees, and any excess shall be paid to the member or other person entitled thereto, as determined by the board of directors of the reinsurance association, unless otherwise ordered by a court.

(h) Hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; and

(i) Perform other acts not specifically enumerated in this section which are necessary or proper to accomplish the purposes of the reinsurance association and which are not inconsistent with sections 79.34 to 79.42 or the plan of operation.

Sec. 18. Minnesota Statutes 1980, Section 175.007, is amended to read:

175.007 [ADVISORY COUNCIL ON WORKERS' COMPENSATION; CREATION.]

Subdivision 1. The commissioner (OF LABOR AND INDUSTRY) shall appoint (, AFTER CONSULTATION WITH THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS,) an advisory council on workers' compensation, which shall consist of five representatives of employers and five representatives of employees and three members representing the general public. *The council may consult with the judges of the workers' compensation court of appeals (SHALL BE NONVOTING MEMBERS OF THE ADVISORY COUNCIL).* The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Subd. 2. The advisory council shall study and present to the legislature and the governor, on or before November 15 of each even numbered year, its findings relative to the costs, methods of financing, and the formula to be used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. *The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even numbered year thereafter a report on the financial, administrative and personnel needs of the workers' compensation division.*

Sec. 19. Minnesota Statutes 1980, Section 175.101, is amended by adding a subdivision to read:

Subd. 4. *Outside consultants shall be retained by the commissioner to assist him in the design of measures to improve the*

*record-keeping and information systems of the department. All studies shall be completed by January 1, 1982, at which time the commissioner shall make a report to the governor and the legislature on the proposed changes. Any contemplated expenditures for computer facilities shall not be subject to the requirements of section 16.90 to 16.965, with the exception of section 16.95 which shall apply.*

Sec. 20. Minnesota Statutes 1980, Section 175.11, Subdivision 1, is amended to read:

Subdivision 1. The workers' compensation division (AND THE WORKERS' COMPENSATION COURT OF APPEALS) shall (EACH) have a seal for the authentication of its orders and proceedings, upon which shall be inscribed the words, "Workers' Compensation Division of Minnesota" (OR "WORKERS' COMPENSATION COURT OF APPEALS OF MINNESOTA" RESPECTIVELY), as the division (OR WORKERS' COMPENSATION COURT OF APPEALS) may prescribe. The courts of this state shall take judicial notice of such seal (AND OF THE SIGNATURES OF THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS); and in all cases copies of orders, proceedings, or records of the division (OR WORKERS' COMPENSATION COURT OF APPEALS), certified by (A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS UNDER HIS SEAL) *the commissioner*, shall be received in evidence, with the same force and effect given to the originals.

Sec. 21. Minnesota Statutes 1980, Section 175.14, is amended to read:

175.14 [TRAVELING EXPENSES.]

The (WORKERS' COMPENSATION JUDGES OF THE COURT OF APPEALS AND THE) commissioner (OF LABOR AND INDUSTRY) and the officers, assistants, and employees of the (WORKERS' COMPENSATION COURT OF APPEALS AND) department shall be paid out of the state treasury their actual and necessary expenses while traveling on the business of the (WORKERS' COMPENSATION COURT OF APPEALS OR) department. Vouchers for such expenses shall be itemized and sworn to by the persons incurring the expense, and be subject to the approval of (THE WORKERS' COMPENSATION COURT OF APPEALS OR) the commissioner of labor and industry.

Sec. 22. Minnesota Statutes 1980, Section 175.17, is amended to read:

175.17 [POWERS AND DUTIES, (WORKERS' COMPENSATION COURT OF APPEALS, AND) COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY.]

(1) (THE WORKERS' COMPENSATION COURT OF APPEALS SHALL PRINCIPALLY EXERCISE APPELLATE JURISDICTION UNDER THE LAWS RELATING TO WORKERS' COMPENSATION AND THE LAWS GOVERNING EMPLOYEES OF THE STATE, A COUNTY, OR OTHER GOVERNMENTAL SUBDIVISION WHO CONTRACT TUBERCULOSIS;)

((2)) The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall administer the laws relating to workers' compensation and the laws governing employees of the state, a county, or other governmental subdivisions who contract tuberculosis;

((3)) (2) The (WORKERS' COMPENSATION COURT OF APPEALS AND THE) commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall (JOINTLY PRESCRIBE) *adopt* reasonable and proper rules (AND REGULATIONS) governing rules of practice before the workers' compensation division in (NONAPPELLATE) matters *which are not before a compensation judge*;

((4) THE WORKERS' COMPENSATION COURT OF APPEALS SHALL PRESCRIBE RULES OF PRACTICE BEFORE IT IN APPELLATE MATTERS;)

((5)) (3) The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall collect, collate, and publish statistical and other information relating to work under (ITS) *the department's* jurisdiction and make public reports in his judgment necessary, including such other reports as may be required by law;

((6)) (4) The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall establish and maintain branch offices as needed for the conduct of the affairs of the workers' compensation division.

#### Sec. 23. [175A.01] [CREATION.]

*Subdivision 1. [MEMBERSHIP, APPOINTMENT, QUALIFICATIONS.] The workers' compensation court of appeals as previously constituted is reconstituted as an independent agency in the executive branch.*

*The workers' compensation court of appeals shall consist of five judges each serving in the unclassified service. The five judges shall be learned in the law. Each judge of the workers' compensation court of appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for*

*the unexpired term, subject to confirmation by the senate. The terms of the judges shall expire on the first Monday in January of the year in which they expire. The terms of the judges shall be staggered. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified. They shall be selected on the basis of their experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota. The judges of the workers' compensation court of appeals shall be subject to the provisions of the Minnesota Constitution, Article VI, Section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.*

**Subd. 2. [JURISDICTION.]** *The workers' compensation court of appeals shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the workers' compensation court of appeals shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the workers' compensation laws of the state in those cases that have been appealed to the workers' compensation court of appeals and in any case that has been transferred by the district court to the workers' compensation court of appeals. The workers' compensation court of appeals shall have no jurisdiction in any case that does not arise under the workers' compensation laws of the state or in any criminal case, provided that the workers' compensation court of appeals shall exercise appellate jurisdiction under the laws governing employees of the state, a county, or other governmental subdivision who contract tuberculosis and under chapter 352E.*

**Subd. 3. [OATH.]** *Each judge of the workers' compensation court of appeals before entering upon the duties of his office, shall take the oath prescribed by law.*

**Sec. 24. [175A.02] [OFFICERS.]**

*The judges of the workers' compensation court of appeals shall choose a chief judge from among their number. The chief judge shall appoint one of the judges to serve as the administrator, who shall be custodian of the court's files and records and shall coordinate and make hearing assignments. The administrator may choose two employees from among those transferred pursuant to section 117. The judge who is appointed the administrator may delegate the duties of administrator to the two employees whom he has chosen and may choose one of those employees to act in his place as the assistant administrator. The clerk of district court in each county shall be the clerk of the workers' compensation court of appeals in that county. Filing fees and library fees deposited with the clerk of district court in his capacity as clerk of the workers' compensation court*

*of appeals and in cases originally commenced in district court and transferred to the workers' compensation court of appeals shall be retained by the clerk of district court. The workers' compensation court of appeals clerk in each county shall be subject to the supervision of the administrator in workers' compensation court of appeals matters.*

**Sec. 25. [175A.03] [POLITICAL NONPARTICIPATION.]**

*Every judge of the workers' compensation court of appeals and every officer or employee of the workers' compensation court of appeals who by solicitation or otherwise exerts his influence, directly or indirectly, to induce other officers or employees of the state to adopt his political views, or to favor any particular person or candidate for office, or to contribute funds for campaign or political purposes, shall be removed from his office or position by the authority appointing him.*

**Sec. 26. [175A.04] [OFFICE.]**

*The workers' compensation court of appeals shall maintain its main office within the Minneapolis-St. Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. The offices of the workers' compensation court of appeals and the department of labor and industry shall be in separate buildings. The court may hold sessions at any other place in the state when their convenience and that of the parties interested so requires.*

**Sec. 27. [175A.05] [QUORUM.]**

*A majority of the judges of the workers' compensation court of appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the workers' compensation court of appeals and all appeals shall be heard by at least three of the five judges. A vacancy shall not impair the ability of the remaining judges of the workers' compensation court of appeals to exercise all the powers and perform all of the duties of the workers' compensation court of appeals.*

**Sec. 28. [175A.06] [SESSIONS TO BE PUBLIC.]**

*The hearings of the workers' compensation court of appeals shall be open to the public and may be adjourned from time to time. All the proceedings of the court shall be shown on its records, which shall be public records.*

**Sec. 29. [175A.07] [POWERS.]**

*Subdivision 1. [PROCESS; PROCEDURES.] The workers' compensation court of appeals shall keep such record of all its proceedings as it deems appropriate and shall issue neces-*

sary processes, writs, warrants, and notices which the workers' compensation court of appeals is required or authorized to issue. Notices and other documents required to be served or filed on the workers' compensation court of appeals shall be served on the administrator of the court or his delegate.

Subd. 2. [PERSONNEL.] *The judges of the workers' compensation court of appeals shall appoint in the manner provided by law all personnel required by the workers' compensation court of appeals. Each workers' compensation court of appeals judge may appoint, as necessary, a secretarial assistant, who shall be in the classified service, and a law clerk, who shall be in the unclassified service.*

Subd. 3. [POWER TO REVIEW.] *The workers' compensation court of appeals shall have the powers of review provided in chapter 176.*

Subd. 4. [RULES.] *The workers' compensation court of appeals shall prescribe rules of practice before it.*

#### Sec. 30. [175A.08] [SEAL.]

*The workers' compensation court of appeals shall have a seal for the authentication of its orders and proceedings, upon which shall be inscribed the words, "Workers' Compensation Court of Appeals of Minnesota" as the court of appeals may prescribe. The courts of this state shall take judicial notice of such seal and of the signatures of the judges of the workers' compensation court of appeals; and in all cases copies of orders, proceedings, or records of the workers' compensation court of appeals, certified by a judge of the workers' compensation court of appeals under its seal, shall be received in evidence, with the same force and effect given to the originals.*

#### Sec. 31. [175A.09] [TRAVEL EXPENSES.]

*The workers' compensation judges of the court of appeals and the officers, assistants, and employees of the workers' compensation court of appeals shall be paid out of the state treasury their actual and necessary expenses while traveling on the business of the workers' compensation court of appeals. Vouchers for such expenses shall be itemized and sworn to by the persons incurring the expense, and be subject to the approval of the workers' compensation court of appeals.*

#### Sec. 32. [175A.10] [APPEALS AND REVIEWS.]

*Unless an appeal is taken to the district court, the right of appeal provided in chapter 176 shall be the exclusive remedy for reviewing the actions of the commissioner, the workers' compensation division or a compensation judge in a matter arising under chapter 176. On any appeal taken by an employee or an employer*

*or insurer to the workers' compensation court of appeals, or the supreme court, the decision of the workers' compensation court of appeals, or the decision of the supreme court on its review, as the case may be, shall be final and conclusive as to all parties to the proceedings as to all matters at issue determined by a decision. In all cases the decision of the workers' compensation court of appeals on appeal, or of the supreme court on review, as the case may be, shall stand in lieu of the order of the commissioner or the division or the compensation judge from whom the appeal was taken.*

**Sec. 33. [176.001] [INTENT OF THE LEGISLATURE.]**

*It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176.*

**Sec. 34. Minnesota Statutes 1980, Section 176.011, Subdivision 6, is amended to read:**

**Subd. 6. (1) "Court of appeals"** means the workers' compensation court of appeals of Minnesota.

**(2) "Division"** means the workers' compensation division of the department of labor and industry.

**(3) "Department"** means the department of labor and industry.

**(4) "Commissioner",** unless the context clearly indicates otherwise, means the commissioner of labor and industry.

**Sec. 35. Minnesota Statutes 1980, Section 176.011, Subdivision 9, is amended to read:**

**Subd. 9. [EMPLOYEE.] "Employee"** means any person who performs services for another for hire; and includes the following:

**(1) an alien;**

**(2) a minor;**

**(3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under**

this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), nor shall it include an executive officer of a closely held corporation who is referred to in section 176.012;

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of public welfare or the commissioner of corrections as authorized by law, shall be employees within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision thereof, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar



services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in "active service" or "on duty" as defined in section 190.05, when the service or duty is ordered by state authority. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota school for the deaf or the Minnesota braille and sight-saving school, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

*(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of public welfare for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose.*

In the event it is difficult to determine the daily wage as (HEREIN) provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 36. Minnesota Statutes 1980, Section 176.021, Subdivision 1, is amended to read:

Subdivision 1. [LIABILITY FOR COMPENSATION.] Except as excluded by this chapter all employers and employees are subject to the provisions of this chapter.

Every (SUCH) employer is liable for compensation according to the provisions of this chapter and is liable to pay compensation in every case of personal injury or death of his employee arising out of and in the course of employment without regard to the question of negligence (, UNLESS). *The burden of proof of these facts is upon the employee.*

*If the injury was intentionally self-inflicted or (WHEN) the intoxication of the employee is the proximate cause of the injury, then the employer is not liable for compensation. The burden of proof of (SUCH) these facts is upon the employer.*

Sec. 37. Minnesota Statutes 1980, Section 176.021, is amended by adding a subdivision to read:

*Subd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence. Preponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.*

*Questions of law arising under chapter 176 shall be determined in accordance with the rules of construction generally applied to all other civil matters.*

Sec. 38. Minnesota Statutes 1980, Section 176.021, Subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of (THE) compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except (THOSE OF) *for medical, burial, and other*

non-periodic benefits, payments shall be made as nearly as (MAY BE) possible at the intervals when the wage was payable (;), provided, however, that payments for permanent partial disability (IN CASES IN WHICH RETURN TO WORK OCCURS PRIOR TO FOUR WEEKS FROM THE DATE OF INJURY SHALL BE MADE BY LUMP SUM PAYMENT,) *shall be governed by subdivision 3a* (AND THE PROVISIONS OF SECTION 176.165 SHALL NOT APPLY, WITHOUT THE NECESSITY OF ANY AGREEMENT, OR ORDER OF THE DIVISION, UPON CESSATION OF PAYMENTS FOR TEMPORARY TOTAL DISABILITY AND UPON THE EMPLOYEE'S RETURN TO WORK. IN CASES IN WHICH RETURN TO WORK DOES NOT OCCUR PRIOR TO FOUR WEEKS AFTER INJURY, PAYMENTS FOR PERMANENT PARTIAL DISABILITY SHALL BE MADE ACCORDING TO THE FOLLOWING SCHEDULE: 25 PERCENT OF THE AMOUNT DUE AFTER FOUR WEEKS FROM THE DATE OF INJURY, 25 PERCENT AFTER EIGHT WEEKS, 25 PERCENT AFTER 12 WEEKS AND 25 PERCENT AFTER 16 WEEKS, PROVIDED THAT ANY AND ALL PAYMENTS REMAINING SHALL BE PAID UPON THE CESSATION OF PAYMENTS FOR TEMPORARY TOTAL DISABILITY AND UPON THE EMPLOYEE'S RETURN TO WORK). If doubt exists (AT THAT TIME) as to the eventual permanent partial disability, payment, *pursuant to subdivision 3a*, shall be then made *when due* for the minimum permanent partial disability ascertainable (IN LUMP SUM), and further (LUMP SUM) payment shall be made upon any later ascertainment of greater permanent partial disability. At the time of (THE) *any* tender of the lump sum payment, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. Compensation for permanent partial disability is payable (CONCURRENTLY AND) in addition to compensation for temporary total disability and temporary partial disability (AS SET FORTH IN) *pursuant to section 176.101, subdivisions 1 and 2, (AND) as provided in subdivision 3a. Compensation for permanent partial disability is payable concurrently and in addition to compensation for permanent total disability (AS DEFINED IN) pursuant to section 176.101, subdivision 5 (; AND SUCH), as provided in subdivision 3a.* Compensation for permanent partial disability shall (NOT) be (DEFERRED) *withheld pending completion of payment for temporary total and temporary partial disability but shall not be withheld pending payment of compensation for* (OR) permanent total disability, and no credit shall be taken for payment of permanent partial disability against liability for *temporary total or permanent total disability*. Liability on the part of an employer or his insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and shall be payable accordingly, *subject to subdivision 3a.* Permanent partial

disability is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, *subject to subdivision 3a.* The right to receive temporary total, temporary partial, permanent partial or permanent total disability payments shall vest in the injured employee or his dependents under this chapter or, if none, in his legal heirs at the time the disability can be ascertained and the right shall not be abrogated by the employee's death prior to the making of the payment.

Sec. 39. Minnesota Statutes 1980, Section 176.021, is amended by adding a subdivision to read:

*Subd. 3a. [PERMANENT PARTIAL BENEFITS, PAYMENT.] Payments for permanent partial disability as provided in section 176.101, subdivision 3, shall be made in the following manner:*

*(a) If the employee returns to work, payment shall be made by lump sum;*

*(b) If temporary total payments have ceased, but the employee has not returned to work, payment shall be made at the same intervals as temporary total payments were made;*

*(c) If temporary total disability payments cease because the employee is receiving payments for permanent total disability or because the employee is retiring or has retired from the work force, then payment shall be made by lump sum;*

*(d) If the employee completes a rehabilitation plan pursuant to section 176.102, but the employer does not furnish the employee with work he can do in his permanently partially disabled condition, and the employee is unable to procure such work with another employer, then payment shall be made by lump sum.*

Sec. 40. Minnesota Statutes 1980, Section 176.021, is amended by adding a subdivision to read:

*Subd. 8. [AMOUNTS ADJUSTED.] Amounts of compensation payable by an employer or his insurer under this chapter may be rounded to the nearest dollar amount. An employer or insurer who elects to make such adjustments shall do so for all compensation payments under this chapter.*

Sec. 41. Minnesota Statutes 1980, Section 176.041, is amended by adding a subdivision to read:

*Subd. 6. [COMMISSIONER OF LABOR AND INDUSTRY; ADDITIONAL POWERS.] Whenever an employee is covered by subdivision 2, 3 or 4, the commissioner of labor and industry*

*may enter into agreements with the appropriate agencies of other states for the purpose of resolving conflicts of jurisdiction or disputes concerning workers' compensation coverage. An agreement entered into pursuant to this subdivision may be appealed in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.*

Sec. 42. Minnesota Statutes 1980, Section 176.061, Subdivision 1, is amended to read:

Subdivision 1. [ELECTION OF REMEDIES.] Where an injury or death for which (COMPENSATION IS) *benefits are payable* occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of such injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or his dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for (COMPENSATION) *benefits*, but not against both.

Sec. 43. Minnesota Statutes 1980, Section 176.061, Subdivision 3, is amended to read:

Subd. 3. [ELECTION TO RECEIVE (COMPENSATION) *BENEFITS FROM EMPLOYER; SUBROGATION.*] If the employee or his dependents elect to receive (COMPENSATION) *benefits from the employer, or the special compensation fund,* (SUCH) *the employer, or the special compensation fund,* is subrogated to the right of the employee or his dependents to recover damages against the other party. The employer, *or the attorney general on behalf of the special compensation fund,* may bring legal proceedings against such party and recover the aggregate amount of (COMPENSATION) *benefits payable (BY HIM) to or on behalf of the employee or his dependents,* together with (THE) costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter prosecuted by the employee, the employer, or (BOTH JOINTLY) *the attorney general on behalf of the special compensation fund,* against the third person, results in judgment against the third person, or settlement by the third person, the employer shall have no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Sec. 44. Minnesota Statutes 1980, Section 176.061, Subdivision 4, is amended to read:

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only where the employer liable for (COMPENSATION) *benefits* and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) (IN) furtherance of a common enterprise, or (b) *in the accomplishment of the same or related purposes in (OPERATION) operations* on the premises where the injury was received at the time thereof.

Sec. 45. Minnesota Statutes 1980, Section 176.061, Subdivision 5, is amended to read:

Subd. 5. [CUMULATIVE REMEDIES.] Where an injury or death for which (COMPENSATION IS) *benefits are* payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or his dependents in accordance with clause (a), or by his employer, *or by the attorney general on behalf of the special compensation fund*, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment by the employer, *or the special compensation fund* or (HIS) *their* liability to pay (COMPENSATION) *benefits*.

(a) If an action against the other party is brought by the injured employee or his dependents and a judgment is obtained and paid or settlement is made with the other party, the employer *or the special compensation fund* may deduct from the (COMPENSATION) *benefits* payable (BY HIM) the amount actually received by the employee or dependents *or paid on their behalf* in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, *or the special compensation fund*, upon application the court may grant the employer, *or the special compensation fund*, the right to intervene in any such action for the prosecution thereof. If the injured employee or his dependents (AGREE TO RECEIVE COMPENSATION) *or any party on their behalf receives benefits* from the employer, *or the special compensation fund*, or institute proceedings to recover the same or accept from the employer, *or the special compensation fund*, any payment on account of the (COMPENSATION) *benefits*, the employer, *or the special compensation fund*, is subrogated to the rights of the employee or his dependents. This employer, *or the attorney general on behalf of the special compensation fund*, may maintain an action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the dependents, or in the name of the employer *or in the name of the attorney general on behalf of the special compensation fund* against such other party for the recov-

ery of damages. If the action is not diligently prosecuted by the employer, *or the attorney general on behalf of the special compensation fund*, or the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or his dependents the right to intervene in the action for the prosecution thereof. The proceeds of such action or settlement thereof shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of his employee which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of such premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause shall be for the benefit of the employer and the provisions of subdivision 6 shall not be applicable to such damages.

(c) The third party is not liable to any person other than the employee or his dependents, or his employer, *or the special compensation fund*, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Sec. 46. Minnesota Statutes 1980, Section 176.061, Subdivision 6, is amended to read:

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or settlement thereof under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or his dependents or by the employer, *or the special compensation fund*, 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, *or the special compensation fund*, shall be reimbursed in an amount equal

to all (COMPENSATION) *benefits* paid under this chapter to or on behalf of the employee or his dependents by the employer, or special compensation fund, 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) *benefits* paid by the employer, or the special compensation fund, 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, and the special compensation fund, for any (COMPENSATION) *benefits* which employer is obligated to pay, but has not paid, and for any (COMPENSATION) *benefits* that such employer shall be obligated to make in the future.

There shall be no reimbursement or credit to the employer, or the special compensation fund, for interest or penalties.

Sec. 47. Minnesota Statutes 1980, Section 176.061, Subdivision 7, is amended to read:

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment under this chapter shall not be affected by the fact that his employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, shall have a separate additional cause of action against such third party to recover any amounts paid (BY HIM) for medical treatment under this section resulting from the negligence of such third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against such third party or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay for medical treatment of the injured employee and shall not affect the amount of periodic compensation to be paid.

Sec. 48. Minnesota Statutes 1980, Section 176.081, Subdivision 1, is amended to read:

Subdivision 1. No claim for legal services or disbursements pertaining to any demand made or suit or proceeding brought



under the provisions of this chapter is an enforceable lien against the compensation or is valid or binding in any other respect unless approved in writing by the *division*, (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY,) a compensation judge, a *judge of the district court*, or the workers' compensation court of appeals, if the claim arises out of a proceeding for compensation under this chapter, or by the judge presiding at the trial in an action for damages, or by a judge of the district court in a settlement of a claim for damages without trial. *The division, a compensation judge, a judge of the district court or the workers' compensation court of appeals shall in matters before (HIM) them, including settlement proceedings, have authority to approve a fee of up to 25 percent of the first \$4,000 of compensation awarded to the employee and up to 20 percent of the next (\$20,000) \$50,000 of compensation awarded to employee. (THE WORKERS' COMPENSATION COURT OF APPEALS JUDGE SHALL HAVE AUTHORITY ONLY TO APPROVE FEES IN SETTLEMENTS UPON APPEAL BEFORE THEM UP TO 25 PERCENT OF THE FIRST \$4,000 OF COMPENSATION AWARDED TO THE EMPLOYEE AND UP TO 20 PERCENT OF THE NEXT \$20,000 OF COMPENSATION AWARDED TO THE EMPLOYEE.)* If the employer or his insurer or the defendant is given written notice of such claims for legal services or disbursements, the same shall be a lien against the amount paid or payable as compensation, subject to determination of the amount and approval provided by this chapter. *Provided, however, that in no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims.*

Sec. 49. Minnesota Statutes 1980, Section 176.081, Subdivision 2, is amended to read:

Subd. 2. Any application for attorney fees in excess of the amount (WHICH A COMPENSATION JUDGE OR THE WORKERS' COMPENSATION COURT OF APPEALS MAY AUTHORIZE) *authorized in subdivision 1* shall be made to the (COMMISSIONER OF LABOR AND INDUSTRY) *workers' compensation court of appeals*. The application shall set forth the fee requested and the basis for such request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of such hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 50. Minnesota Statutes 1980, Section 176.081, Subdivision 3, is amended to read:

Subd. 3. An employee who is dissatisfied with his attorney fees, may file an application for review by the (COMMIS-

SIONER OF LABOR AND INDUSTRY) *workers' compensation court of appeals*. Such application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such application shall be served upon the attorney for the employee by the (COMMISSIONER) *court administrator* and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. The attorney for the employee shall be served with a notice of the hearing. The (COMMISSIONER OF LABOR AND INDUSTRY) *workers' compensation court of appeals* shall have the authority to raise the question of the issue of the attorney fees at any time upon (HIS) *its* own motion and shall have continuing jurisdiction over attorney fees.

Sec. 51. Minnesota Statutes 1980, Section 176.081, Subdivision 4, is amended to read:

Subd. 4. The review of a determination by the commissioner (OF LABOR AND INDUSTRY) *or the workers' compensation court of appeals* shall be only by supreme court by certiorari upon the ground that it is arbitrary and unwarranted by the evidence. There shall be no review under sections 176.421 and 176.442.

Sec. 52. Minnesota Statutes 1980, Section 176.081, Subdivision 6, is amended to read:

Subd. 6. The (COMMISSIONER OF LABOR AND INDUSTRY) *workers' compensation court of appeals* may (PRESCRIBE) *adopt* reasonable and proper rules (AND REGULATIONS) to effect (HIS AND THE DIVISION'S) *its* obligations under this section (WITHOUT REGARD TO THE JOINT PRESCRIPTION REQUIRED UNDER SECTION 175.17, SUBDIVISION 3).

Sec. 53. Minnesota Statutes 1980, Section 176.081, is amended by adding a subdivision to read:

Subd. 7a. *At any time prior to one day before a matter is to be heard, a party litigating a claim made pursuant to this chapter may serve upon the adverse party a reasonable offer of settlement of the claim, with provision for costs and disbursements then accrued. If before the hearing the adverse party serves written notice that the offer is accepted, either party may then file the offer and notice of acceptance, together with the proof of service thereof, and thereupon judgment shall be entered.*

*If an offer by an employer or insurer is not accepted by the employee, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the*

*judgment finally obtained by the employee is less favorable than the offer, the employer shall not be liable for any part of the attorney's fees awarded pursuant to this section.*

*If an offer by an employee is not accepted by the employer or insurer, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is at least as favorable as the offer, the employer shall pay an additional 25 percent, over the amount provided in subdivision 7, of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.*

*The fact that an offer is made but not accepted does not preclude a subsequent offer.*

**Sec. 54.** Minnesota Statutes 1980, Section 176.081, is amended by adding a subdivision to read:

*Subd. 9. An attorney who is hired by an employee to provide legal services with respect to a claim for compensation made pursuant to this chapter shall prepare a retainer agreement in which the provisions of this section are specifically set out and provide a copy of this agreement to the employee. The retainer agreement shall provide a space for the signature of the employee. A signed agreement shall raise a conclusive presumption that the employee has read and understands the statutory fee provisions. No fee shall be awarded pursuant to this section in the absence of a signed retainer agreement.*

**Sec. 55.** Minnesota Statutes 1980, Section 176.081, is amended by adding a subdivision to read:

*Subd. 10. An attorney who knowingly violates any of the provisions of this chapter with respect to authorized fees for legal services in connection with any demand made or suit or proceeding brought under the provisions of this chapter is guilty of a gross misdemeanor.*

**Sec. 56.** Minnesota Statutes 1980, Section 176.101, Subdivision 3, is amended to read:

**Subd. 3. [PERMANENT PARTIAL DISABILITY.]** For permanent partial disability compensation shall be that named in the following schedule, subject to a maximum compensation equal to the statewide weekly wage:

(1) For the loss of a thumb, 66 2/3 percent of the daily wage at the time of injury during 65 weeks;

(2) For the loss of a first finger, commonly called index finger,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 40 weeks;

(3) For the loss of a second finger,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 35 weeks;

(4) For the loss of a third finger,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 25 weeks;

(5) For the loss of a fourth finger, commonly called the little finger,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 20 weeks;

(6) The loss of the first phalange of the thumb or of any finger, is considered equal to the loss of one-half of the thumb or finger and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the thumb or finger;

(7) The loss of one and one-half or more phalanges is considered equal to the loss of the entire finger or thumb; but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand;

(8) For the loss of a great toe,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 35 weeks;

(9) For the loss of a toe other than a great toe,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 15 weeks;

(10) The loss of the first phalange of any toe is considered equal to the loss of one-half of the toe, and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the toe;

(11) The loss of one and one-half or more phalanges is considered equal to the loss of the entire toe;

(12) For the loss of a hand, not including the wrist movement,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 195 weeks;

(13) For the loss of a hand, including wrist movement,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 220 weeks;

(14) For the loss of an arm,  $66\frac{2}{3}$  percent of the daily wage at the time of injury during 270 weeks;

(15) Amputation of the arm below the elbow is considered the loss of a hand, including wrist movement, if enough of the

forearm remains to permit the use of an effective artificial member, otherwise it is considered the loss of an arm;

(16) For the loss of a foot, not including ankle movement,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 140 weeks;

(17) For the loss of a foot, including ankle movement,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 165 weeks;

(18) For the loss of a leg, if enough of the leg remains to permit the use of an effective artificial member,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 195 weeks;

(19) For the loss of a leg so close to the hip that no effective artificial member can be used,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 220 weeks;

(20) Amputation of a leg below the knee is considered as equal to the loss of a foot, including ankle movement, if enough of the lower leg remains to permit the use of an effective artificial member, otherwise it is considered as equal to the loss of a leg;

(21) For the loss of an eye,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 160 weeks;

(22) For the complete permanent loss of hearing in one ear,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 85 weeks;

(23) For the complete permanent loss of hearing in both ears,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 170 weeks;

(24) For the loss of an eye and a leg,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 475 weeks;

(25) For the loss of an eye and an arm,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 475 weeks;

(26) For the loss of an eye and a hand,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 450 weeks;

(27) For the loss of an eye and a foot,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 400 weeks;

(28) For the loss of two arms, other than at the shoulder,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during 500 weeks;

(29) For the loss of two hands, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(30) For the loss of two legs, other than so close to the hips that no effective artificial member can be used, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(31) For the loss of two feet, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(32) For the loss of one arm and the other hand, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(33) For the loss of one hand and one foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(34) For the loss of one leg and the other foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(35) For the loss of one leg and one hand, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(36) For the loss of one arm and one foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(37) For the loss of one arm and one leg, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(38) For loss of the voice mechanism, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(39) For head injuries, 66 2/3 percent of the daily wage at the time of injury for that proportion of 500 weeks which is represented by its percentage of the permanent partial disability to the entire body as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

(40) For permanent partial disability resulting from injury to any internal organ until such time as the commissioner of labor and industry shall promulgate a schedule of internal organs and thereafter for internal organs covered by the schedule of internal organs established by the commissioner (OF LABOR AND INDUSTRY), 66 2/3 percent of the daily wage at time of injury for that proportion of 500 weeks, not to exceed 500 weeks, as determined by the commissioner (OF LABOR AND INDUSTRY), which is the proportionate amount of permanent partial disability caused to the entire body by the injury as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

(41) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines, not exceeding 90 weeks;

(42) For permanent partial disability resulting from injury to the back,  $66 \frac{2}{3}$  percent of the daily wage at the time of injury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

(43) When an employee sustains concurrent injuries resulting in concurrent disabilities he shall receive compensation only for the injury which entitled him to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

(44) In all cases of permanent partial disability it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member, but the compensation in and by this schedule provided shall be in lieu of all other compensation in these cases, except as otherwise provided by this section;

In the event a worker has been awarded or is entitled to receive compensation for loss of use of a member under any workers' compensation law, and thereafter sustains loss of the member under circumstances entitling him to compensation therefor under this subdivision, the amount of compensation awarded, or that he is entitled to receive, for the loss of use, is to be deducted from the compensation due under the schedules of this section for the loss of the member, provided, that the amount of compensation due for the loss of the member caused by the subsequent accident is in no case less than 25 percent of the compensation payable under the schedule of this section for the loss of the member;

(45) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss;

(46) In cases of permanent partial disability caused by simultaneous injury to two or more members, the applicable schedules in this subdivision shall be increased by 15 percent. This clause shall not apply when the injuries are compensated under paragraphs 22 to 37 inclusive, of this subdivision. In cases of partial disability due to injury to both eyes resulting in less than total loss of vision in one or both eyes compensation shall be paid at the prescribed rate during that part of 450 weeks which the extent of the combined injury to both eyes bears to the complete loss of industrial vision;

(47) The commissioner (OF LABOR AND INDUSTRY WITH THE WORKERS' COMPENSATION COURT OF APPEALS) may make or revise rules for the determination of the extent of the impairment of the industrial use of one or both eyes taking into account all primary coordinate factors of vision. These rules shall be made or revised after consultation with experts on industrial vision and after public notice to and hearing of interested parties;

(48) For permanent partial disability resulting from injury to the body as a whole due to burns, 66 2/3 percent of the daily wage at the time of injury, for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals, the compensation to be paid in addition to the compensation as employee would otherwise be entitled to for loss of use of a member in accordance with this section;

(49) In all cases of permanent partial disability not enumerated in this schedule the compensation shall be 66 2/3 percent of the difference between the daily wage of the worker at the time of the injury and the daily wage he is able to earn in his partially disabled condition, subject to a maximum equal to the statewide average weekly wage, and continue during disability, not to exceed 350 weeks; and if the employer does not furnish the worker with work which he can do in his permanently partially disabled condition and he is unable to secure such work with another employer after a reasonably diligent effort, the employee shall be paid at his or her maximum rate of compensation for total disability.

Sec. 57. Minnesota Statutes 1980, Section 176.102, is amended by adding a subdivision to read:

*Subd. 1a. [SURVIVING SPOUSE.] Upon the request of a qualified dependent surviving spouse, rehabilitation services shall be provided through the rehabilitation services section of the workers' compensation division. For the purposes of this subdivision a qualified dependent surviving spouse is a dependent surviving spouse, as determined under section 176.111, who is in*



*need of rehabilitation assistance to become self-supporting. A spouse who is provided rehabilitation services under this subdivision is not entitled to compensation under subdivision 11.*

Sec. 58. Minnesota Statutes 1980, Section 176.105, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of labor and industry (MAY) shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries.

Sec. 59. Minnesota Statutes 1980, Section 176.111, Subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] (a) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the (DEPENDENT SURVIVING) spouse (50 PERCENT OF THE DAILY WAGE AT THE TIME OF THE INJURY OF THE DECEASED), at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) Weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

(b) A dependent surviving spouse who has not accepted a lump sum settlement pursuant to clause (a) (1) and who remarries shall receive the lesser of either:

(1) A lump sum settlement equal to two full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) The remaining weekly workers' compensation benefits pursuant to clause (a) (2) at 50 percent of the daily wage, including adjustments as provided in section 176.645.

Sec. 60. Minnesota Statutes 1980, Section 176.111, Subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee (LEAVE) leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of (SUCH) the spouse and child 60 percent of the daily wage at the time of the injury of the deceased

*until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse, at the option of the spouse, either:*

*(1) A lump sum settlement equal to ten full years of compensation at a rate which is  $16 \frac{2}{3}$  percent less than the last weekly workers' compensation benefit payment which would have been due while the surviving child was a dependent, computed without regard to section 176.645; or*

*(2) Weekly benefits at a rate which is  $16 \frac{2}{3}$  percent less than the last weekly workers' compensation benefit payment which would have been due while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.*

*(b) A surviving spouse who remarries shall receive:*

*(1) Compensation, for the benefit of the dependent child, according to the allocation provided in subdivision 10, until the child is no longer a dependent as defined in subdivision 1; and*

*(2) A lump sum settlement, for the benefit of the surviving spouse, equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable under clause (a) and the amount payable to the dependent child pursuant to clause (b) (1).*

Sec. 61. Minnesota Statutes 1980, Section 176.111, Subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.]

*(a) If the deceased employee (LEAVE) leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of (SUCH) the spouse and (SUCH) children  $66 \frac{2}{3}$  percent of the daily wage at the time of the injury of the deceased until the youngest dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid, at the option of the spouse, either:*

*(1) A lump sum settlement equal to ten full years of compensation at a rate which is 25 percent less than the last weekly workers' compensation benefit payment which would have been due while the last surviving child was a dependent, computed without regard to section 176.645; or*

*(2) Weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment which would have been due while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.*

(b) A surviving spouse who remarries shall receive compensation, for the benefit of the children, allocated according to subdivision 10, until the youngest dependent child is no longer dependent as defined in subdivision 1 and, for the benefit of the surviving spouse, a lump sum settlement equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable pursuant to clause (a) and the amount payable to the dependent children allocated according to subdivision 10, computed without regard to section 176.645.

Sec. 62. Minnesota Statutes 1980, Section 176.111, is amended by adding a subdivision to read:

*Subd. 8a. [LAST WEEKLY BENEFIT PAYMENT.] For the purposes of subdivisions 7 and 8, "last weekly workers' compensation benefit payment" means the workers' compensation benefit which would have been payable without the application of subdivision 21.*

Sec. 63. Minnesota Statutes 1980, Section 176.111, Subdivision 10, is amended to read:

*Subd. 10. [ALLOCATION OF COMPENSATION.] In all cases where compensation is payable to the surviving spouse for the benefit of the surviving spouse and dependent children, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), compensation judge, or workers' compensation court of appeals or district court in cases upon appeal (MAY) shall determine what portion of the compensation (SHALL BE APPLIED) applies for the benefit of (ANY SUCH CHILD) dependent children and may order (THE SAME) that portion paid to a guardian. This subdivision shall not be construed to increase the combined total of weekly government survivor benefits and workers' compensation beyond the limitation established in section 176.111, subdivision 21.*

Sec. 64. Minnesota Statutes 1980, Section 176.111, Subdivision 21, is amended to read:

*Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:*

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed 100 percent of the weekly wage being earned by the deceased employee at the time of the injury causing his death; provided, however, that no state workers' com-

pensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

*For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents.*

Sec. 65. Minnesota Statutes 1980, Section 176.131, Subdivision 10, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner (OF LABOR AND INDUSTRY) the sum of \$5,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner (OF LABOR AND INDUSTRY) for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner (OF LABOR AND INDUSTRY) less than \$1,000;

(2) When an employee suffers a personal injury which results in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability or death and which entitles him or his dependents to compensation under sections 176.101 or 176.111, the employer shall, in addition to compensation provided therein, pay to the commissioner (OF LABOR AND INDUSTRY) for the benefit of the special compensation fund a lump sum without interest deduction equal to (SEVEN) a percent of the total compensation (,) *determined as provided in this subdivision as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties, and the amount is approved by the commissioner (OF LABOR AND INDUSTRY).*

The provisions of clauses (1) and (2) shall apply to all workers' compensation payments, exclusive of medical costs, paid

under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence.

(THE SEVEN PERCENT OF THE TOTAL COMPENSATION REQUIRED TO BE PAID BY THE EMPLOYER TO THE COMMISSIONER OF LABOR AND INDUSTRY FOR THE BENEFIT OF THE SPECIAL COMPENSATION FUND AS PROVIDED IN CLAUSE (2) OF THIS SUBDIVISION SHALL REMAIN FIXED AT SAID SEVEN PERCENT FOR THE PERIOD FROM JUNE 1, 1971, TO JUNE 1, 1972. EFFECTIVE JUNE 1, 1972, THROUGH JUNE 1, 1975, AND THEREAFTER ON JANUARY 1, BEGINNING IN 1976, THE RATE SHALL BE ADJUSTED ON THE FOLLOWING BASIS: IF THE BALANCE IN THE SPECIAL COMPENSATION FUND AS OF APRIL 30 IN ANY YEAR THROUGH 1975 AND AS OF SEPTEMBER 30, 1975, AND EACH SEPTEMBER 30 THEREAFTER, IS BELOW \$1,000,000, THE RATE OF PAYMENT SHALL BE INCREASED BY TWO PERCENT OVER THE THEN PREVAILING RATE. IF THE BALANCE IS AT LEAST \$1,000,000 BUT BELOW \$1,500,000, THE RATE WILL BE INCREASED BY ONE PERCENT. IF THE BALANCE IS AT LEAST \$1,500,000 BUT BELOW \$2,000,000, THERE SHALL BE NO CHANGE. IF THE BALANCE IS AT LEAST \$2,000,000 BUT LESS THAN \$2,500,000, THE RATE SHALL BE DECREASED BY ONE PERCENT. IF THE BALANCE IS AT LEAST \$2,500,000, THE RATE SHALL BE DECREASED BY TWO PERCENT. IF THE BALANCE IS \$3,000,000 OR MORE THE COMMISSIONER OF LABOR AND INDUSTRY SHALL WITHIN 30 DAYS DETERMINE THE PERCENT OF DECREASE, WHICH SHALL BE NOT LESS THAN TWO PERCENT NOR MORE THAN FIVE PERCENT.)

*In determining the percentage of the total compensation required to be paid by the employer to the commissioner for the benefit of the special compensation fund as provided in clause (2) beginning September 30, 1981 and each September 30 thereafter, the commissioner shall use the following schedule:*

<i>Balance in the Fund</i>	<i>Permissible Range of Rate Adjustment</i>
<i>Less than \$2,000,000</i>	<i>+1 percent to +7 percent</i>
<i>At least \$2,000,000 But less than \$3,000,000</i>	<i>0 percent to +6 percent</i>
<i>At least \$3,000,000 but less than \$4,000,000</i>	<i>-2 percent to +4 percent</i>

At least \$4,000,000                      -5 percent to +3 percent  
but less than \$5,000,000

At least \$5,000,000                      -6 percent to +2 percent  
but less than \$6,000,000

\$6,000,000 or more                      -7 percent to +2 percent

*In determining the actual adjustment, the commissioner shall take into account his estimate of the likely amount of expenditures to be made from the fund in the next calendar year.*

Sums paid to the commissioner (OF LABOR AND INDUSTRY) pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division (AND), *compensation judges*, the workers' compensation court of appeals *or district court* in cases before (IT) *them* shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division (OR) *a compensation judge, the workers' compensation court of appeals or a district court.* There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

Costs within the department (OF LABOR AND INDUSTRY) for the accounting, *investigation* and legal procedures necessary for the administration of the programs financed by the special compensation fund shall (BE PAID FROM THE MONEYS BIENNIALY APPROPRIATED TO THE DEPARTMENT AND NOT FROM THE SPECIAL COMPENSATION FUND) *come from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the fund shall be approved through the regular budget and appropriations process.*

Sec. 66. Minnesota Statutes 1980, Section 176.132, Subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under this section shall be the difference between the

amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or subdivision 4, and 65 percent of the statewide average weekly wage as computed annually.

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. *Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.*

(d) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which he is eligible under other governmental disability programs due to the provisions of 42 U.S.C. 424a (d), this reduction shall not apply.

Sec. 67. Minnesota Statutes 1980, Section 176.133, is amended to read:

**176.133 [ATTORNEYS FEES, SUPPLEMENTARY BENEFITS.]**

(NO ATTORNEYS) *Attorney's fees (SHALL) may be (PERMITTED OR) approved by a compensation judge or by the workers' compensation court of appeals from the supplementary workers' compensation benefits provided by section 176.132 (, OR AMENDMENTS THERETO, UNLESS) if the case (SOLELY) involves the obtaining of supplementary workers'*

compensation benefits. When such fees are allowed an amount equal to 25 percent of that portion of the fee which is in excess of \$250 shall be added to the employee's benefit as provided in section 176.081 rather than deducted as a portion thereof. The fees shall be (SUBJECT) *determined according to* (THE LIMITATIONS CONTAINED IN) section 176.081.

Sec. 68. Minnesota Statutes 1980, Section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner of (LABOR AND INDUSTRY) *insurance* shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner of *insurance* shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. *The procedures established by the commissioner of insurance shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 90th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing.* If the commissioner of *insurance* determines that the charge for a health service or medical service is excessive, (HE MAY LIMIT) *no payment (TO) in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner shall by rule establish procedures allowing for a provider to appeal such determination. The commissioner (MAY) of insurance shall contract with a review organization as defined in section 145.61 (IN MAKING ANY DETERMINATIONS AS TO WHETHER OR NOT A CHARGE IS EXCESSIVE) for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services under the workers' compensation laws of this state.*

*The commissioner of insurance shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 15.0412, subdivision 4, and any amendments, the temporary rules adopted by the commissioner of insurance pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to section 15.0412, subdivisions 4 to 4g, or 4h, and other provisions of the administrative procedure*



act related to final agency action and rule adoption have not been concluded.

Sec. 69. [176.1361] [TESTIMONY OF PROVIDERS.]

*When a compensation judge or the workers' compensation court of appeals has reason to believe that a medical or other provider of treatment services has submitted false testimony or a false report in any proceeding under this chapter, the compensation judge or the workers' compensation court of appeals shall refer the matter to an appropriate licensing body or other professional certifying organization for review and recommendations. Based upon their recommendations, the commissioner may bar the provider from making an appearance, and disallow the admission into evidence of written reports of the provider, in any proceeding under this chapter for a period not to exceed one year in the first instance and three years in the second instance, and may permanently bar the provider from appearance and his reports from admission in evidence thereafter.*

Sec. 70. [176.152] [PERMANENT PARTIAL DISABILITY PANEL.]

*Subdivision 1. [BINDING OPINION; PERMANENT PARTIAL DISABILITY DISPUTES.] Prior to a hearing before a compensation judge at which a significant issue of the extent of permanent partial disability is to be determined a permanent partial disability panel shall be constituted to render a final and binding opinion on the dispute subject to the limitation in subdivisions 7 and 8.*

*Subd. 2. [PANEL LIST.] The chief judge of the workers' compensation court of appeals shall compile and maintain a list of names of physicians, podiatrists, chiropractors and other health care providers qualified to determine the extent of permanent partial disability. Names may be added to the list and removed at any time by the chief judge of the workers' compensation court of appeals. In maintaining the list the chief judge of the workers' compensation court of appeals shall to the maximum extent possible select persons from varying geographical areas of the state.*

*Subd. 3. [PANEL SELECTION.] When a panel is required to be constituted by subdivision 1 the chief judge of the workers' compensation court of appeals shall furnish the employer and employee parties to the dispute a list of seven appropriate health care providers from which the parties shall alternately strike names until only three remain who shall constitute the panel. If both parties agree, the dispute may be decided by a single health care provider. If the parties are unable to agree on who shall strike the first name, priority shall be decided by a flip of the coin.*

**Subd. 4. [REPORT; CONCLUSION.]** *The compensation judge shall propound specific written questions to the panel at the time they are notified of their selection. The questions shall be framed in such a manner that answers to them shall resolve the dispute as to the extent of permanent partial disability. The panel's answers shall be binding upon any compensation judge before whom a hearing may be held subsequent to review by the panel.*

**Subd. 5. [EXAM; REPORT.]** *At least one member of the panel shall personally examine the employee within 30 days of the panel's selection. After reviewing the examination report and all other available pertinent information the panel shall report its conclusions to the compensation judge within 45 days after their selection. The compensation judge may extend the time limit for good cause.*

**Subd. 6 [COSTS; PAYMENT.]** *Any physician, podiatrist, chiropractor or other health care provider who agrees to serve on a panel constituted pursuant to this section shall be deemed to agree that any dispute concerning his fees for serving on the panel shall be decided by the compensation judge hearing the case. The judge's decision shall be binding on the health care provider. A consent form to this effect shall be provided for the signature of the health care provider. No fee shall be approved which exceeds the reasonable and customary fee in the area for similar service. The employer shall pay all the panel members' fees, unless the employee has proceeded in bad faith, in which case the employee may be ordered to pay the fees.*

**Subd. 7. [PILOT PROJECT; REPORT TO LEGISLATURE AND GOVERNOR.]** *The chief judge of the workers' compensation court of appeals shall establish the permanent partial disability panel provided for in this section on a pilot basis in three counties of his choice, including at least one rural county. The chief judge of the workers' compensation court of appeals shall report to the legislature and governor by January 1, 1983, on the number of cases reviewed, the number of health care providers participating, the number of cases settled prior to any hearing before a compensation judge, the cost of the program and his recommendations concerning the panel.*

**Subd. 8. [LIMITATION.]** *This section shall operate in lieu of section 176.155, subdivision 2, in the counties in which the medical panel is established pursuant to subdivision 7.*

**Sec. 71.** Minnesota Statutes 1980, Section 176.161, Subdivision 1, is amended to read:

**Subdivision 1. [RESIDING OUTSIDE UNITED STATES.]** *In case a deceased employee for whose injury or death compensation is payable leaves surviving him an alien dependent residing*

outside the United States the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall direct the payment of all compensation due the dependent to be made to the duly accredited consular officer of the country of which the beneficiary is a citizen residing within the state, or to his designated representative residing within the state; or, if the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) believes that the interests of the dependent will be better served and at any time prior to the final settlement the dependant files with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) a power of attorney designating any other suitable person residing in this state to act as attorney in fact in such proceedings, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) may appoint such person. If it appears necessary to institute proceedings to enforce payment of compensation due the dependent, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) may permit the consular officer to institute these proceedings. If during the pendency of these proceedings, such power of attorney is filed by the alien dependent, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall then determine whether such attorney in fact be substituted to represent such dependent or if the consular officer or his representative continue therein. The person so appointed may carry on proceedings to settle all claims for compensation and receive for distribution to such dependent all compensation arising under this chapter. The settlement and distribution of the funds shall be made only on the written order of the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY). The person so appointed shall furnish a bond satisfactory to the (WORKERS' COMPENSATION COURT OF APPEALS) *commissioner*, conditioned upon the proper application of the money received by him. Before the bond is discharged, the person so appointed shall file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) a verified account of his receipts and disbursements of such compensation.

Sec. 72. Minnesota Statutes 1980, Section 176.181, Subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of insurance exempting the employer from insuring his liability for compensation and permitting him to self-insure the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 15. The commissioner of insurance shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, *whether or not they are* in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying

as group self-insurers. With the approval of the commissioner of insurance, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of his operations which may be determined by the commissioner of insurance to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of insurance, showing his financial ability to pay the compensation, whereupon by written order the commissioner of insurance may make an exemption as he deems proper. The commissioner of insurance may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of insurance may revoke his order granting an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of insurance may require the employer to furnish security the commissioner of insurance considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of insurance shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of insurance may by written order to the state treasurer require him to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of insurance and awards made against any such self-insurer by the commissioner of insurance shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of insurance and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of insurance, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2) (a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of insurance. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be grant-

ed only when the commissioner of insurance is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of insurance may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of insurance.

(c) To carry out the purposes of this subdivision, the commissioner of insurance may promulgate administrative rules, including emergency rules, pursuant to sections 15.0411 to 15.052. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 73. Minnesota Statutes 1980, Section 176.181, Subdivision 3, is amended to read:

Subd. 3. [FAILURE TO INSURE, PENALTY.] Any employer who fails to comply with the provisions of subdivision 2 to secure payment of compensation is liable to the state of Minnesota for a penalty of (\$50) \$100, if the number of uninsured employees in his employment is less than five and for a penalty

of (\$200) \$400 if the number of such uninsured employees in his employment is five or more. *If the commissioner determines that the failure to comply with the provisions of subdivision 2 was willful and deliberate, the employer shall be liable to the state of Minnesota for a penalty of \$500, if the number of uninsured employees in his employment is less than five, and for a penalty of \$2,000 if the number of his uninsured employees is five or more.* If the employer continues his noncompliance, he is liable for five times the lawful premium for compensation insurance for such employer for the period he fails to comply with such provisions, commencing ten days after notice has been served upon him by the commissioner of the department of labor and industry by certified mail. These penalties may be recovered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction. Whenever any such failure occurs the commissioner of the department of labor and industry shall immediately certify the fact thereof to the attorney general. Upon receipt of such certification the attorney general shall forthwith commence and prosecute such action. All penalties recovered by the state in any such action shall be paid into the state treasury and credited to the special compensation fund. If an employer fails to comply with the provisions of subdivision 2, to secure payment of compensation after having been notified of his duty, the attorney general, upon request of the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), may proceed against the employer in any court having jurisdiction for an order restraining him from having any person in his employment at any time when he is not complying with the provisions of subdivision 2.

Sec. 74. Minnesota Statutes 1980, Section 176.181, is amended by adding a subdivision to read:

*Subd. 6. No group self-insurer shall be required to provide financial statements certified by an "independent certified public accountant" or "certified public accountant" as a condition of approval for group self-insurance.*

Sec. 75. [176.182] [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

*Every state or local licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.*

*Neither the state nor any governmental subdivision thereof shall enter into any contract before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.*

Sec. 76. Minnesota Statutes 1980, Section 176.191, is amended to read:

**176.191 [DISPUTE BETWEEN TWO OR MORE EMPLOYERS OR INSURERS REGARDING LIABILITY.]**

Subdivision 1. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner (OF LABOR AND INDUSTRY), compensation judge, or workers' compensation court of appeals upon appeal (MAY) *shall direct, unless action is taken under subdivision 2, that one or more of the employers or insurers make payment of the benefits pending a determination of liability.*

When liability has been determined, the party held liable for the benefits shall be ordered to reimburse any other party for payments which the latter has made, including interest at the rate of (FIVE) 12 percent a year. The claimant (MAY) *shall also be awarded a reasonable attorney fee, to be paid by the party held liable for the benefits.*

An order directing payment of benefits pending a determination of liability may not be used as evidence before a compensation judge, the workers' compensation court of appeals, or court in which the dispute is pending.

Subd. 2. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner (OF LABOR AND INDUSTRY MAY) *shall authorize, unless action is taken under subdivision 1, the special compensation fund established in section 176.131 to make payment of the benefits pending a determination of liability.*

The personal injury for which the commissioner (MAY) *shall order compensation from the special fund is not limited by section 176.131, subdivision 8.*

When liability has been determined, the party held liable for benefits shall be ordered to reimburse the special compensation fund for payments made, including interest at the rate of 12 percent a year.

Subd. 3. If a dispute exists as to whether an employee's injury is compensable under this chapter and the employee is otherwise covered by an insurer pursuant to chapters 62A, 62C and 62D, that insurer shall pay any medical costs incurred by the employee for the injury *and shall make any disability payments otherwise payable by that insurer in the absence of or in addition to workers' compensation liability.* If the injury is subsequently determined to be compensable pursuant to this chapter, the workers' compensation insurer shall be ordered to

reimburse the insurer that made the payments for all (MEDICAL) payments made *under this subdivision* by the insurer (FOR THE INJURY), including interest at a rate of 12 percent a year.

If the employee's medical expenses for a personal injury are paid pursuant to any program administered by the commissioner of public welfare and it is subsequently determined that the injury is compensable pursuant to this chapter, the workers' compensation insurer shall reimburse the commissioner of public welfare for the medical expenses paid and attributable to the personal injury, including interest at a rate of 12 percent a year.

Sec. 77. Minnesota Statutes 1980, Section 176.221, is amended to read:

**176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]**

Subdivision 1. [(DENIAL OF LIABILITY, REQUEST FOR EXTENSION OF TIME) COMMENCEMENT OF PAYMENT.] (WITHIN 30 DAYS FROM THE DATE OF NOTICE TO OR KNOWLEDGE BY THE EMPLOYER OF AN INJURY COMPENSABLE UNDER THE CHAPTER, AND UNLESS WITHIN THAT 30 DAY PERIOD THE EMPLOYER OR THE INSURER FILES WITH THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY A DENIAL OF LIABILITY OR A REQUEST FOR AN EXTENSION OF TIME WITHIN WHICH TO DETERMINE LIABILITY, THE PERSON RESPONSIBLE FOR PAYMENT OF COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9 SHALL BEGIN PAYMENT OF COMPENSATION OR CHARGES FOR TREATMENT.) *Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of compensation due pursuant to section 176.101, subdivision 1, shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. When the employer determines that the disability is not a result of a personal injury, payment of compensation may be discontinued upon notice of discontinuance pursuant to section 176.241. Upon the determination, payments made may be recovered by the employer if the commissioner finds that the employee's claim of work related disability was not made in good faith.*



Subd. 2. [GRANT OF EXTENSION.] Upon application made within (THE) 30 (DAY PERIOD REFERRED TO IN SUBDIVISION 1) *days after the date on which the first payment was due*, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) may grant an extension of time within which to determine liability. The extension shall not exceed 30 days.

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9, or to file a denial of liability, or to request an extension of time within (THE) 30 (DAY PERIOD REFERRED TO IN SUBDIVISION 1) *days after the date on which the first payment was due*, he shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the (30 DAY) period and until a compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.

Subd. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] Where an employer or insurer has been granted an extension of time within which to determine liability and fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 or to file a denial of liability within such extended period, he shall make the payments provided in subdivision 3.

Subd. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer has failed to make the payments required by subdivision 3 or subdivision 4 within (60) 30 days from the end of the (30 DAY) period or the extended period, the division may require him to pay to the special compensation fund, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, a sum equal to double the total amount of compensation to which the employee is entitled because of the injury. In addition, the person responsible for compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled.

Subd. 6. [ASSESSMENT OF PENALTIES.] The division shall assess the penalty payments provided for by subdivisions 3 to 5, *and any increase in benefit payments provided by section 176.225, subdivision 5*, against either the employer or the insurer depending upon to whom the delay is attributable in making

payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9. The insurer is not liable for a penalty payment assessed against the employer.

Subd. 7. [INTEREST.] *If no appeal is made of an order to pay, any payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent per annum from the due date to the date the payment is made.*

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] *Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate payment of the negotiable instrument.*

*All payment of compensation shall be made within 14 days of an appropriate order by the division, unless the order is to be appealed, or where a different time period is provided by this chapter.*

Sec. 78. Minnesota Statutes 1980, Section 176.225, is amended by adding a subdivision to read:

Subd. 5. [PENALTY.] *Where the employer is guilty of inexcusable delay in making payments, the payments which are found to be delayed shall be increased by 10 percent. Withholding amounts unquestionably due because the injured employee refuses to execute a release of his right to claim further benefits will be regarded as inexcusable delay in the making of compensation payments. If any sum ordered by the department to be paid is not paid when due, and no appeal of the order is made, the sum shall bear interest at the rate of 12 percent per annum. Any penalties paid pursuant to this section shall not be considered as a loss or expense item for purposes of a petition for a rate increase made pursuant to chapter 79.*

Sec. 79. Minnesota Statutes 1980, Section 176.231, Subdivision 2, is amended to read:

Subd. 2. [INITIAL REPORT, WRITTEN REPORT.] *Where subdivision 1 requires an injury to be reported within 48 hours, the employer may make his initial report by telephone, telegraph, or personal notice, and file a written report of the injury within seven days from its occurrence or within such time as the commissioner of labor and industry designates. All written reports of injuries required by subdivision 1 shall include the date of injury, amounts of payments made, if any, and the date of the first payment. The reports shall be in quadruplicate on a form designed by the commissioner, with two copies to the commissioner and one to the insurer.*

*If an insurer or self insurer repeatedly fails to pay benefits within three days of the due date, pursuant to section 176.221, the insurer or self insurer shall be ordered by the commissioner to explain, in person, the failure to pay benefits due in a reasonable time. If prompt payments are not thereafter made, the commissioner shall refer the insurer or self insurer to the commissioner of insurance for action pursuant to section 176.225, subdivision 4.*

Sec. 80. Minnesota Statutes 1980, Section 176.231, Subdivision 7, is amended to read:

Subd. 7. [MEDICAL REPORTS.] If requested by the division (OR BY), a compensation judge, the workers' compensation court of appeals, or any member or employee thereof an employer, insurer, or employee shall file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) the original or a verified copy of any medical report in his possession which bears upon the case and shall also file a verified copy of the same report with the agency or individual who made the request.

Sec. 81. Minnesota Statutes 1980, Section 176.241, Subdivision 1, is amended to read:

Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] Where an employee claims that the right to compensation continues, (OR REFUSES TO SIGN OR OBJECTS TO SIGNING A FINAL RECEIPT FOR COMPENSATION,) the employer may not discontinue payment of compensation until he provides the (DIVISION) employee with notice in writing of his intention to do so, together with a statement of facts clearly indicating the reasons for the discontinuance. A copy of the notice shall be provided to the division by the employer.

The notice to the employee and the copy to the division shall state the date of intended discontinuance (,) and the reason for the action (, AND THE FACT THAT THE EMPLOYEE OBJECTS TO THE DISCONTINUANCE). The notice to the employee and the copy to the division shall be accompanied by a statement of facts in support of the discontinuance of compensation payments and whatever medical reports are in the possession of the employer bearing on the physical condition of the employee at the time of the proposed discontinuance.

Sec. 82. Minnesota Statutes 1980, Section 176.241, Subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except where the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) orders

otherwise, until the *copy of the* notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a *copy of the* notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division as provided in the following subdivisions.

Sec. 83. Minnesota Statutes 1980, Section 176.241, Subdivision 3, is amended to read:

Subd. 3. [COPY OF NOTICE TO EMPLOYEE, INVESTIGATION, HEARING.] (WHEN THE DIVISION HAS RECEIVED A NOTICE OF DISCONTINUANCE, IT SHALL IMMEDIATELY SEND THE EMPLOYEE A COPY OF THE NOTICE AND SUPPORTING DOCUMENTS WHICH HAVE BEEN SUBMITTED IN CONJUNCTION WITH THE NOTICE.) *When the employer has reason to believe compensation may be terminated within the requirements of this chapter, notice shall be given to the employee informing the employee of his right to object to the discontinuance and providing instructions as to how to contact the employer or insurer regarding the discontinuance and the procedures related to initiation of a claim. The commissioner (OF LABOR AND INDUSTRY) shall make an investigation to determine whether the right to compensation has terminated. If it appears from the investigation that the right to compensation may not have terminated, the commissioner (OF LABOR AND INDUSTRY) shall (SCHEDULE) refer the matter to the chief hearing examiner in order that a hearing before a compensation judge may be scheduled, to determine the right of the employee, or his dependent, to further compensation.*

The hearing shall be held within a reasonable time after the division has received the notice of discontinuance. The (COMMISSIONER OF LABOR AND INDUSTRY) *compensation judge* shall give eight days notice of the hearing to interested parties.

Sec. 84. [176.262] [APPOINTMENT OF COMPENSATION JUDGES; LIMITATION.]

*No attorney acting pursuant to section 176.261 shall be hired or appointed as a compensation judge for a period of two years following termination of service with the division or the attorney general.*

Sec. 65. Minnesota Statutes 1980, Section 176.291, is amended to read:

## 176.291 [DISPUTES AND DEFAULTS; PROCEDURE.]

Where there is a dispute as to a question of law or fact in connection with a claim for compensation, or where there has been a default in the payment of compensation for a period of ten days, a party may present a verified petition to the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) stating the matter in dispute or the fact of default.

The petition shall also state:

- (1) names and residence of parties;
- (2) facts relating to the employment at the time of injury, including amount of wages received;
- (3) extent and character of injury;
- (4) notice to or knowledge by employer of injury;
- (5) facts which the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY AND WORKERS' COMPENSATION COURT OF APPEALS) by rule requires; and,
- (6) such other facts as are necessary for the information of the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY AND) a *compensation judge or the workers' compensation court of appeals*.

Sec. 86. Minnesota Statutes 1980, Section 176.301, Subdivision 1, is amended to read:

Subdivision 1. [TRIAL BY COURT; REFERENCE TO COMMISSIONER (OF THE DEPARTMENT OF LABOR AND INDUSTRY).] When issue has been joined in the district court action, the court may try the action itself without a jury, or refer the matter to the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY TO BE ASSIGNED FOR HEARING). In the latter case, *the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge (OR THE WORKERS' COMPENSATION COURT OF APPEALS UPON APPEAL SHALL HEAR THE CASE IN THE MANNER IN WHICH IT HEARS CASES ORIGINALLY)*. The (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY SHALL REPORT THE FINDINGS AND DECISION OF THE) compensation judge (, OR THE WORKERS' COMPENSATION COURT OF APPEALS) *shall report his findings and decisions* to the district court. The court may approve or disapprove such decision in the same manner as it approves or disapproves the report of a referee. The court shall enter judgment upon such decision.

Sec. 87. Minnesota Statutes 1980, Section 176.305, is amended to read:

**176.305 [PETITIONS FILED WITH THE WORKERS' COMPENSATION DIVISION.]**

Subdivision 1. **[HEARINGS ON PETITIONS.]** When any petition has been filed with the workers' compensation division, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall, pursuant to his general rules (OR THOSE OF THE WORKERS' COMPENSATION COURT OF APPEALS) or special order, (DIRECT THAT) *refer the matter presented by the petition to the chief hearing examiner to be heard by a compensation judge* (OR PRESENTED TO THE WORKERS' COMPENSATION COURT OF APPEALS IF IT IS A MATTER WITHIN ITS JURISDICTION. THE DIVISION SHALL HEAR PETITIONS TO COMMUTE FURTHER COMPENSATION).

Subd. 2. **[SERVICE OF COPY OF PETITION.]** Within ten days after a petition has been filed, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall serve upon each adverse party a copy of the petition and a notice stating (WHETHER) *that the hearing will be held before a compensation judge* (OR THAT THE PETITION HAS BEEN REFERRED TO THE WORKERS' COMPENSATION COURT OF APPEALS). The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall deliver the original petition and copies of the notice which have been served (,) *to the office of administrative hearings for assignment to a compensation judge* (OR THE WORKERS' COMPENSATION COURT OF APPEALS DEPENDING UPON WHO WILL HEAR THE MATTER).

Subd. 3. **[TESTIMONY.]** (UNLESS THE WORKERS' COMPENSATION COURT OF APPEALS ORDERS DIFFERENTLY, TESTIMONY TAKEN BEFORE A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR COMPENSATION JUDGE IS CONSIDERED AS THOUGH TAKEN BEFORE THE WORKERS' COMPENSATION COURT OF APPEALS.) Where the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner* has substituted a compensation judge originally assigned to hear a matter, the testimony taken before the substitute compensation judge shall be considered as though taken before the judge before whom it was originally assigned.

Sec. 88. Minnesota Statutes 1980, Section 176.311, is amended to read:

**176.311 [REASSIGNMENT OF PETITION FOR HEARING.]**

Where a petition is heard before a compensation judge, at any time before an award or order has been made in such proceeding, the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner* may reassign the petition for hearing before another compensation judge.

Sec. 89. Minnesota Statutes 1980, Section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

Where an adverse party has failed to file and serve an answer, if the petitioner presents proof of such fact, the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY OR) compensation judge shall enter whatever award or order to which petitioner is entitled on the basis of the facts alleged in the petition, but the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY OR) compensation judge may require proof of (ANY) *an* alleged fact. If the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) requires such proof, he shall *request the chief hearing examiner* to assign the matter to a compensation judge to summarily hear and determine the same and to promptly make an award or order.

Where in such a default case the petition does not state facts sufficient to support an award, the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY OR) compensation judge shall give the petitioner or his attorney written notice of (SUCH FACT) *this deficiency*. The petitioner may thereupon file another petition as in the case of an original petition.

Sec. 90. Minnesota Statutes 1980, Section 176.341, Subdivision 1, is amended to read:

Subdivision 1. [TIME.] When the reply has been filed or the time has expired in which to file a reply (,) the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner* shall fix a time and place for hearing the petition. The hearing shall be held (NOT LESS THAN TEN DAYS FROM THE TIME THE REPLY IS FILED OR THE EXPIRATION OF THE TIME IN WHICH THE REPLY COULD HAVE BEEN FILED OR AS SOON THEREAFTER AS THE PARTIES CAN BE HEARD) *as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 as expressed in section 33 and the requirements of section 118.*

Sec. 91. Minnesota Statutes 1980, Section 176.351, is amended to read:

## 176.351 [TESTIMONIAL POWERS.]

Subdivision 1. [OATHS.] The compensation judge to whom a petition has been assigned for hearing shall administer an oath to each witness. (THE WORKERS' COMPENSATION COURT OF APPEALS SHALL ALSO ADMINISTER AN OATH TO EACH WITNESS APPEARING BEFORE IT.) The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) may also administer an oath when required in the performance of his duties.

Subd. 2. [SUBPOENAS.] Upon his (OR ITS) own initiative, or upon written request of an interested party, (THE WORKERS' COMPENSATION COURT OF APPEALS, OR) the commissioner or compensation judge before whom a hearing is held may issue a subpoena for the attendance of a witness or the production of such books, papers, records and documents as are material in the cause and are designated in the subpoena. The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) may also issue a subpoena for the attendance of a witness or the production of such books, papers, records, and documents as are material in the cause pending and are designated in the subpoena.

Subd. 3. [ADVANCEMENT OF FEES AND COSTS.] The person who applies for issuance of a subpoena shall advance the required service and witness fees. The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall pay for the attendance of witnesses who are subpoenaed by him (, OR THE WORKERS' COMPENSATION COURT OF APPEALS, OR A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS, OR). *The chief hearing examiner shall pay for the attendance of witnesses who are subpoenaed by a compensation judge.* The fees are the same as the service and witness fees in civil actions in district court.

Subd. 4. [PROCEEDINGS AS FOR CONTEMPT OF COURT.] Where a person does not comply with an order or subpoena, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY, THE WORKERS' COMPENSATION COURT OF APPEALS,) or the commissioner or compensation judge concerned, may apply to the district court in the county in which the petition is pending for issuance of an order compelling obedience. Upon such an application, the district court shall compel obedience to the order or subpoena by attachment proceedings as for contempt in the case of disobedience of a similar order or subpoena issued by the district court.

Sec. 92. Minnesota Statutes 1980, Section 176.371, is amended to read:



**176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]**

The (WORKERS' COMPENSATION COURT OF APPEALS, OR A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) compensation judge to whom a petition has been assigned for hearing, shall hear all competent evidence produced at the hearing, and, as soon after the hearing as possible, make (SUCH) findings of fact, conclusions of law, and award or disallowance of compensation or other order as the pleadings, evidence (AND) this chapter *and rule* require.

Sec. 93. Minnesota Statutes 1980, Section 176.381, is amended to read:

**176.381 [REFERENCE OF QUESTIONS OF FACT.]**

Subdivision 1. [HEARING BEFORE WORKERS' COMPENSATION COURT OF APPEALS.] In the hearing of any matter before the workers' compensation court of appeals, the *chief judge of the workers' compensation court of appeals* may refer any question of fact to (A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) *the chief hearing examiner for assignment to a compensation judge* either to hear evidence and report it to the workers' compensation court of appeals or to hear evidence and make findings of fact and report them to the workers' compensation court of appeals. The workers' compensation court of appeals shall notify the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) of any matter referred to (A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) a compensation judge under this subdivision.

Subd. 2. [HEARING BEFORE COMPENSATION JUDGE.] In the hearing of any petition before a compensation judge, the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner* may refer any question of fact to another compensation judge to hear evidence and report it to the original compensation judge.

Sec. 94. Minnesota Statutes 1980, Section 176.391, is amended to read:

**176.391 [INVESTIGATIONS.]**

Subdivision 1. [POWER TO MAKE.] Before, during, or after any hearing, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY,) *or a compensation judge* (, OR WORKERS' COMPENSATION COURT OF APPEALS, IF THE MATTER IS BEFORE IT,) may make an independent investigation of the facts alleged in the petition or answer.

Subd. 2. [APPOINTMENT OF PHYSICIANS, SURGEONS, AND OTHER EXPERTS.] The (WORKERS' COMPENSATION COURT OF APPEALS OR A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) compen-

sation judge assigned to a matter, or the commissioner (OF LABOR AND INDUSTRY), may appoint one or more neutral physicians or surgeons from the list established by the commissioner to examine the injury of the employee and report thereon *except as provided otherwise pursuant to section 70*. Where necessary to determine the facts, the services of other experts may also be employed.

Subd. 3. [REPORTS.] The report of a physician, surgeon, or other expert shall be filed with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) *and the compensation judge assigned to the matter if any*. The report shall be made a part of the record of the case and be open to inspection as such.

Subd. 4. [COMPENSATION.] The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY,) *or compensation judge (, OR WORKERS' COMPENSATION COURT OF APPEALS, AS THE CASE MAY BE,)* shall fix the compensation of a physician, surgeon, or other expert whose services are employed under this chapter. This compensation shall be paid initially out of the funds appropriated for the maintenance of the workers' compensation division, but shall be taxed as costs to either party, or both, or otherwise, as the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY,) *or compensation judge (, OR THE WORKERS' COMPENSATION COURT OF APPEALS)* directs.

Where a sum which has been taxed to a party has not been paid, it may be collected in the same manner as are costs generally.

Sec. 95. Minnesota Statutes 1980, Section 176.401, is amended to read:

176.401 [HEARINGS PUBLIC.]

All hearings before (THE WORKERS' COMPENSATION COURT OF APPEALS, A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS, OR) *a compensation judge* are public.

Sec. 96. Minnesota Statutes 1980, Section 176.411, Subdivision 1, is amended to read:

Subdivision 1. [CONDUCT OF HEARINGS AND INVESTIGATIONS.] Except as otherwise provided by this chapter, when (THE WORKERS' COMPENSATION COURT OF APPEALS, A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) *a compensation judge* makes an investigation or conducts a hearing, (IT OR HE) *the compensation judge* is bound neither by the common law or statutory rules

of evidence nor by technical or formal rules of pleading or procedure. The investigation or hearing shall be conducted in a manner to ascertain the substantial rights of the parties.

Findings of fact shall be based upon competent evidence only *and shall comport with section 176.021.*

Sec. 97. Minnesota Statutes 1980, Section 176.411, Subdivision 2, is amended to read:

Subd. 2. [DEPOSITIONS.] Except where (THE WORKERS' COMPENSATION COURT OF APPEALS, A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS, OR) a compensation judge orders otherwise, depositions may be taken in the manner which the law provides for depositions in civil actions in district court.

Sec. 98. Minnesota Statutes 1980, Section 176.421, Subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a (JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, he may appeal to the workers' compensation court of appeals on any of the following grounds:

- (1) The order does not conform with this chapter; or
- (2) The (JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) compensation judge committed an error of law; or
- (3) The findings of fact and order were unwarranted by the evidence; or
- (4) The findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 99. Minnesota Statutes 1980, Section 176.421, Subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;

(2) File the original notice, with proof of service by admission or affidavit, with the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner*;

(3) In order to defray the cost of the transcript of the proceedings appealed from, pay to the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner* the sum of \$10 or so much of that sum as is necessary to present the question raised on the appeal.

The appellant is liable for the cost of the transcript in excess of \$10, but is entitled to a refund of any part of that sum not used to pay the cost of the transcript.

Upon a showing of cause, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) may (DIRECT) *request* that a transcript be prepared without expense to the appellant, *in which case the cost of the transcript shall be paid by the department.*

Sec. 100. Minnesota Statutes 1980, Section 176.421, Subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT.] When the notice of appeal has been filed with the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner* and the transcription fee has been paid, the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *chief hearing examiner* shall immediately prepare a typewritten transcript of the proceedings. The official reporter *or other person designated by the chief hearing examiner* who transcribes the proceedings shall certify to their correctness.

Sec. 101. Minnesota Statutes 1980, Section 176.421, Subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals may:

(1) disregard the findings of fact which the (JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS OR) compensation judge has made;

(2) examine the (TESTIMONY AND HEAR OTHER EVIDENCE) *record*;

(3) substitute for the findings of fact made by the (JUDGE OF THE WORKERS' COMPENSATION COURT OF AP-

PEALS OR) compensation judge, *when those findings are clearly erroneous*, such findings as the total evidence requires; and,

(4) make (SUCH) *an* award or disallowance of compensation or other order as the facts and findings require.

Sec. 102. Minnesota Statutes 1980, Section 176.421, Subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall make a complete record of all proceedings before himself (, THE WORKERS' COMPENSATION COURT OF APPEALS, A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS, OR COMPENSATION JUDGE). The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall provide a stenographer to make a record of the proceedings *before him*.

The (STENOGRAPHER) *commissioner* shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge (, THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *and* shall fix the amount of this charge.

Sec. 103. Minnesota Statutes 1980, Section 176.431, Subdivision 1, is amended to read:

Subdivision 1. [HEARING.] Where an appeal has been taken to the workers' compensation court of appeals under this chapter on the ground that the compensation judge has made an error of law, the workers' compensation court of appeals shall grant a hearing *on the record*. The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall notify the workers' compensation court of appeals promptly of the taking of any appeal.

The workers' compensation court of appeals shall fix a time and place for the hearing (,) and (NOTIFY THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY WHO) shall give each party in interest at least five days written notice.

Sec. 104. Minnesota Statutes 1980, Section 176.441, Subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION BY WORKERS' COMPENSATION COURT OF APPEALS.] Where an appeal has been taken to the workers' compensation court of appeals under this chapter, on either the ground that the findings or order or both were unwarranted by the evidence, or were procured by

fraud, coercion, or other improper conduct of a party, the workers' compensation court of appeals may:

(1) grant a hearing (DE NOVO) *on the record*; or,

((2) ASSIGN) *remand the petition for a de novo hearing or a rehearing (,) and notify the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY,) who shall (SET) request the chief hearing examiner to assign the de novo hearing or the rehearing before a compensation judge; or,*

((3)) (2) sustain, reverse, or modify the order appealed from.

Sec. 105. Minnesota Statutes 1980, Section 176.461, is amended to read:

**176.461 [SETTING ASIDE AWARD.]**

Except where a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or where as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five days after written notice to all interested parties, may set the award aside and grant a new hearing (BEFORE ITSELF OR) *and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make such findings of fact, conclusions of law, and award or disallowance of compensation or other order as the pleadings and the evidence produced and the provisions of this chapter shall require.*

Sec. 106. Minnesota Statutes 1980, Section 176.471, Subdivision 3, is amended to read:

Subd. 3. [SERVICE OF WRIT AND BOND; FILING FEE.] To effect a review upon certiorari, the party shall serve a writ of certiorari and a bond upon the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *administrator of the workers' compensation court of appeals* within the 30 day period referred to in subdivision 1. The party shall also at this time pay to the (SECRETARY OF THE COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *administrator* the fee prescribed by rule 103.01 of the rules of civil appellate procedure which shall be disposed of in the manner provided by that rule.

Sec. 107. Minnesota Statutes 1980, Section 176.471, Subdivision 5, is amended to read:

Subd. 5 [BOND.] The bond required by subdivision 3 shall be executed in such amount and with such sureties as the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *workers' compensation court of appeals* directs and approves. The bond shall be conditioned to pay the cost of the review.

Sec. 108. Minnesota Statutes 1980, Section 176.471, Subdivision 6, is amended to read:

Subd. 6. [TRANSMITTAL OF FEE AND RETURN.] When the writ of certiorari has been served upon the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *administrator of the workers' compensation court of appeals*, the bond has been filed, and the filing fee has been paid, the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *administrator* shall immediately transmit to the clerk of the supreme court that filing fee and the return to the writ of certiorari and bond.

Sec. 109. Minnesota Statutes 1980, Section 176.471, Subdivision 8, is amended to read:

Subd. 8. [RETURN OF PROCEEDINGS TRANSMITTED TO COURT.] Within 30 days after the writ of certiorari, bond, and filing fee have been filed with the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *administrator of the workers' compensation court of appeals*, the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *administrator* shall transmit to the clerk of the supreme court a true and complete return of the proceedings of the workers' compensation court of appeals under review, or such part of those proceedings as is necessary to allow the supreme court to review properly the questions presented.

The (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *workers' compensation court of appeals* shall certify the return of the proceedings under (HIS) *its* seal. The petitioner or relator shall pay to the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY) *administrator of the workers' compensation court of appeals* the reasonable expense of preparing the return.

Sec. 110. Minnesota Statutes 1980, Section 176.491, is amended to read:

176.491 [STAY OF PROCEEDINGS PENDING DISPOSITION OF CASE.]

Where a writ of certiorari has been perfected under this chapter, it stays all proceedings for the enforcement of the order being reviewed until the case has been finally disposed of either in the supreme court or, where the cause has been remanded (TO THE WORKERS' COMPENSATION DIVISION) for a new

hearing *before a compensation judge* or further proceedings (,) before the workers' compensation court of appeals (OR COMPENSATION JUDGE).

Sec. 111. Minnesota Statutes 1980, Section 176.511, Subdivision 1, is amended to read:

Subdivision 1. [PARTIES NOT AWARDED COSTS.] Except as provided otherwise by this chapter and specifically by this section, in (HEARINGS) *appeals* before the workers' compensation court of appeals (, OR A JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS,) or *hearings before a compensation judge*, costs shall not be awarded to either party.

Sec. 112. Minnesota Statutes 1980, Section 176.521, Subdivision 1, is amended to read:

Subdivision 1. [VALIDITY.] An agreement between an employee or his dependent and the employer or insurer to settle any claim, which is not upon appeal before the workers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties, and intervenors in the matter, and the division *or a compensation judge* has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals, the workers' compensation court of appeals is the approving body.

Sec. 113. Minnesota Statutes 1980, Section 176.521, Subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, *a compensation judge*, and the workers' compensation court of appeals shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be presumed to be reasonable, fair, and in conformity with this chapter.

Sec. 114. Minnesota Statutes 1980, Section 176.531, Subdivision 3, is amended to read:

Subd. 3. [PROMPT PAYMENT.] *It is the intent of this section (SHALL BE LIBERALLY CONSTRUED TO INSURE THE) that there be prompt payment of compensation.*



Sec. 115. Minnesota Statutes 1980, Section 176.645, is amended to read:

176.645 [ADJUSTMENT OF BENEFITS.]

*Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the (AMOUNT) total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, (1976) 1981, and (EACH OCTOBER 1) thereafter on the anniversary of the date of the employee's injury the (AMOUNT) total benefits due shall be adjusted by multiplying the (AMOUNT) total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, (21 MONTHS PRIOR) of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, (NINE MONTHS PRIOR) of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed six percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be six percent.*

*Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 shall be deferred until 52 weeks of compensation has been received.*

Sec. 116. Minnesota Statutes 1980, Section 179.74, Subdivision 4, is amended to read:

*Subd. 4. The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in section 179.741, subdivision 1, in the manner prescribed by sections 179.61 to 179.76. The appropriate units provided for in section 179.741 shall be the only appropriate units for executive branch state employees. The positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in accordance with the provisions of section 43.326 and so designated in the official state compensation schedules, all unclassified positions in the state university system and the community college system defined as managerial by their respective boards, all positions of physician employees compensated pursuant to section 43.126, the positions of all unclassified employees appointed by the governor, lieutenant governor, secretary of state, attorney general, treasurer and auditor, all positions in the bu-*

reau of mediation services and the public employment relations board, all hearing examiner *and compensation judge* positions in the office of administrative hearings, and the positions of all confidential employees shall be excluded from any appropriate unit. The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

**Sec. 117. [TRANSITION AND VALIDATION; WORKERS' COMPENSATION COURT OF APPEALS.]**

*Subdivision 1. [PURPOSE.] It is the purpose and intent of the legislature to constitute the workers' compensation court of appeals an independent agency of the state and this act is not intended to affect any substantive rights beyond the extent necessary to accomplish said purpose. Any rules, decisions or other actions under chapter 175 and chapter 176 prior to the effective date of this section shall continue in full force and effect unless this act expressly provides otherwise. Matters currently before the workers' compensation court of appeals shall not be affected by the provisions of this act.*

*Subd. 2. [PERSONNEL.] All personnel appointed by the commissioner of labor and industry to perform full time duties for the workers' compensation court of appeals are transferred to the workers' compensation court of appeals. The transfer shall not affect any other term or condition of the transferred employee's employment.*

**Sec. 118. [TRANSITION; COMPENSATION JUDGES.]**

*Subdivision 1. [PURPOSE.] It is the purpose and intent of this act to transfer the compensation judges, except for the settlement judge or judges and their support staff, but including other hearing reporters, and other judicial support staff in the workers' compensation division of the department of labor and industry, to the office of administrative hearings as a separate unit in order to provide for a completely objective hearing process with regard to workers' compensation matters. The offices of the transferred compensation judges shall be physically located in a building separate from the offices of the department of labor and industry.*

*Notwithstanding the provisions of any law to the contrary, the provisions of this act shall not be construed to require that hearings in workers' compensation matters be subject to the contested case procedures of sections 15.041 to 15.052. Any provision of chapter 176 which would conflict with the provisions of this act with regard to the hearing procedures to be followed in*

*workers' compensation matters are subordinate to the provisions of this act.*

**Subd. 2. [PERSONNEL, EQUIPMENT.]** *All personnel appointed by the commissioner to perform full time duties as compensation judges, hearing reporters or in support of the functions of the compensation judges, except for the settlement judge or judges, their hearing reporters and support staff, are transferred to the office of administrative hearings. No employee transferred pursuant to this section shall suffer a diminution of total compensation by reason of such transfer.*

*All equipment and supplies used solely by the transferred personnel in the performance of their duties are transferred to the office of administrative hearings.*

**Subd. 3. [CHIEF HEARING EXAMINER.]** *The chief hearing examiner shall schedule workers' compensation hearings on as regular a schedule as may be practicable in no fewer than six widely separated locations throughout the state, including at least four locations outside of the seven county metropolitan area and Duluth, for the purpose of providing a convenient forum for parties to a compensation hearing and shall maintain a permanent office in Duluth staffed by at least one compensation judge and one hearing reporter.*

**Subd. 4. [DISTRICT ADMINISTRATORS; CLERKS OF COURT.]** *The judicial district administrators or the clerks of court of the county or district courts nearest to the locations selected by the chief hearing examiner pursuant to subdivision 3 shall provide suitable hearing rooms at the times and places agreed upon for the purpose of conducting workers' compensation hearings.*

**Subd. 5. [COOPERATION.]** *Beginning on the effective date of this act, the commissioner, the commissioner of administration and the chief hearing examiner shall cooperate in assuring a smooth transfer of the compensation judges and related personnel and equipment and supplies as provided in this act.*

**Subd. 6. [EFFECTIVE DATE.]** *The transfers required under this section are effective on July 1, 1981. The physical relocation of the offices of the compensation judges shall be accomplished by no later than January 1, 1982.*

## **Sec. 119. [RATE REDUCTION.]**

**Subdivision 1. [AMOUNT.]** *Within 15 days following the date of final enactment the commissioner of insurance shall order that an informational hearing be held for the purpose of making a final determination as to the impact of the provisions of this act on the schedule of rates which will be in effect on October*

1, 1981. The hearing shall not be subject to the provisions of the administrative procedure act or section 79.076. The commissioner shall then issue an order, pursuant to the authority granted in section 12, reducing the schedule of rates and making other necessary changes to that schedule to reflect the actual savings which will result from this act. The reduction shall be equal to or greater than the sum of the following factors:

(a) a reduction of 25 percent as a reflection of the impact of section 13;

(b) a reduction of eight percent as a reflection of the impact of changes provided by this act in the benefits payable pursuant to chapter 176; and

(c) a reduction of two percent as a reflection of the impact of the changes in administration and operation of Minnesota workers' compensation system required by this act.

Subd. 2. [EXCEPTION.] The commissioner may reduce any of the changes in the schedule of rates required in subdivision 1 if he finds that a previous rate order issued pursuant to section 79.071 has already incorporated the required reductions.

#### Sec. 120. [OTHER REDUCTIONS.]

The commissioner shall further order, pursuant to authority granted in section 12, that the schedule of rates shall be reduced by an additional two percent on each of four dates, October 1, 1982, October 1, 1983, October 1, 1984, and October 1, 1985, as a reflection of the savings in the administration and operations of the Minnesota workers' compensation system required by this act. These reductions may be altered if the commissioner finds that the savings are greater or less than contemplated by this subdivision.

#### Sec. 121. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of the act shall remain valid, unless the court finds the valid provisions of the act are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

## Sec. 122. [APPROPRIATIONS.]

*Subdivision 1. The sum of \$840,000 is appropriated from the general fund to the commissioner of labor and industry for the purpose of implementing sections 18 and 19.*

*Subd. 2. The sum of \$ . . . . . is appropriated from the general fund to the legislative coordinating commission for the purpose of conducting, in cooperation with the commissioner of insurance, a thorough study of the flow of all premium dollars paid to workers' compensation insurers in the state of Minnesota, including a closed compensation claim survey and an examination of insurer reserving practices. A report shall be made to the legislature by January 15, 1982.*

*Subd. 3. There is appropriated to the workers' compensation court of appeals for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:*

1982	1983
. . . . .	

*Approved complement . . . . .*

*Subd. 4. The sum of \$ . . . . . is appropriated from the general fund to the commissioner of labor and industry for the purpose of hiring seven additional personnel in the rehabilitation services section of the workers' compensation division and a maximum of . . . . . additional support personnel needed in conjunction with the departmental improvements provided under section 19.*

*Approved complement . . . . .*

## Sec. 123. [REPEALER.]

*Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.*

## Sec. 124. [EFFECTIVE DATE.]

*Section 12 is effective on the day following final enactment. Sections 1 to 11 and sections 13 to 123 are effective July 1, 1981."*

*Amend the title as follows:*

*Page 1, delete lines 2 to 5 and insert:*

*"relating to workers' compensation; expressing the intent of the legislature with respect to chapter 176; transferring compensation judges from the workers' compensation division to a separate division within the office of administrative hearings; making the workers' compensation court of appeals a separate*

and independent agency with appellate review powers; providing for a discount assumption with respect to calculating reserves for claims of insurance companies; authorizing the commissioner of insurance to initiate a rate hearing; permitting benefit payment amounts to be rounded to whole dollars; clarifying certain provisions with respect to the Minnesota workers' compensation reinsurance association; redefining the maximum reinsurance liability limitation as a prefunded limit; providing for a survey of closed compensation claims and an examination of insurer reserving practices; removing the exemption of political subdivisions from the definitions of insurer and insurance in chapter 79; providing for the design and implementation of an improved records and information system in the department of labor and industry; providing for the addition of rehabilitation and computer support personnel in the department of labor and industry; permitting the commissioner of labor and industry to negotiate with his counterparts in other states in jurisdictional disputes; establishing a preponderance of the evidence standard in factual determinations under chapter 176; granting subrogation rights to the special compensation fund in third party actions; providing for lump sum permanent partial disability payments on return to work and weekly payments if an employee could but does not return to work; limiting attorneys' fees to only disputed portions of claims; providing a procedure for settlement offers by any litigant in a disputed claim proceeding; defining employee in certain situations; requiring claimants' attorneys to provide their clients with written information regarding fees under chapter 176; providing a penalty for attorneys who violate the fee provisions of chapter 176; providing a ten year limitation on death benefits to dependents; providing rehabilitation opportunities for dependent surviving spouses; requiring the commissioner of labor and industry to adopt disability degree schedules; prohibiting combined workers' compensation and government survivor benefits from exceeding the limit provided in chapter 176; providing a new formula for determining assessments against employers and insurers for the special compensation fund; providing for payment of attorneys' fees in disputes over supplementary benefits; requiring the commissioner of labor and industry to utilize a medical fee schedule; requiring the commissioner to review the quality of care and other aspects of medical delivery under workers' compensation; establishing a pilot medical panel to resolve disputes over medical disability; providing for payment of wage replacement or disability payments by a group insurer under appropriate provisions pending resolution of liability dispute over compensability; providing for early payment of benefits and a penalty for delay; requiring benefit payments to be made by immediately negotiable instrument; providing that notices of discontinuance of benefit payments be sent directly to claimant by insurer; delaying first benefit adjustment under chapter 176; mandating an insurance rate reduction by an amount reflecting cost savings due to benefit and administrative changes; providing penalties; changing procedures; creating and abolishing duties; appropriating money; amending Minnesota Statutes

1980, Sections 10A.01, Subdivision 18; 15.052, Subdivisions 1, 2, 3, 4 and 5; 15A.083, by adding a subdivision; 43.064; 60A.15, Subdivision 1; 79.01, Subdivisions 2 and 3; 79.071, by adding subdivisions; 79.34, Subdivisions 1 and 2; 79.35; 79.36; 175.007; 175.101, by adding a subdivision; 175.11, Subdivision 1; 175.14; 175.17; 176.011, Subdivisions 6 and 9; 176.021, Subdivisions 1 and 3, and by adding subdivisions; 176.041, by adding a subdivision; 176.061, Subdivisions 1, 3, 4, 5, 6 and 7; 176.081, Subdivision 1, and by adding subdivisions; 176.101, Subdivision 3; 176.102, by adding a subdivision; 176.105, Subdivision 1; 176.111, Subdivisions 6, 7, 8, 10 and 21, and by adding a subdivision; 176.131, Subdivision 10; 176.132, Subdivision 2; 176.133; 176.136; 176.161, Subdivision 1; 176.181, Subdivisions 2 and 3, and by adding a subdivision; 176.191; 176.221; 176.225, by adding a subdivision; 176.231, Subdivisions 2 and 7; 176.241, Subdivisions 1, 2 and 3; 176.291; 176.301, Subdivision 1; 176.305; 176.311; 176.331; 176.341, Subdivision 1; 176.351; 176.371; 176.381; 176.391; 176.401; 176.411, Subdivisions 1 and 2; 176.421, Subdivisions 1, 4, 5, 6 and 7; 176.431, Subdivision 1; 176.441, Subdivision 1; 176.461; 176.471, Subdivisions 3, 5, 6 and 8; 176.491; 176.511, Subdivision 1; 176.521, Subdivisions 1 and 2; 176.531, Subdivision 3; 176.645; and 179.74, Subdivision 4; proposing new law coded as Minnesota Statutes, Chapter 175A; and proposing new law coded in Minnesota Statutes, Chapters 79 and 176; repealing Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

## MOTIONS AND RESOLUTIONS

Ogren moved that the names of Valan, Shea and Erickson be added as authors on H. F. No. 1428. The motion prevailed.

Wenzel moved that H. F. No. 991 be returned to its author. The motion prevailed.

House Resolution No. 14 was reported to the House.

Munger moved that House Resolution No. 14 be now adopted.

## HOUSE RESOLUTION NO. 14

A house resolution proclaiming Minnesota Environmental Awareness Day.

*Whereas*, Minnesota is one of the most aesthetically beautiful states in the country; and,

*Whereas*, Minnesota has clean air and clear water to sustain its healthy and hardy people; and,

*Whereas*, Minnesota sustains abundant fish and wildlife; and,

*Whereas*, Minnesota is famous for its natural diversity, including prairies, hardwood and coniferous forests, lakes, streams and rivers; and,

*Whereas*, Minnesota affords an abundance of recreational opportunities including biking, canoeing, boating, hiking, snowmobiling, birdwatching, hunting and fishing; and,

*Whereas*, Minnesota has two nationally significant water resources of Lake Superior and the Mississippi River; and,

*Whereas*, Minnesota is noted for its excellent state, county and local parks and trails; and,

*Whereas*, all of the above important attributes of this state are due to the fact that Minnesota's environment is clean, and the State of Minnesota has been a leader among the states in environmental protection and maintaining a high quality of life for its citizens; and,

*Whereas*, it has been eleven years since the original Earth Day and recognizable improvement of the environment has ensued; *Now, Therefore*,

*Be It Resolved* by the House of Representatives of the State of Minnesota, that today, April 23, 1981, is proclaimed to be Environmental Awareness Day, in Minnesota. We, the people of Minnesota, recognize that our natural environment is one of our greatest resources for the health, well-being and prosperity of our populace. Today, Environmental Awareness Day, all people of Minnesota take note of the benefits a clean environment and a bountiful natural heritage bring to our state and our people.

The motion prevailed and the resolution was adopted.

#### MOTION FOR RECONSIDERATION

Anderson, G., moved that the vote whereby H. F. No. 590 was not passed on the Calendar on Monday, April 20, 1981, be now reconsidered. The motion prevailed.



Anderson, B., moved that H. F. No. 590 be continued on the Calendar until Friday, April 24, 1981. The motion prevailed.

#### POINT OF ORDER

Anderson, I., raised a point of order pursuant to rule 5.9 that H. F. No. 1223, now on General Orders, be re-referred to the Committee on Taxes. The Speaker ruled the point of order well taken and that H. F. No. 1223 be re-referred to the Committee on Taxes.

#### ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Friday, April 24, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

