

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

EIGHTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 15, 1988

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Gordon Dahl, Chaplain of the 494 Ministry, Bloomington, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Solberg
Begich	Hartle	Marsh	Pappas	Sparby
Bennett	Haukoos	McDonald	Pauly	Stanius
Bertram	Heap	McEachern	Pelowski	Steensma
Bishop	Himle	McKasy	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	McPherson	Price	Thiede
Brown	Jaros	Milbert	Quinn	Tjornhom
Burger	Jefferson	Miller	Quist	Tompkins
Carlson, D.	Jennings	Minne	Redalen	Trimble
Carlson, L.	Jensen	Morrison	Reding	Tunheim
Carruthers	Johnson, A.	Munger	Rest	Uphus
Clark	Johnson, R.	Murphy	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Vellenga
Cooper	Kahn	Nelson, D.	Riveness	Voss
Dauner	Kalis	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelly	Neuenschwander	Rose	Waltman
DeBlieck	Kelso	O'Connor	Rukavina	Welle
Dempsey	Kinkel	Ogren	Sarna	Wenzel
DeRaad	Kludt	Olsen, S.	Schafer	Winter
Dille	Knickerbocker	Olson, E.	Scheid	Wynia
Dorn	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omann	Seaberg	
Frederick	Krueger	Onnen	Segal	

A quorum was present.

Anderson, R., was excused until 2:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Pappas 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 S. F. Nos. 2163, 2428 and 2473 have been placed in the members' files.

S. F. No. 2473 and H. F. No. 2688, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 2473 be substituted for H. F. No. 2688 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 12, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1459, relating to the town of Irondale; removing a town levy limitation.

H. F. No. 1534, relating to education; changing licensing requirements for registered barbers and registered apprentice barbers.

H. F. No. 1589, relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks.

H. F. No. 1731, relating to the city of Proctor; authorizing the continuance of a municipal liquor store.

H. F. No. 1773, relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order; providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications.

H. F. No. 1877, relating to labor; regulating the labor-management committee grant program.

H. F. No. 1923, relating to civil actions; imposing civil liability for the theft of property.

H. F. No. 1961, relating to property interests; setting the effective date of the uniform statutory rule against perpetuities.

H. F. No. 1983, relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues.

H. F. No. 2000, relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; requiring the prevailing party in a civil action to pay the cost of filing a satisfaction of judgment.

H. F. No. 2018, relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties.

H. F. No. 2029, relating to education; modifying provisions related to general education revenue and foundation revenue; correcting

erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws.

H. F. No. 2086, relating to motor vehicles; removing language regarding restricted gasoline fill pipes.

H. F. No. 2254, relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the city of Blaine.

H. F. No. 2317, relating to education; providing for use of certain revenues in the independent school district No. 710 bond redemption fund.

H. F. No. 2422, relating to agriculture; clarifying certain exemptions; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits.

H. F. No. 2446, relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws.

H. F. No. 2489, relating to state lands; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; authorizing sale of certain land in Cook county; appropriating money.

H. F. No. 2546, relating to commerce; regulating preparation of certain information for membership camping contract applications and subdivider qualification statements; prohibiting certain misleading and deceptive practices; prohibiting advance payments relating to resale of time share property interests.

H. F. No. 2551, relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis county.

H. F. No. 2559, relating to commerce; regulating sales and repair of hearing aids.

H. F. No. 1493, relating to civil law; deleting the minimum percentage amount for interest on judgments; altering the applica-

tion of joint and several liability; providing for payment of future damages.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

April 12, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Date Approved</i> <i>1988</i>	<i>Date Filed</i> <i>1988</i>
1622		474	April 7	April 7
	1459	475	April 12	April 12
	1534	476	April 12	April 12
	1589	477	April 12	April 12
	1731	478	April 12	April 12
	1773	479	April 12	April 12
	1877	480	April 12	April 12
	1923	481	April 12	April 12
	1961	482	April 12	April 12
	1983	483	April 12	April 12
	2000	484	April 12	April 12
	2018	485	April 12	April 12
	2029	486	April 12	April 12
	2086	487	April 12	April 12
	2254	488	April 12	April 12
	2317	489	April 12	April 12

	2422	490	April 12	April 12
	2446	491	April 12	April 12
	2489	492	April 12	April 12
	2546	493	April 12	April 12
	2551	494	April 12	April 12
	2559	495	April 12	April 12
1121		496	April 12	April 12
1632		497	April 12	April 12
1717		498	April 12	April 12
1834		499	April 12	April 12
2264		500	April 12	April 12
2286		501	April 12	April 12
2384		502	April 12	April 12
	1493	503	April 12	April 12

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. No. 2473 was read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 236, A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Statutes 1986, sections 201.275; 204C.04; and 383A.297; Minnesota Statutes 1987 Supplement, sections 200.01; and 383B.041; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1986, chapter 210A, as amended.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File

is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1795, A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; allowing variance to rules for child care facilities in some circumstances; allowing use of double cylinder dead bolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; 245A.04, by adding a subdivision; 245A.09, by adding a subdivision; and 245A.14, by adding subdivisions.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1817, A bill for an act relating to game and fish; prohibiting the use of certain meat in baiting bears; regulating placing decoys in public waters or on public lands; requiring lifesaving devices in duckboats; amending Minnesota Statutes 1986, sections 97B.425; 97B.811; and 361.141, subdivision 1.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1851, A bill for an act relating to local government; regulating duties of town officers; setting town powers; amending Minnesota Statutes 1986, sections 18.272; 465.71; and 471.653; and

Minnesota Statutes 1987 Supplement, section 115A.921; and repealing Minnesota Statutes 1986, section 365.03.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1966, A bill for an act relating to zoning; providing for filing requirements of variances and certain official maps to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2036, A bill for an act relating to crimes; clarifying the crime of obstructing legal process or arrest; defining explosive fireworks; prohibiting possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 609.50; 624.20; 624.21; 624.23; and 624.25; proposing coding for new law in Minnesota Statutes, chapter 624.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2185, A bill for an act relating to game and fish; adjusting the height of deer stands; regulating placing decoys in public waters or on public lands; amending Minnesota Statutes 1986, sections 97B.325; and 97B.811.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2265, A bill for an act relating to game and fish; affording protection to and authorizing a season on crows; regulating seasons and release and taking of pheasants on private shooting preserves; authorizing residents under 16 to take turkeys if they possess a firearms safety certificate; authorizing nursing home residents to fish without a license and disabled hunters to take deer or turkey with crossbows; exempting hunters on shooting preserves from the pheasant stamp requirement; authorizing use of battery powered landing nets in taking fish; regulating the taking of walleyed pike in the Rainy River; redefining a private fish hatchery for licensing purposes and regulating the acquisition of fish and acquisition and transportation of minnows; regulating the mesh size of Lake Superior ciscoe nets and authorizing aeration of public waters by riparian landowners under permit; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; 97A.121, subdivision 2, and by adding a subdivision; 97A.435, subdivision 2; 97A.445, subdivision 2; 97B.715, subdivision 1; 97B.731, by adding a subdivision; 97C.515, by adding a subdivision; 97C.805, subdivision 2; 378.22, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 97C.211, subdivisions 1 and 2a; and 378.22, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C; repealing Minnesota Statutes 1987 Supplement, sections 97B.315 and 97C.402.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2536, A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for voting, arranging names on ballots, and completing summary statements; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; 204D.08, subdivision 4; and 206.80; proposing coding for new law in Minnesota Statutes, chapter 201.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2568, A bill for an act relating to agriculture; providing for terms and compensation for members of the Minnesota agricultural and economic development board; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; establishing requirements for revenues that can be used in a local revolving fund; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivisions 3 and 16; 41A.036, by adding subdivisions; and 116N.08; subdivision 8.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of 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. 2526, A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; and 481.02, subdivision 3, and by adding subdivisions; proposing

coding for new law in Minnesota Statutes, chapter 507.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Price moved that the House concur in the Senate amendments to H. F. No. 2526 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2526, A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; and 481.02, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 481.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 507.

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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fredrick	Kostohryz	Omamm	Schreiber
Battaglia	Greenfield	Krueger	Onnen	Shaver
Bauerly	Gruenes	Larsen	Osthoff	Simoneau
Beard	Gutknecht	Lasley	Otis	Solberg
Begich	Hartle	Lieder	Ozment	Sparby
Bennett	Haukoos	Marsh	Pappas	Stanius
Bertram	Heap	McDonald	Pauly	Steensma
Bishop	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McLaughlin	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Thiede
Burger	Jaros	Milbert	Price	Tjornhom
Carlson, D.	Jefferson	Miller	Quinn	Tompkins
Carlson, L.	Jennings	Minne	Quist	Tunheim
Carruthers	Jensen	Munger	Redalen	Uphus
Clark	Johnson, A.	Murphy	Reding	Valento
Clausnitzer	Johnson, R.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, V.	Nelson, D.	Rice	Voss
Dauner	Kalis	Nelson, K.	Richter	Waltman
DeBleck	Kelly	Neuenschwander	Rodosovich	Welle
Dempsey	Kelso	O'Connor	Rose	Wenzel
DeRaad	Kinkel	Ogren	Rukavina	Winter
Dille	Kludt	Olsen, S.	Sarna	Wynia
Dorn	Knickerbocker	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knuth	Olson, K.	Scheid	

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. 2041, A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; amending Minnesota Statutes 1986, section 500.24, subdivision 3; Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Brown moved that the House refuse to concur in the Senate amendments to H. F. No. 2041, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

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. 1939, A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

PATRICK E. FLAHAVEN, Secretary of the Senate

Winter moved that the House refuse to concur in the Senate amendments to H. F. No. 1939, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 203:

S. F. No. 203, A bill for an act relating to financial institutions; permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1986, section 48.92, subdivision 7.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Freeman, Luther and Anderson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 203. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1610.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1610

A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses and places of worship to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision.

April 13, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1610, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: JOE BERTRAM, SR., GENE MERRIAM AND LYLE G. MEHRKENS.

House Conferees: HAROLD F. LASLEY, VIRGIL J. JOHNSON AND PHIL CARRUTHERS.

Lasley moved that the report of the Conference Committee on S. F. No. 1610 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1610, A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses and places of worship to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision.

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 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Kinkel	Neuenschwander	Riveness
Battaglia	Dorn	Kludt	O'Connor	Rodosovich
Bauerly	Forsythe	Knickerbocker	Ogren	Rose
Beard	Frederick	Kostohryz	Olsen, S.	Rukavina
Begich	Frerichs	Krueger	Olson, E.	Sarna
Bennett	Greenfield	Larsen	Olson, K.	Schafer
Bertram	Gruenes	Lasley	Omann	Scheid
Bishop	Gutknecht	Lieder	Onnen	Schreiber
Blatz	Hartle	Long	Orenstein	Seaberg
Boo	Haukoos	McDonald	Osthoff	Segal
Brown	Heap	McEachern	Otis	Shaver
Burger	Himle	McKasy	Ozment	Simoneau
Carlson, D.	Hugoson	McLaughlin	Pappas	Skoglund
Carlson, L.	Jacobs	McPherson	Pauly	Solberg
Carruthers	Jaros	Milbert	Pelowski	Sparby
Clark	Jefferson	Miller	Peterson	Stanius
Clausnitzer	Jensen	Minne	Poppenhagen	Steensma
Cooper	Johnson, A.	Morrison	Quinn	Sviggum
Dauner	Johnson, R.	Munger	Quist	Swenson
Dawkins	Johnson, V.	Murphy	Redalen	Thiede
DeBlieck	Kalis	Nelson, C.	Reding	Tjornhom
Dempsey	Kelly	Nelson, D.	Rest	Tompkins
DeRaad	Kelso	Nelson, K.	Richter	Trimble

Tunheim	Vellenga	Waltman	Winter
Uphus	Voss	Welle	Spk. Vanasek
Valento	Wagenius	Wenzel	

Those who voted in the negative were:

Knuth Marsh

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1661.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1661

A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; clarifying the definition of organization; increasing the percentage of profit that may be used for expenses for certain organizations; licensing bingo halls; changing the definition of bingo occasion; requiring organizations to be directly responsible for the conducting of bingo; changing the definition of gross receipts for the purposes of bingo; changing the prize limits for bingo; amending Minnesota Statutes 1986, sections 349.19, subdivision 1; 349.211, subdivision 1; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 11; 349.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1986, section 349.211, subdivision 2.

April 13, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1661, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1661 be further amended as follows:

Page 2, line 3, strike the second "the"

Page 2, line 4, strike "maintaining or repairing real property"

Page 2, line 5, strike "owned or leased by an organization" and delete the new language

Page 2, line 6, delete the new language and strike "; or (e)"

Page 2, line 10, delete "or" and after "expansion" insert "repair, or maintenance"

Page 2, line 13, reinstate the stricken language and delete the new language

Page 2, line 14, delete everything after "(c)"

Page 2, delete line 15

Page 2, line 16, delete everything before the period

Page 3, line 26, delete "admission" and delete "for entering the premises" and insert "to a person at a bingo occasion, without which the person could not play a bingo game."

Page 3, delete line 27

Page 5, delete sections 6 and 7, and insert:

"Sec. 6. [STUDY.]

The senate committee on general legislation and public gaming and the house committee on general legislation, veterans affairs, and gaming shall conduct a joint study to examine whether charitable gambling laws are being properly enforced, whether the amount being devoted to charitable purposes from charitable gambling is appropriate, and whether taxes due on the conduct of charitable gambling are actually being collected. The charitable gambling control board, the commissioner of revenue, and the director of the bureau of criminal apprehension shall cooperate in the conduct of this study. The study must be completed by January 15, 1989.

Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 10, delete everything after the semicolon

Page 1, line 11, delete "limits for bingo" and insert "requiring a study on charitable gambling"

Page 1, line 12, delete everything after the semicolon

Page 1, line 13, delete "1;"

Page 1, line 16, delete everything after "349"

Page 1, line 17, delete everything before the period

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

Senate Conferees: MARILYN M. LANTRY, DEAN E. JOHNSON AND A. W. "BILL" DIESSNER

House Conferees: LEO J. REDING, RICHARD KOSTOHRYZ AND BEN BOO.

Reding moved that the report of the Conference Committee on S. F. No. 1661 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1661, A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; clarifying the definition of organization; increasing the percentage of profit that may be used for expenses for certain organizations; licensing bingo halls; changing the definition of bingo occasion; requiring organizations to be directly responsible for the conducting of bingo; changing the definition of gross receipts for the purposes of bingo; changing the prize limits for bingo; amending Minnesota Statutes 1986, sections 349.19, subdivision 1; 349.211, subdivision 1; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 11; 349.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1986, section 349.211, subdivision 2.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.
Battaglia

Bauerly
Beard

Begich
Bennett

Bertram
Bishop

Blatz
Boo

Brown	Himle	Marsh	Ozment	Simoneau
Burger	Hugoson	McDonald	Pappas	Solberg
Carlson, D.	Jacobs	McEachern	Pauly	Sparby
Carlson, L.	Jaros	McKasy	Pelowski	Stanius
Carruthers	Jefferson	McLaughlin	Peterson	Steensma
Clark	Jennings	McPherson	Poppenhagen	Sviggum
Clausnitzer	Jensen	Milbert	Price	Swenson
Cooper	Johnson, A.	Miller	Quinn	Thiede
Dauner	Johnson, R.	Minne	Quist	Tjornh�m
Dawkins	Johnson, V.	Morrison	Redalen	Tompkins
DeBlicck	Kahn	Munger	Reding	Trimble
Dempsey	Kahs	Murphy	Rest	Tunheim
DeRaad	Kelly	Nelson, C.	Richter	Uphus
Dille	Kelso	Nelson, D.	Riveness	Valento
Dorn	Kinkel	Neuenschwander	Rodosovich	Vellenga
Forsythe	Kludt	O'Connor	Rose	Voss
Frederick	Knickerbocker	Ogren	Rukavina	Wagenius
Frerichs	Knuth	Olson, E.	Sarna	Waltman
Greenfield	Kostohryz	Olson, K.	Schafer	Welle
Gruenes	Krueger	Omann	Scheid	Wenzel
Gutknecht	Larsen	Onnen	Schreiber	Winter
Hartle	Lasley	Orenstein	Seaberg	Wynia
Haukoos	Lieder	Osthoff	Segal	Spk. Vanasek
Heap	Long	Otis	Shaver	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2255.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2255

A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

April 14, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2255, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2255 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 41.57, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL PAYMENT; PRINCIPAL REDUCTION.]

(a) The commissioner must annually pay to qualified sellers of property, financed by a family farm security loan, an amount approximately equal to the additional state income tax paid as a result of the inclusion in gross income of the interest and payment adjustment earned on a seller sponsored family farm security loan. No payment may be made under this subdivision to a qualified seller, unless the seller agrees to reduce the outstanding principal amount of the loan by three percent effective prior to or beginning ~~for~~ the year in which application is made.

(b) The payment amount must be determined as follows:

(1) In order to qualify for a payment, the seller must apply to the commissioner by October 1, ~~1986~~ following the previous tax year. The application must include a copy of the seller's ~~1985~~ previous tax year state income tax return. The commissioner must recompute the seller's total state income tax liability that would be due if the interest and payment adjustment amounts were not includable in gross income for state income tax purposes. The commissioner may require the seller to compute these amounts as part of the application. For any calendar year ~~1986~~ the amount of the payment equals the reduction in state income tax liability that would occur if the interest and payment adjustment were not included in gross income for state tax purposes.

(2) For calendar years beginning with ~~1987~~, the additional payment amount must be determined as follows: (A) The calendar year ~~1986~~ payment must be divided by the amount of interest and payment adjustment received during calendar year ~~1986~~. (B) The resulting quotient must be multiplied by the interest and payment adjustment received for the calendar year. (C) The product determined under clause (B) is the payment for the calendar year.

(c) If for a tax year after ~~1986~~ the qualified seller's taxable income has changed substantially, the commissioner may provide by rule that upon reapplication a later tax year will be used to compute the quotient under clause (b)(2)(A).

(d)(1) (c) If the seller elects to receive payments under this subdivision, the buyer's payments of principal and interest under the loan must be recalculated. The revised payment schedule must

reflect the three percent reduction in the outstanding principal required by paragraph (a) and must provide for equal payments over the remaining term of the loan. The interest rate on the loan may not be increased.

(2) The state's payment adjustment under subdivision 2 and the amount of the payment under paragraph (b) must be calculated on the basis of the outstanding principal amount of the loan before the reduction required by paragraph (a).

(e) (d) The commissioner may make the payments under this subdivision in the same manner provided for the payment adjustment under subdivision 2.

(f) (e) For purposes of this subdivision, the following terms have the meanings given:

(1) "Gross income" means gross income as defined for purposes of chapter 290.

(2) "Qualified seller" means an individual who sold farm land under a seller sponsored loan after April 1, 1978 and before June 28 December 31, 1985, and who is a resident of Minnesota during the calendar year and is subject to the payment of Minnesota income taxes.

Sec. 2. [41.63] [DATA PRIVACY.]

Personal financial information, credit reports, financial statements, tax refund calculations, and net worth statements, received or prepared by the commissioner regarding any family farm security loans, are private data on individuals under chapter 13.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 41."

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

Senate Conferees: JIM M. VICKERMAN, EARL W. RENNEKE AND GENE MERRIAM.

House Conferees: TED WINTER, K. J. McDONALD AND CHARLES BROWN.

Winter moved that the report of the Conference Committee on S. F. No. 2255 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2255, A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Otis	Skoglund
Bauerly	Gruenes	Lieder	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Haukoos	McDonald	Pelowski	Steensma
Bertram	Heap	McEachern	Peterson	Sviggum
Bishop	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Milbert	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Reding	Tunheim
Carlson, L.	Jensen	Morrison	Rest	Uphus
Carruthers	Johnson, A.	Munger	Rice	Valento
Clark	Johnson, R.	Murphy	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlieck	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	
Frederick	Krueger	Orenstein	Shaver	

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

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 412:

S. F. No. 412, A bill for an act relating to real property; creating a lien against real property where the state has incurred cleanup expenses and the owner is liable for the expenses under Minnesota Statutes, chapter 115B or 115C; providing procedures for implementation and enforcement of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Luther, Stumpf and Laidig.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 412. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1646.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1646

A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

April 13, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1646, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1646 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62A.042, is amended to read:

62A.042 [FAMILY COVERAGE; COVERAGE OF NEWBORN INFANTS.]

Subdivision 1. [INDIVIDUAL FAMILY POLICIES; RENEWALS.]

(a) No policy of individual accident and sickness insurance which provides for insurance for more than one person under section 62A.03, subdivision 1, clause (3), and no individual health maintenance contract which provides for coverage for more than one person under chapter 62D, shall be renewed to insure or cover any person in this state or be delivered or issued for delivery to any person in this state unless ~~such~~ the policy or contract includes as insured or covered members of the family any newborn infants immediately from the moment of birth and thereafter which insurance or contract shall provide coverage for illness, injury, congenital malformation or premature birth.

(b) The coverage under paragraph (a) includes benefits for inpatient or outpatient expenses arising from medical and dental treatment up to age 18, including orthodontic and oral surgery treatment, involved in the management of birth defects known as cleft lip and cleft palate. If orthodontic services are eligible for coverage under a dental insurance plan and another policy or contract, the dental plan shall be primary and the other policy or contract shall be secondary in regard to the coverage required under paragraph (a). Payment for dental or orthodontic treatment not related to the management of the congenital condition of cleft lip and cleft palate shall not be covered under this provision.

Subd. 2. [GROUP POLICIES; RENEWALS.] (a) No group accident and sickness insurance policy and no group health maintenance contract which provide for coverage of family members or other

dependents of an employee or other member of the covered group shall be renewed to cover members of a group located in this state or delivered or issued for delivery to any person in this state unless ~~such~~ the policy or contract includes as insured or covered family members or dependents any newborn infants immediately from the moment of birth and thereafter which insurance or contract shall provide coverage for illness, injury, congenital malformation or premature birth. -

(b) The coverage under paragraph (a) includes benefits for inpatient or outpatient expenses arising from medical and dental treatment up to age 18, including orthodontic and oral surgery treatment, involved in the management of birth defects known as cleft lip and cleft palate. If orthodontic services are eligible for coverage under a dental insurance plan and another policy or contract, the dental plan shall be primary and the other policy or contract shall be secondary in regard to the coverage required under paragraph (a). Payment for dental or orthodontic treatment not related to the management of the congenital condition of cleft lip and cleft palate shall not be covered under this provision.

Sec. 2. Minnesota Statutes 1986, section 62A.044, is amended to read:

62A.044 [PAYMENTS TO GOVERNMENTAL INSTITUTIONS.]

No group or individual policy of accident and sickness insurance issued or renewed after May 22, 1973 pursuant to this chapter, no group or individual service plan or subscriber contract issued or renewed after May 22, 1973 pursuant to chapter 62C, and no group or individual health maintenance contract issued or renewed after August 1, 1984, pursuant to chapter 62D, shall contain any provision excluding, denying, or prohibiting payments for covered and authorized services rendered or paid by a hospital or medical institution owned or operated by the federal, state, or local government, including correctional facilities, or practitioners therein in any instance wherein charges for such services are imposed against the policy holder, subscriber, or enrollee. The unit of government operating the institution may maintain an action for recovery of such charges.

Sec. 3. [62A.161] [COVERAGE FOR SERVICES PROVIDED TO A VENTILATOR-DEPENDENT PERSON.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B. This section does not apply to policies designed primarily to

provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] If a policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1988, provides coverage for services provided by a private duty nurse or personal care assistant to a ventilator-dependent person in the person's home, it must provide coverage for up to 120 hours of services provided by a private duty nurse or personal care assistant to the ventilator-dependent person during the time the ventilator-dependent person is in a hospital licensed under chapter 144. The personal care assistant or private duty nurse shall perform only the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety and personal care needs of the patient.

Sec. 4. Minnesota Statutes 1987 Supplement, section 62A.27, is amended to read:

62A.27 [COVERAGE FOR ADOPTED CHILDREN.]

No An individual or group policy or plan of health and accident insurance regulated under this chapter or chapter 64B, subscriber contract regulated under chapter 62C, or health maintenance contract regulated under chapter 62D, providing coverage for more than one person may be issued or renewed in this state after August 1, 1983, unless the policy, plan, or contract covers that provides coverage to a Minnesota resident must cover adopted children of the insured, subscriber, or enrollee on the same basis as other dependents. Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting approval concerning adopted children.

The coverage required by this section is effective from the date of placement for the purpose of adoption and continues unless the placement is disrupted prior to legal adoption and the child is removed from placement.

Sec. 5. [243.255] [PRIVATE INSURANCE POLICIES; SUBROGATION.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Commissioner" means the commissioner of corrections;

(b) "Inmate" means a person who has been sentenced to incarceration in a state or local correctional facility, including persons

committed in accordance with section 631.425 or released for employment under section 241.26; and

(c) "Private insurance coverage" means coverage for medical care or services under any insurance plan regulated by chapter 62A, 62C, 62D, 64B, or 65B. Private insurance coverage also includes any self-insurance plan providing medical care or services.

Subd. 2. [SUBROGATION RIGHTS.] When the commissioner or a county agency provides medical care or services pursuant to section 241.021, subdivision 4, or any rule adopted under it to any inmate having private insurance coverage, the commissioner or county agency shall be subrogated, to the extent of the cost of services provided, to any rights the inmate may have under the terms of any private insurance coverage. This provision supersedes any inconsistent policy provision.

Subd. 3. [CIVIL ACTION.] The county attorney may institute a civil action against the carrier of the private insurance coverage to recover under this section on behalf of the county agency.

Subd. 4. [POLICY EXCLUSIONS PROHIBITED.] The provisions of section 62A.044 apply to this section.

Sec. 6. [EFFECTIVE DATES.]

Sections 1 and 3 are effective August 1, 1988, and apply to policies issued or renewed on or after that date. Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; requiring coverage for services provided to a ventilator-dependent person; modifying coverage for adopted children; providing certain payment and subrogation rights for medical care and services provided to inmates; amending Minnesota Statutes 1986, sections 62A.042; and 62A.044; Minnesota Statutes 1987 Supplement, section 62A.27; proposing coding for new law in Minnesota Statutes, chapters 62A and 243."

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

Senate Conferees: GARY M. DECRAMER, RICHARD J. COHEN, JAMES C. PEHLER AND SAM G. SOLON.

House Conferees: NORMAN R. DEBLIECK, HOWARD R. ORENSTEIN, DAVID T. BISHOP, WES SKOGLUND AND JOSEPH QUINN.

DeBlicek moved that the report of the Conference Committee on S. F. No. 1646 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1646, A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gruenes	Lieder	Otis	Skoglund
Battaglia	Gutknecht	Long	Ozment	Solberg
Bauerly	Hartle	Marsh	Pappas	Sparby
Beard	Haukoos	McDonald	Pauly	Stanius
Begich	Heap	McKasy	Pelowski	Steensma
Bennett	Himle	McLaughlin	Peterson	Sviggum
Bertram	Hugoson	McPherson	Poppenhagen	Swenson
Bishop	Jacobs	Milbert	Price	Thiede
Blatz	Jaros	Miller	Quinn	Tjornhom
Brown	Jensen	Minne	Quist	Tompkins
Carlson, D.	Johnson, A.	Morrison	Redalen	Trimble
Carlson, L.	Johnson, R.	Munger	Reding	Tunheim
Clark	Johnson, V.	Murphy	Rest	Uphus
Clausnitzer	Kahn	Nelson, C.,	Rice	Valento
Cooper	Kalis	Nelson, D.	Richter	Vellenga
Dauner	Kelly	Nelson, K.	Riveness	Wagenius
Dawkins	Kelso	Neuenschwander	Rodosovich	Waltman
DeBlicek	Kinkel	Ogren	Rose	Welle
Dempsey	Kludt	Olsen, S.	Rukavina	Wenzel
DeRaad	Knickerbocker	Olsen, E.	Schafer	Winter
Dille	Knuth	Olsen, K.	Scheid	Wynia
Dorn	Kostohryz	Omann	Schreiber	Spk. Vanasek
Forsythe	Krueger	Onnen	Segal	
Frederick	Larsen	Orenstein	Shaver	
Frerichs	Lasley	Osthoff	Simoneau	

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2150.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate

File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2150

A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

April 13, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2150, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2150 be further amended as follows:

Page 1, after line 15, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

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

Senate Conferees: CHARLES R. DAVIS, DONNA C. PETERSON AND GARY M. DECramer

House Conferees: JEROME “J.P.” PETERSON, GERALD KNICKERBOCKER AND TOM RUKAVINA.

Peterson moved that the report of the Conference Committee on S. F. No. 2150 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2150, A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny

their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Otis	Skoglund
Battaglia	Gruenes	Long	Ozment	Solberg
Bauerly	Gutknecht	Marsh	Pappas	Sparby
Beard	Hartle	McDonald	Pauly	Stanius
Begich	Haukoos	McEachern	Pelowski	Steensma
Bennett	Heap	McKasy	Peterson	Sviggum
Bertram	Himle	McLaughlin	Poppenhagen	Swenson
Blatz	Hugoson	McPherson	Price	Thiede
Boo	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jensen	Morrison	Reding	Tunheim
Carlson, L.	Johnson, A.	Munger	Rest	Uphus
Carruthers	Johnson, R.	Murphy	Rice	Valento
Clark	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausnitzer	Kahn	Nelson, D.	Riveness	Voss
Cooper	Kalis	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	O'Connor	Rukavina	Welle
DeBlieck	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
DeRaad	Knickerbocker	Olson, E.	Scheid	Wynia
Dille	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Omann	Seaberg	
Forsythe	Krueger	Onnen	Segal	
Frederick	Larsen	Orenstein	Shaver	

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

Mr. Speaker:

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

S. F. No. 1093.

PATRICK E. FLAHAVERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1093, A bill for an act relating to employees; providing for

a wage protection program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2041:

Brown; Olson, E., and Sparby.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 203:

Skoglund, McLaughlin and Knickerbocker.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 412:

Long, Wagenius and Pauly.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2049

A bill for an act relating to commerce; motor vehicles; clarifying the intent of the legislature regarding certain motor vehicle coverages; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 60A.08, by adding a subdivision; 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 80E.

April 14, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2049, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2049 be further amended as follows:

Page 2, line 35, before the period, insert "If the person renting the motor vehicle is also covered by the person's employer's insurance policy or the employer's automobile self-insurance plan, the reparation obligor under the employer's policy or self-insurance plan has primary responsibility to pay claims arising from use of the rented vehicle"

Page 3, line 8, after the comma, insert "there must be attached to" and strike "must"

Page 3, line 9, strike "contain" and insert "a separate form containing"

Page 3, after line 28, insert:

"(h) To be compensated for the loss of use of a damaged rented motor vehicle, the car rental company must prove:

(1) that had the vehicle been available, it would have been rented; and

(2) that no other vehicle was available for rental in place of the damaged vehicle.

The standard of proof set forth in this paragraph does not limit the responsibility of a reparation obligor to provide an insured with coverage for any loss of use for which the reparation obligor is otherwise responsible. A car rental company may be compensated for loss of use of a damaged rental motor vehicle only for the period when the damaged car actually would have been rented."

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

House Conferees: WALLY A. SPARBY, WES SKOGLUND AND BERT MCKASY.

Senate Conferees: GREGORY L. DAHL, WILLIAM P. LUTHER AND WILLIAM V. BELANGER, JR.

Sparby moved that the report of the Conference Committee on H. F. No. 2049 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2049, A bill for an act relating to commerce; motor vehicles; clarifying the intent of the legislature regarding certain motor vehicle coverages; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 60A.08, by adding a subdivision; 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 80E.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Otis	Skoglund
Battaglia	Gruenes	Long	Ozment	Solberg
Bauerly	Gutknecht	Marsh	Pappas	Sparby
Beard	Hartle	McDonald	Pauly	Stanius
Begich	Haukoos	McEachern	Pelowski	Steensma
Bennett	Heap	McKasy	Peterson	Sviggum
Bertram	Himle	McLaughlin	Poppenhagen	Swenson
Blatz	Hugoson	McPherson	Price	Thiede
Boo	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jensen	Morrison	Reding	Tunheim
Carlson, L.	Johnson, A.	Munger	Rest	Uphus
Carruthers	Johnson, R.	Murphy	Rice	Valento
Clark	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausnitzer	Kahn	Nelson, D.	Riveness	Voss
Cooper	Kalis	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	O'Connor	Rukavina	Welle
DeBlieck	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
DeRaad	Knickerbocker	Olson, E.	Scheid	Wynia
Dille	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Omam	Seaberg	
Forsythe	Krueger	Onnen	Segal	
Frederick	Larsen	Orenstein	Shaver	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 421

A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

April 13, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 421, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 421 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [144.054] [SUBPOENA POWER.]

The commissioner may, as part of an investigation to determine whether a serious health threat exists or to locate persons who may have been exposed to an agent which can seriously affect their health, issue subpoenas to require the attendance and testimony of witnesses and production of books, records, correspondence, and other information relevant to any matter involved in the investigation. The commissioner or the commissioner's designee may administer oaths to witnesses or take their affirmation. The subpoenas may be served upon any person named therein anywhere in the state by any person authorized to serve subpoenas or other processes in civil actions of the district courts. If a person to whom a subpoena is issued does not comply with the subpoena, the commissioner may apply to the district court in any district and the court shall order the person to comply with the subpoena. Failure to obey the order of the court may be punished by the court as contempt of court. No person may be compelled to disclose privileged information as described in section 595.02, subdivision 1. All information pertaining to individual medical records obtained under this section shall be considered health data under section 13.38. The fees for the service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued out of a district court. Witnesses must receive the same fees and mileage as in civil actions.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

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

House Conferees: PAUL ANDERS OGREN, TERRY M. DEMPSEY AND DAVID T. BISHOP.

Senate Conferees: FLORIAN CHMIELEWSKI, PAT PIPER AND HOWARD A. KNUTSON.

Ogren moved that the report of the Conference Committee on H. F. No. 421 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 421, A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Olson, K.	Scheid
Anderson, R.	Frederick	Krueger	Omann	Schreiber
Battaglia	Frerichs	Larsen	Onnen	Seaberg
Bauerly	Greenfield	Lasley	Orenstein	Segal
Beard	Gruenes	Lieder	Osthoff	Shaver
Begich	Gutknecht	Long	Otis	Simoneau
Bennett	Hartle	Marsh	Ozment	Skoglund
Bertram	Haukoos	McDonald	Pappas	Solberg
Bishop	Heap	McEachern	Pauly	Sparby
Blatz	Himle	McKasy	Pelowski	Stanius
Boo	Hugoson	McLaughlin	Peterson	Steensma
Brown	Jacobs	McPherson	Poppenhagen	Sviggum
Burger	Jaros	Milbert	Price	Swenson
Carlson, D.	Jefferson	Miller	Quinn	Thiede
Carlson, L.	Jensen	Minne	Quist	Tjornhom
Carruthers	Johnson, A.	Morrison	Redalen	Tompkins
Clark	Johnson, R.	Munger	Reding	Trimble
Clausnitzer	Johnson, V.	Murphy	Rest	Tunheim
Cooper	Kahn	Nelson, C.	Rice	Uphus
Dauner	Kalis	Nelson, D.	Richter	Valento
Dawkins	Kelly	Nelson, K.	Riveness	Vellenga
DeBlicck	Kelso	Neuenschwander	Rodosovich	Voss
Dempsey	Kinkel	O'Connor	Rose	Wagenius
DeRaad	Kludt	Ogren	Rukavina	Waltman
Dille	Knickerbocker	Olsen, S.	Sarna	Welle
Dorn	Knuth	Olson, E.	Schafer	Wenzel
				Winter
				Wynia
				Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1526

A bill for an act relating to transportation; defining motor vehicle; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, sections 168.011, subdivision 4; and 169.67, subdivisions 3 and 4.

April 13, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1526, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1526 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles and manufactured homes. ~~After July 31, 1985,~~

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, which (1) has at least four wheels, (2) is owned and operated by a physically handicapped person, and (3) displays both physically handicapped license plates and a physically handicapped certificate issued under section 169.345, subdivision 3.

(c) Motor vehicle does not include a three-wheel off-road an all-terrain vehicle as defined in section 84.92, subdivision 8; except that if the three-wheel off-road (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle was licensed as a motor vehicle before August 1, 1985, in which case the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

Sec. 2. Minnesota Statutes 1986, section 168.011, is amended by adding a subdivision to read:

Subd. 35. [LIMOUSINE.] "Limousine" means a passenger automobile for hire, other than a taxicab or a van, that is regularly engaged in the business of transporting persons and that has a rear seating capacity of not more than nine passengers.

Sec. 3. Minnesota Statutes 1986, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates must be issued to an applicant for registration of a passenger automobile, van, or pickup truck, motorcycle, or self-propelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a one-time fee of \$100 in addition to the registration tax required by law for the vehicle. The registrar shall designate a replacement fee for personalized license plates calculated to cover the cost of replacement. This fee must be paid by the applicant whenever the personalized license plates are required to be replaced by law. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates must have imprinted on them a series of not more than ~~six~~ seven numbers and letters in any combination. When an applicant has once obtained personalized plates, the applicant shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if application is made for them at least 30 days before the first date that registration can be renewed. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates. No words or combination of letters placed on personalized license plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by the applicant, upon the payment of a fee of \$5, which must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by rule provide a form for notification.

Notwithstanding any law to the contrary, if the personalized license plates are lost, stolen, or destroyed, the applicant may apply and shall receive duplicate license plates bearing the same combination of letters and numbers as the former personalized plates upon the payment of a \$5 fee.

The fee prescribed for personalized license plates must be paid

only in those years in which the number plate itself is issued, and must not be payable in a year in which a year plate, tab, or sticker is issued in lieu of a number plate.

Fees from the sale of permanent and duplicate personalized license plates must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 4. [168.123] [VETERANS; SPECIAL LICENSE PLATE.]

Subdivision 1. [GENERAL REQUIREMENTS; FEES.] The registrar shall issue special license plates to an applicant who served in the active military service in a branch of the armed forces of the United States, was discharged under honorable conditions, and is an owner or joint owner of a motor vehicle included within the definition of a passenger automobile, on payment of a fee of \$10 for each set of two plates, payment of the registration tax required by law, and compliance with other laws relating to registration and licensing of motor vehicles and drivers. The additional fee of \$10 is payable for each set of plates, is payable only when the plates are issued, and is not payable in a year in which tabs or stickers are issued instead of number plates. An applicant must not be issued more than two sets of plates for vehicles owned or jointly owned by the applicant.

The veteran shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application.

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the

first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

Subd. 3. [NUMBER ESTIMATED.] The commissioner of veterans affairs shall estimate the number of special plates that will be required and submit the estimate to the registrar.

Subd. 4. [PLATE TRANSFERS.] On payment of a fee of \$5, plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the person to whom the plates were issued.

Subd. 5. [FEES CREDITED.] Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Subd. 6. [RULES.] The registrar may adopt rules under the administrative procedure act to govern the issuance and use of the special plates authorized by this section.

Sec. 5. Minnesota Statutes 1986, section 168.125, is amended to read:

168.125 [SPECIAL LICENSE PLATES FOR FORMER PRISONERS OF WAR.]

Subdivision 1. [SPECIAL PLATES; APPLICATION; FEE; TRANSFER ISSUANCE AND DESIGN.] The registrar shall issue special license plates bearing the inscription "EX-POW" to any applicant who is both a former prisoner of war and an owner or joint owner of a motor vehicle upon the applicant's compliance with all the laws of this state relating to the registration and licensing of motor vehicles and drivers. The special license plates shall be of a design and size to be determined by the commissioner. Plates bearing the "EX-POW" inscription may be issued for only one motor vehicle per applicant.

Application for issuance of these plates shall be made at the time

of renewal or first application for registration. The application shall include a certification by the commissioner of veterans affairs that the applicant was a member of the military forces of the United States who was captured, separated, and incarcerated by an enemy of the United States during a period of armed conflict.

The applicant shall pay, in addition to the registration tax required by law, a fee of \$10 for the special license plates issued under this section, in an amount calculated by the commissioner to cover the cost of the license plates. The additional fee is payable only when the plates are issued and no additional fee is payable in any year in which tabs or stickers are issued in lieu of number plates. All fees from the sale of the special license plates shall be paid into the state treasury and credited to the highway user tax distribution fund.

Notwithstanding the provisions of section 168.12, subdivision 1, the special license plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the former prisoner of war upon the payment of a fee of \$5. This fee shall be paid into the state treasury and credited to the highway user tax distribution fund.

For purposes of this section, "motor vehicle" means a passenger automobile, station wagon, pickup truck, motorcycle, or recreational vehicle.

Subd. 2. [SPECIAL PLATE PLATES; EX-POW AND HANDICAPPED INSIGNIA.] The registrar shall issue special license plates bearing both the "EX-POW" and handicapped insignia to any applicant who is entitled to the special license plates provided under this section and who is also entitled to special license plates for the physically handicapped under section 168.021 upon compliance with the provisions of both sections. The special license plates shall be of a design and size to be determined by the commissioner.

Subd. 3. [RULES; COMMISSIONER OF PUBLIC SAFETY.] The commissioner of public safety may promulgate by rule, in accordance with the provisions of chapter 15 14, the procedures for issuance or transfer of the special license plates authorized under this section.

Subd. 4. [RULES; COMMISSIONER OF VETERANS AFFAIRS.] The commissioner of veterans affairs shall promulgate by rule, in accordance with the provisions of chapter 14, establish the procedure for obtaining the certification of former prisoner of war status.

Subd. 5. [SAVINGS PROVISION.] Nothing in this section shall alter the exemption for disabled war veterans provided for in section 168.031.

Sec. 6. [168.1261] [LIMOUSINE; LICENSE PLATES.]

Subdivision 1. [UNIQUE REGISTRATION CATEGORY.] A unique vehicle registration category is established for limousines as defined in section 2.

Subd. 2. [LICENSE PLATES.] The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers. The applicant must provide the registrar with proof that the passenger automobile license tax and a \$10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine. Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a \$5 transfer fee.

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect and giving the name of the insurance company and the number of the insurance policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of not less than \$100,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$300,000 because of injury to two or more persons in any one accident. The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

Sec. 7. Minnesota Statutes 1986, section 169.145, is amended to read:

169.145 [IMPLEMENTS OF HUSBANDRY; SPEED; PENALTY.]

No person shall drive a self-propelled implement of husbandry, nor shall any person tow a self-propelled implement of husbandry, nor shall any person tow a farm trailer not equipped with brakes and exceeding 6,000 pounds, at a speed in excess of 30 miles per hour. Violation of this section is a misdemeanor.

Sec. 8. Minnesota Statutes 1986, section 169.67, subdivision 3, is amended to read:

Subd. 3. [TRAILERS, SEMITRAILERS, TANK TRAILERS.] Every trailer, semitrailer, or other vehicle of a gross weight of 1,500 pounds or more, when drawn or pulled upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and to hold such vehicle, and so designed as to be applied by the

driver of a towing motor vehicle from its cab, except (a) trailers owned by farmers when transporting agricultural products produced on the owner's farm or supplies back to the farm of the owner of the trailer, (b) custom service vehicles drawn by motor vehicles equipped with brakes capable of stopping both vehicles within the distance required by law for vehicles with four-wheel brakes and contractors' custom service vehicles not exceeding 30,000 pounds gross weight and 45 miles per hour when drawn by a motor vehicle capable of stopping the combination within the performance standards of subdivision 5, (c) trailers or semitrailers when used by retail dealers delivering implements of husbandry, (d) motor vehicles drawn by motor vehicles equipped with brakes capable of stopping the combination of vehicles within the performance requirements of this section, (e) tank trailers not exceeding 8,500 pounds gross weight used solely for transporting liquid fertilizer or gaseous fertilizer under pressure, or distributor trailers not exceeding 8,500 pounds gross weight used solely for transporting and distributing dry fertilizer, when hauled by a truck capable of stopping with loaded trailer attached in the distance specified by subdivision 5 for vehicles equipped with four-wheel brakes, providing the gross weight of such trailer or semitrailer other than those described in clause (e) when drawn by a pleasure vehicle shall not exceed 3,000 pounds, or when drawn by a truck or tractor shall not exceed 6,000 pounds, or may exceed 6,000 pounds but not exceed 15,000 pounds for a trailer described in clause (a) when drawn by a truck or tractor at a speed not exceeding 30 miles per hour, and except disabled vehicles towed to a place of repair.

Sec. 9. Minnesota Statutes 1986, section 169.67, subdivision 4, is amended to read:

Subd. 4. [SERVICE BRAKES ON ALL WHEELS; EXCEPTIONS.] Every new motor vehicle, trailer, or semitrailer, sold in this state manufactured after June 30, 1988, and operated upon the highways shall be equipped with service brakes upon all wheels of every such vehicle, except mobile cranes not exceeding 45 miles per hour and capable of stopping within the performance standards of subdivision 5, and except that any motorcycle, any semitrailer of less than 1,500 pounds gross weight, a third wheel, of a swivel type, on a house trailer, a temporary auxiliary axle attached to a motor vehicle during the period of road restrictions for the purpose of relieving weight of another axle, when the temporary auxiliary axle and the axle to be relieved do not exceed the combined gross weight of 18,000 pounds, and the vehicle to which such temporary axle is attached meets the brake requirements of this section, need not be equipped with brakes; and except, further, that brakes are not required on the front wheels of vehicles manufactured before July 1, 1988, having three or more axles or upon more than one wheel of a motorcycle provided the brakes on the other wheels are adequate to stop the vehicle in accordance with the braking performance requirements of subdivision 5.

Sec. 10. Minnesota Statutes 1986, section 169.71, subdivision 4, is amended to read:

Subd. 4. No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(a) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(b) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(c) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(d) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

This subdivision does not apply to glazing materials which:

(a) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformance with Federal Motor Vehicle Safety Standard 205;

(b) ~~were~~ are required to satisfy prescription needs of the driver of the vehicle and if the driver is in possession of such the prescription;
or

(c) ~~were~~ are applied to:

(1) the rear windows of a pickup truck as defined in section 168.011, subdivision 29, ~~or to~~;

(2) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28, ~~or~~;

(3) the side and rear windows of any a vehicle used to transport human remains by a funeral establishments establishment holding a permit under the provisions of section 149.08; or

(4) the side and rear windows of a limousine as defined in section 2.

Sec. 11. Minnesota Statutes 1986, section 169.82, is amended to read:

169.82 [TRAILER EQUIPMENT.]

Except as provided in section 169.67, any trailer exceeding a gross weight of 6,000 pounds shall be equipped with brakes adequate to stop and hold such trailer, and which are so constructed that they will so operate whenever such trailer becomes detached from the towing vehicle.

When one vehicle is towing another the drawbar or other connection shall be of sufficient strength to pull all weight towed thereby, and said drawbar or other connection shall not exceed 15 feet from one vehicle to the other except the connection between any two vehicles transporting poles, pipe, machinery or other objects of structural nature which cannot readily be dismembered.

When one vehicle is towing another and the connection consists of a chain, rope, or cable, there shall be displayed upon such connection a white, red, yellow or orange flag or cloth not less than 12 inches square.

Every trailer or semitrailer shall be hitched to the motor vehicles furnishing the tractive power for it by a device approved by the commissioner of public safety as safe and in addition shall be equipped with safety chains permanently attached to the trailer except that where the coupling device is a regulation fifth wheel and king pin assembly approved by the commissioner of public safety such safety chains shall not be required. In towing, such chains shall be carried through a ring on the towbar and attached to the towing vehicle, and shall be of sufficient strength to control the trailer in event of failure of the towing device.

No person may be charged with a violation of this section solely by reason of violating a maximum speed prescribed in section 169.145 or 169.67.

Sec. 12. Minnesota Statutes 1986, section 173.085, is amended to read:

173.085 [STAR CITY SIGNS.]

Subdivision 1. [AUTHORITY TO ERECT.] (a) A county or lesser populated statutory or home rule charter city of Minnesota that has received instruction and expertise from the department of energy and economic development on attracting and retaining businesses for the county or city and subsequently has been designated and annually recertified as a star county or star city for economic development by that department may erect star county or star city signs upon payment of a fee required under section 173.13, subdivision 4, to the department of transportation. In the case of star cities, one sign may be erected at each approach to the city within the right-of-way of an interstate or other highway that passes inside the city limits. In the case of star counties, one sign may be erected within the right-of-way of an interstate or other highway at or near the point where the highway enters the county.

(b) Notwithstanding the provisions of paragraph (a), a lesser populated statutory or home rule charter city that has an official sign in an adjacent area of an approach of an interstate highway passing through or near the city as of August 1, 1985 may replace that sign with a star city sign upon payment of a fee required under section 173.13, subdivision 4, to the department of transportation. A county that has an official sign on the right-of-way or adjacent area of an interstate highway at the point where the highway enters the county may replace that sign with a star county sign on payment of a fee required under section 173.13, subdivision 4, to the department of transportation.

Subd. 2. [SIGN STANDARDS.] The department of transportation shall design and manufacture the star county and star city sign signs to specifications not contrary to other federal and state highway sign standards and substantially similar to those star city signs approved for display on state highways as of August 1, 1985.

Sec. 13. Minnesota Statutes 1986, section 297B.02, subdivision 2, is amended to read:

Subd. 2. [IN LIEU TAX FOR OLDER PASSENGER AUTOMOBILES.] In lieu of the tax imposed in subdivision 1, there is imposed a tax of \$10 on the purchase price of any passenger automobile described in section 297B.025, subdivision 1.

Sec. 14. Minnesota Statutes 1986, section 297B.02, is amended by adding a subdivision to read:

Subd. 3. [IN LIEU FOR COLLECTOR VEHICLES.] In lieu of the tax imposed in subdivision 1, there is imposed a tax of \$90 on the purchase price of a passenger automobile described in section 297B.025, subdivision 2.

Sec. 15. Minnesota Statutes 1986, section 297B.025, is amended to read:

297B.025 [OLDER PASSENGER AUTOMOBILES.]

Subdivision 1. [NONCOLLECTOR VEHICLES.] Purchase or use of a passenger automobile as defined in section 168.011, subdivision 7, shall be taxed pursuant to section 297B.02, subdivision 2, if the passenger automobile is (1) in the tenth or subsequent year of vehicle life, (2) is currently registered in Minnesota other than registration under section 168.10, subdivisions 1a, 1b, 1e, and 1d, and (3) (2) is not an above-market automobile as designated by the registrar of motor vehicles.

The registrar of motor vehicles shall prepare, and distribute to all deputy motor vehicle registrars by July 15, 1985, a listing by make, model, and year of above-market automobiles. Except as provided by subdivision 2, the registrar must include in the list all automobiles with a resale value of \$3,000 or more, as determined using nationally recognized sources of information on automobile resale values. The registrar shall revise the list by February 1 of each year. The initial list and all subsequent revisions must include only those automobiles which are in the tenth or subsequent year of vehicle life.

Subd. 2. [COLLECTOR VEHICLES.] A passenger automobile that is currently registered under section 168.10, subdivisions 1a, 1b, 1c, and 1d, shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 and 3 are effective the day following final enactment. Sections 7, 8, 9, and 11 are effective July 1, 1988. Sections 13 to 15 are effective for a sale or transfer occurring after July 30, 1988.

Delete the title and insert:

"A bill for an act relating to transportation; including certain all-terrain vehicles in the definition of motor vehicle for registration purposes; defining limousines and providing for their registration; allowing seven digits on personalized license plates and providing for personalized plate fees; authorizing special license plates for veterans; allowing the commissioner of public safety to determine the fee for ex-POW license plates; restricting certain farm trailers to being towed at a maximum speed of 30 miles per hour; exempting certain vehicles from brake requirements; permitting tinted glass on side and rear windows of limousines; providing for star county signs; providing for a tax on sale of collector vehicles in lieu of the motor vehicle excise tax; imposing a penalty; amending Minnesota Statutes 1986, section 168.011, subdivision 4, and by adding a subdivision; 168.12, subdivision 2a; 168.125; 169.145; 169.67, subdivisions 3 and 4; 169.71, subdivision 4; 169.82; 173.085; 297B.02, subdivision

2, and by adding a subdivision; and 297B.025; proposing coding for new law in Minnesota Statutes, chapter 168."

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

House Conferees: JERRY J. BAUERLY, HENRY J. KALIS AND SYLVESTER B. UPHUS.

Senate Conferees: GARY M. DECramer, DEAN E. JOHNSON AND CLARENCE M. PURFEERST.

Bauerly moved that the report of the Conference Committee on H. F. No. 1526 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1526, A bill for an act relating to transportation; defining motor vehicle; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, sections 168.011, subdivision 4; and 169.67, subdivisions 3 and 4.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Omann	Schreiber
Anderson, R.	Frerichs	Larsen	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Shaver
Beard	Gutknecht	Long	Otis	Simoneau
Begich	Hartle	Marsh	Ozment	Skoglund
Bennett	Haukoos	McDonald	Pappas	Solberg
Bertram	Heap	McEachern	Pauly	Sparby
Blatz	Himle	McKasy	Pelowski	Stanuis
Boo	Hugoson	McLaughlin	Peterson	Steensma
Brown	Jacobs	McPherson	Poppenhagen	Sviggum
Burger	Jaros	Milbert	Price	Swenson
Carlson, D.	Jefferson	Miller	Quinn	Thiede
Carlson, L.	Jensen	Minne	Quist	Tjornhom
Carruthers	Johnson, A.	Morrison	Redalen	Tompkins
Clark	Johnson, R.	Munger	Reding	Trimble
Clausnitzer	Johnson, V.	Murphy	Rest	Tunheim
Cooper	Kahn	Nelson, C.	Rice	Uphus
Dauner	Kalis	Nelson, D.	Richter	Valento
Dawkins	Kelly	Nelson, K.	Riveness	Vellenga
DeBlicke	Kelso	Neuenschwander	Rodosovich	Voss
Dempsey	Kinkel	O'Connor	Rose	Wagenius
DeRaad	Kludt	Ogren	Rukavina	Waltman
Dille	Knickerbocker	Olsen, S.	Sarna	Welle
Dorn	Knuth	Olson, E.	Schafer	Wenzel
Forsythe	Kostohryz	Olson, K.	Scheid	Winter
				Wynia
				Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 10

A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

April 14, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 10, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

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

House Conferees: STEVE WENZEL, PHIL CARRUTHERS AND RANDY C. KELLY.

Senate Conferees: TAD JUDE, DONNA C. PETERSON AND ALLAN H. SPEAR.

Wenzel moved that the report of the Conference Committee on H. F. No. 10 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 10, A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

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 127 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Lasley	Osthoff	Skoglund
Anderson, R.	Frerichs	Lieder	Otis	Solberg
Battaglia	Gruenes	Long	Ozment	Sparby
Bauerly	Gutknecht	Marsh	Pappas	Stanius
Beard	Hartle	McDonald	Pauly	Steensma
Begich	Haukoos	McEachern	Pelowski	Sviggum
Bennett	Heap	McKasy	Peterson	Swenson
Bertram	Himle	McLaughlin	Poppenhagen	Thiede
Blatz	Hugoson	McPherson	Price	Tjornhom
Boo	Jacobs	Milbert	Quist	Tompkins
Brown	Jaros	Miller	Redalen	Trimble
Burger	Jennings	Minne	Reding	Tunheim
Burgen, D.	Jensen	Morrison	Rest	Uphus
Carlson, L.	Johnson, A.	Munger	Rice	Valento
Carruthers	Johnson, E.	Nelson, C.	Richter	Vellenga
Clark	Johnson, V.	Nelson, D.	Riverson	Voss
Clausnitzer	Kahn	Nelson, K.	Rose	Wagenius
Cooper	Kalis	Neuenschwander	Rukavina	Waltman
Dauner	Kelly	O'Connor	Sarna	Welle
Dawkins	Kelso	Ogren	Schafer	Wenzel
DeBlieck	Kinkel	Olsen, S.	Scheid	Winter
Dempsy	Kludt	Olson, E.	Schreiber	Wynia
DeRaad	Knickerbocker	Olson, K.	Seaberg	Spk. Vanasek
Dille	Knuth	Omann	Segal	
Dorn	Kostohryz	Onnen	Shaver	
Forsythe	Larsen	Orenstein	Simoneau	

Those who voted in the negative were:

Greenfield Murphy Rodosovich

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1844

A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

April 12, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1844, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1844 be further amended as follows:

Page 2, after line 26, insert:

"Sec. 2. [STUDY TASK FORCE.]

The supreme court, in consultation with the association of Minnesota counties, shall appoint a task force to study the relationship between the district court and the counties of the state and to make recommendations regarding the control and financing of the district courts. The task force shall report its findings and recommendations to the legislature by February 1, 1989."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring a study of the control and financing of the district courts;"

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

House Conferees: KATHLEEN O. VELLENGA, JEAN D. WAGENTUS AND RANDY C. KELLY.

Senate Conferees: RICHARD J. COHEN, RANDOLPH W. PETERSON AND HOWARD A. KNUTSON.

Vellenga moved that the report of the Conference Committee on H. F. No. 1844 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1844, A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Burger	DeRaad	Heap	Kahn
Anderson, R.	Carlson, D.	Dille	Himle	Kalis
Battaglia	Carlson, L.	Dorn	Hugoson	Kelly
Bauerly	Carruthers	Forsythe	Jacobs	Kelso
Beard	Clark	Frederick	Jaros	Kinkel
Begich	Clausnitzer	Frerichs	Jefferson	Kludt
Bennett	Cooper	Greenfield	Jennings	Knickerbocker
Bertram	Dauner	Gruenes	Jensen	Knuth
Blatz	Dawkins	Gutknecht	Johnson, A.	Kostohryz
Boo	DeBlieck	Hartle	Johnson, R.	Krueger
Brown	Dempsey	Haukoos	Johnson, V.	Larsen

Lasley	Nelson, D.	Pelowski	Schafer	Tompkins
Lieder	Nelson, K.	Peterson	Scheid	Trimble
Long	Neuenschwander	Poppenhagen	Schreiber	Tunheim
Marsh	O'Connor	Price	Seaberg	Uphus
McDonald	Ogren	Quinn	Segal	Valento
McEachern	Olsen, S.	Quist	Shaver	Vellenga
McKasy	Olson, E.	Redalen	Simoneau	Voss
McLaughlin	Olson, K.	Reding	Skoglund	Wagenius
McPherson	Omman	Rest	Solberg	Waltman
Milbert	Onnen	Rice	Sparby	Welle
Miller	Orenstein	Richter	Stanius	Wenzel
Minne	Osthoff	Riveness	Steensma	Winter
Morrison	Otis	Rodosovich	Sviggum	Wynia
Munger	Ozment	Rose	Swenson	Spk. Vanasek
Murphy	Pappas	Rukavina	Thiede	
Nelson, C.	Pauly	Sarna	Tjornhom	

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

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for today, Friday, April 15, 1988:

S. F. Nos. 2235, 2452, 994, 2473, 1228, 1809, 1652 and 1719; H. F. No. 2432; and S. F. Nos. 1804, 1956, 2321, 1830, 1553, 2131, 604, 1540, 2546, 2183, 308, 1564 and 2221.

SPECIAL ORDERS

H. F. No. 2360 was reported to the House.

Simoneau moved that H. F. No. 2360 be returned to General Orders. The motion prevailed.

H. F. No. 1839 was reported to the House.

Rest moved that H. F. No. 1839 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2292 was reported to the House.

Carlson, D., moved that S. F. No. 2292 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2235 was reported to the House.

Krueger moved to amend S. F. No. 2235, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INSURANCE REGULATIONS

Section 1. Minnesota Statutes 1987 Supplement, section 62I.02, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity unable to obtain insurance through ordinary methods if the insurance is required by statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business and serves a public purpose. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard for the association to offer insurance coverage to a person or entity. For purposes of this subdivision, directors' and officers' liability insurance is considered to be a business necessity and not merely a prudent business practice. The association shall be specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes, developmental achievement centers, group homes, and sheltered workshops for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383, and surety bonds required by Minnesota Rules, part 2780.2700, for workers' compensation group self-insurers made up of truckers subject to licensing by the state or federal department of transportation. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity

of the risk of offering insurance coverage. The association shall not offer environmental impairment liability or product liability insurance. The association shall not offer coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty insurance in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state.

Sec. 2. [62I.065] [TRUCKERS' SURETY BOND.]

Subdivision 1. [JOINT AND SEVERAL LIABILITY REQUIRED.] Surety bonds may not be issued to workers' compensation group self-insurers made up of truckers licensed by the state or federal department of transportation if the members do not have joint and several liability.

Subd. 2. [RATE.] The rate for surety bonds which comply with subdivision 1 shall be 120 percent of the average rate for the surety bonds of all other workers' compensation group self-insurers.

Subd. 3. [GROUP QUALIFICATIONS.] No surety bond may be issued to workers' compensation truckers group self-insurers unless the group meets the requirements for all other group self-insurers established by statute or by rule. In addition to any other requirement of law, a truckers' group that wishes to receive a bond (1) must receive approval from the commissioner of commerce that sufficient premium is being charged to the members of the group and (2) may not declare a refund, in any year, of more than 50 percent of any surplus over 125 percent of the amount necessary to fulfill all obligations under chapter 176, provided that if the refundable amount is less than \$500, than 100 percent of any surplus in excess of 125 percent may be declared refundable.

Sec. 3. Minnesota Statutes 1986, section 62I.07, is amended to read:

62I.07 [MEMBERSHIP ASSESSMENTS.]

(a) Each member of the association shall participate in its losses and expenses in the proportion that the direct written premiums of the member bears to the total aggregate direct written premiums written in this state by all members. The members' participation in the association shall be determined annually on the direct written premiums written during the preceding calendar year as reported on the annual statements and other reports filed by the member with the commissioner.

(b) Losses resulting from surety bonds for truckers groups that self-insure for workers' compensation shall be paid by the special

compensation fund. The special compensation fund shall seek appropriations in each biennium for any amounts paid pursuant to this subdivision.

Sec. 4. [62I.166] [REINSURANCE ASSOCIATION TO ASSIST.]

The workers' compensation reinsurance association shall assist the association in any manner requested by the association in regard to surety bonds issued to trucker group self-insurers. This assistance may consist of the provision of data, the use of computer programs, or similar aid needed by the association in regard to the bonds. The workers' compensation reinsurance association must provide these services without cost to the association.

Sec. 5. Minnesota Statutes 1986, section 62I.21, is amended to read:

62I.21 [ACTIVATION OF MARKET ASSISTANCE PLAN AND JOINT UNDERWRITING ASSOCIATION.]

At any time the commissioner of commerce deems it necessary to provide assistance with respect to the placement of general liability insurance coverage, including bonds, on Minnesota risks for a class of business, the commissioner shall by notice in the State Register activate the market assistance plan and the joint underwriting association. The plan and association are activated for a period of 180 days from publication of the notice. At the same time the notice is published, the commissioner shall prepare a written petition requesting that a hearing be held to determine whether activation of the market assistance plan and the joint underwriting association is necessary beyond the 180-day period. The hearing must be held in accordance with section 62I.22. The commissioner by order shall deactivate a market assistance program and the joint underwriting association at any time the commissioner finds that the market assistance program and the joint underwriting association are not necessary.

Sec. 6. Minnesota Statutes 1986, section 79.01, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of sections 79.01 to ~~79.23~~ 36, shall have the meanings ascribed to them.

Sec. 7. Minnesota Statutes 1986, section 79.074, is amended by adding a subdivision to read:

Subd. 3. [RATES.] One rate is unfairly discriminatory in relation to another if it clearly fails to reflect equitably the differences in

expected losses, expenses, and the degree of risk. Rates are not unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expense factors, or like expense factors but different loss exposures, so long as the rates reflect the differences with reasonable accuracy.

Sec. 8. Minnesota Statutes 1986, section 79.074, is amended by adding a subdivision to read:

Subd. 4. [FLEXIBLE RANGE OF RATES.] An insurer may write insurance at rates that are lower than the rates approved by the commissioner provided the rates are not unfairly discriminatory.

Sec. 9. [79.253] [PRIOR RATES.]

Subdivision 1. Rates and rating plans, including experience rating plans, that have been filed with the commissioner prior to January 1, 1988, pursuant to section 79.56 by insurers are conclusively presumed to satisfy the requirements of this act until the initial schedule of rates has been approved by order of the commissioner.

Subd. 2. If a rate, including an experience rating plan, was not filed by an insurer prior to January 1, 1988, then an insurer shall file a rate or rating plan for any classification for which a rate was not previously filed. This rate shall not be used until it is approved by the commissioner. The commissioner may approve a rate up to the rate level approved for use by the assigned risk plan for that rate class. These rates may remain in force until the commissioner has approved an initial schedule of rates pursuant to section 10, subdivision 4. If the commissioner disapproves of any rate or rating plan pursuant to authority granted in this subdivision, the disapproval shall not be subject to chapter 14 and the decision shall be final.

Subd. 3. Until the commissioner issues a rate order approving a schedule of rates pursuant to section 10, subdivision 4, an insurer may not, through the use of any rating plan charge a rate higher than the rates applicable to the insurer pursuant to subdivision 1 or 2 and may not increase rates, including discounted rates, for any policy renewal. This subdivision does not prohibit the use of approved experience rate plans or retrospective rating plans which have been adopted in the filed rates by insurers, the assigned risk plan, or filed by a data service organization.

Subd. 4. This section shall apply only to policies issued after the effective date of this section.

Sec. 10. [79.71] [RATES; HEARINGS.]

Subdivision 1. [ADOPTION OF INITIAL RATE SCHEDULE.]

The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state after June 30, 1989, for each classification under which business is written. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. The adoption of the initial schedule of rates shall be by hearing held pursuant to the contested case procedures in chapter 14. In adopting a schedule of rates, the commissioner may act on the written petition of the association, the department of labor and industry, or any other interested party requesting that a hearing be held for modification of the schedule of rates.

Subd. 2. [PETITION FOR RATE HEARING.] Upon receipt of a petition requesting a hearing for modification of an existing schedule of rates, the commissioner shall determine whether the petition sufficiently sets forth facts that show that the existing schedule of rates is excessive, inadequate, unfairly discriminatory, or otherwise in need of modification so as to indicate the need to hold a hearing. If the association is a petitioner, the commissioner may decline to grant a hearing if the association has failed to provide information requested by previous orders modifying the schedule of rates, provided that the request was not unreasonable. The commissioner may accept or reject the petition for a hearing and shall give notice of a determination to the petitioning party within 90 days of receipt of the petition. If the commissioner rejects the petition, the commissioner shall notify the petitioning party of the reasons for the rejection. If the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this section or section 13, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court, enactment of a statute or other circumstance has effected a substantial change in the basis upon which the existing schedule of rates was adopted. Upon such certification by the commissioner of labor and industry, the commissioner may, by order, modify the existing schedule of rates to reflect the supreme court's decision, enactment of statute, or other circumstance. The order modifying the schedule of rates is not subject to chapter 14 and shall remain in effect until the commissioner has made a final determination as required by subdivisions 4 and 5.

Subd. 3. [HEARING.] The commissioner shall determine, within 90 days of receipt of the petition whether to accept or reject the petition. If the commissioner accepts the petition for hearing, the commissioner shall order a hearing on matters set forth in the petition. The hearing shall be held pursuant to the contested case procedures in chapter 14. The burden of proof is on the petitioning party. The commissioner shall forward a copy of the order for hearing to the chief administrative law judge. The chief administrative law judge must, within 30 days of the receipt of the order, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the

administrative law judge assigned to hear the matter. The report of the administrative law judge must be issued within 180 days from the date of receipt of the order by the chief administrative law judge. The commissioner shall publish notice of the hearing in the State Register at least 20 days before the hearing date. The administrative law judge must admit documentary and statistical evidence accepted and relied upon by an expert witness whose expertise is related to workers' compensation rate matters, without the traditional evidentiary foundation. Approval of the notice prior to publication by the administrative law judge is not required. Within 90 days of the completion of the hearing, the administrative law judge must submit a report to the commissioner. The parties or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedures to conform with the the time requirements set forth in this subdivision. After the close of the hearing record, the administrative law judge shall transmit to the commissioner the entire record of the hearing, including the transcript, exhibits, and all other material properly accepted into evidence, together with the finding of facts, conclusions, and recommended order made by the administrative law judge. The time for filing the report may be extended by the chief administrative law judge for good cause.

Subd. 4. [HEARING DETERMINATION.] The commissioner may accept, reject, or modify, in whole or in part, matters raised in the petition for modifications of the schedule of rates or matters raised in the findings and recommendations of the administrative law judge. The commissioner's determination shall be based upon substantial evidence.

Subd. 5. [DEADLINE FOR DETERMINATION.] The commissioner shall make a final determination with respect to adoption of a schedule of rates within 90 days after receipt of the administrative law judge's report. If the commissioner fails to act within the 90-day period, the findings, conclusions, and recommended order of the administrative law judge become the final order of the commissioner on the 91st day.

Subd. 6. [CONSULTANTS; COMMISSIONER OF COMMERCE.] The commissioner of commerce may hire consultants, including a consulting actuary and other experts, deemed necessary to assist in the establishment or modification of the schedule of rates. A sum sufficient to pay the costs of conducting the hearing provided under subdivision 3, appeals therefrom, or the establishment or modification of the schedule of rates, including the costs of consultants, staff, and related costs, and the costs of the attorney general's office, is appropriated from the special compensation fund to the commissioner of commerce and assessed against the rating association and its members by the special compensation fund.

Subd. 7. [CONSULTANTS; COMMISSIONER OF LABOR AND

INDUSTRY.] The commissioner of labor and industry may hire consultants, including a consulting actuary and other experts, deemed necessary to assist the commissioner of labor and industry in the hearing for modification of the schedule of rates and appeals therefrom. A sum sufficient to pay the costs of the commissioner of labor and industry in regard to the hearing provided under subdivision 3 and appeals therefrom, including the costs of consultants, staff, and related costs, and the costs of the attorney general's office, is appropriated from the special compensation fund to the commissioner of labor and industry and assessed against the rating association and its members by the special compensation fund.

Subd. 8. [CONSULTANTS, ADMINISTRATIVE JUDGES.] The office of administrative hearings, upon approval of the chief administrative law judge, may hire consultants necessary to assist the administrative law judge assigned to a workers' compensation rate proceeding. The cost of such consultants shall be paid by the special compensation fund and assessed against the rating association and its members by the special compensation fund.

Subd. 9. [COMMISSIONER OF LABOR AND INDUSTRY AS A PARTY.] The commissioner of labor and industry must be a party to all proceedings under this chapter and shall act to assure that the public interest is represented and protected. The commissioner of labor and industry may: (1) inspect at all reasonable times, and copy the books, records, memoranda, and correspondence or other documents and records of any person relating to any regulated business; and (2) cause the deposition to be taken of any person concerning the business and affairs of any business regulated by the department. Information sought through said deposition shall be for a lawfully authorized purpose and shall be relevant and material to the investigation or hearing before the commissioner. Information obtained from said deposition shall be used by the department only for a lawfully authorized purpose and pursuant to powers and responsibilities conferred upon the department. Said deposition is to be taken in the manner prescribed by law for taking depositions in civil actions in the district court. The commissioner of labor and industry may, on the commissioner's own initiative, investigate any matter subject to the jurisdiction of the department of labor and industry. The costs of the commissioner of labor and industry in discharging this obligation shall be paid by the special compensation fund and assessed against the rating association and its members by the special compensation fund.

Subd. 10. [APPOINTMENT OF ACTUARY.] The commissioner of labor and industry shall employ the services of a casualty actuary experienced in workers' compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of the actuary employed pursuant to this

section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 11. [79.72] [PETITION FOR REHEARING.]

Subdivision 1. [PETITION CONTENTS.] Any interested party may petition the commissioner for rehearing and reconsideration of a determination made pursuant to section 10. The petition for rehearing and reconsideration shall be served on the commissioner and all parties to the rate hearing within 30 days after service of the commissioner's final order. The petition shall set forth factual grounds in support of its petition. An interested party adversely affected by a petition for review and reconsideration has 15 days to respond to factual matters alleged in the petition.

Subd. 2. [GRANT OF REHEARING.] The commissioner may grant a rehearing upon the filing of a petition under subdivision 1. On rehearing, the commissioner may limit the scope of factual matters that are subject to rehearing and reconsideration. The rehearing is subject to the provisions of section 10.

Subd. 3. [MODIFICATION OF ORDER.] Following rehearing, the commissioner may modify the terms of the initial order adopting a change in the schedule of rates upon a determination that adequate factual grounds exist to support modification. Adequate factual grounds include, but are not limited to, erroneous testimony by any witness or party to the hearing, material change in Minnesota loss or expense data occurring after a petition for modification of the schedule of rates has been filed, or any other mistake of fact that has a substantial effect upon the schedule of rates adopted in the initial order of the commissioner.

Sec. 12. [79.731] [JUDICIAL REVIEW.]

Final orders of the commissioner pursuant to sections 10 and 11 are subject to judicial review pursuant to sections 14.63 to 14.69 but shall remain in effect during the pendency of any appeal.

Sec. 13. [79.711] [INTERIM SCHEDULE OF RATES.]

The rating association, the commissioner of labor and industry, or any other interested party may file a petition for an adjustment in the schedule of rates when there has been a law change in the benefit payable under chapter 176. "Law change" means only statutory changes by the legislature or supreme court decisions. When a petition for a change in the schedule of rates due to a law change is received by the commissioner, the commissioner shall review any petition for up to 30 days to determine if it presents facts which warrant a hearing. If the commissioner accepts a petition for hearing it shall be conducted pursuant to the contested case proce-

dures found in chapter 14. The chief administrative law judge shall assign an administrative law judge to hear a petition for a change in the schedule of rates within 30 days of the referral by the commissioner. The administrative law judge shall conclude the hearing within 60 days of assignment by the chief administrative law judge and file findings of fact, conclusions of law, and a proposed order with the commissioner within 30 days of the close of the record. The administrative law judge shall, after the close of the record, file a report with recommendations in the same manner as in section 10, subdivision 3. The time for holding the hearing and filing the report with the commissioner may be expanded by the chief administrative law judge upon a showing of good cause for an additional 30 days. The commissioner's order may affirm, reverse, or modify the findings and order of the administrative law judge. The petitioning party shall have the burden of proof in any hearing held pursuant to this subdivision. Interim rate hearings are only for changes in the schedule of workers' compensation rates resulting from law changes. All other evidentiary, procedural, and review standards in section 10 shall apply to interim rate hearings except for the time requirements in this subdivision. Interim rate hearings are subject to judicial review pursuant to chapter 14 except that the commissioner's interim rate order shall remain in effect during the pendency of any appeal by any party. The commissioner is an interested party if the commissioner's decision is appealed pursuant to chapter 14. Interim rate hearings may only be held after an initial schedule of rates has been approved by the commissioner unless requested by the commissioner of labor and industry; except that an interim rate hearing shall be held before August 1, 1988, to consider the effect of the law changes made in 1988.

Sec. 14. [79.74] [AUTOMATIC ADJUSTMENT OF RATES.]

The commissioner shall adopt a rule to automatically adjust a schedule of rates to reflect benefit changes mandated by operation of law after the most recent change in the statewide schedule of rates. This adjustment shall also reflect the annual change in the maximum weekly compensation made pursuant to section 176.101, an adjustment in the assessment rate for the special fund, and the annual adjustment made pursuant to section 176.645, any adjustment in the assessment for the assigned risk plan pursuant to section 79.251, subdivision 5, any adjustment in the assessment for the Minnesota insurance guarantee association pursuant to section 60C.05, or any other assessment required by law. The initial rule to automatically adjust the schedule of rates and any amendments made pursuant to this subdivision is effective on October 1, 1988, or as soon thereafter as possible. Adoption of the initial rule is not subject to chapter 14, except the commissioner of commerce shall comply with section 14.38, subdivision 7.

At each rate hearing held pursuant to section 10 or rehearing pursuant to section 11, following an automatic adjustment, the

commissioner shall review the rate adjustment to assure that the schedule of rates adopted subsequent to the adjustment are not excessive, inadequate, or unfairly discriminatory. If the commissioner finds that the schedule of rates adopted subsequent to the adjustment are excessive, inadequate, or unfairly discriminatory, the commissioner shall order appropriate remedial action.

Sec. 15. [79.75] [RATE REVISION ORDER; EFFECT.]

Subdivision 1. [POLICIES.] A revised schedule of rates, adopted under section 10 or 11, applies to new and renewal policies issued after the effective date of the commissioner's final order.

Subd. 2. [INSUREDS.] The revised schedule of rates applies to all insureds and prospective insureds under the workers' compensation rating manual adopted by the association and approved by the commissioner.

Sec. 16. [79.76] [COMMISSIONER MAY REQUIRE SURVEY.]

Following a complaint, the commissioner may require the association to conduct a survey and report. The commissioner may withdraw approval of any rate or classification upon ten days' notice to the parties interested.

Sec. 17. [79.77] [CLASSIFICATION OF WORKERS' COMPENSATION INSURANCE.]

No classification for compensation insurance purposes shall be effective until approved by the commissioner. No rule or regulation with reference to compensation risks filed by any insurer, or by the association, shall be effective until approved by the commissioner. No type of insurance covering any part of the liability of an employer allowed to self-insure as provided in section 176.181, is effective in this state unless approved by the commissioner. If it appears at any time that reasonable doubt on the part of the commissioner as to the proper classification or rate for any risk exists, such risk may be bound for insurance subject to establishing a rate and classification.

Sec. 18. [79.78] [INSURERS SHALL BE MEMBERS OF ASSOCIATION.] Every insurer issuing workers' compensation insurance in this state shall be a member of the association organized under section 19, to be maintained in this state for the following purposes:

(1) to separate the industries of this state that are subject to workers' compensation insurance into proper classes for compensation insurance purposes; to inspect compensation risks and establish the merit and experience rating system approved for use in this state; to establish charges and credits under the system; and to

report all facts affecting compensation insurance risks and those necessary for approving policies of compensation insurance as conforming with classifications and rates previously promulgated by the association and approved by the commissioner; and

(2) to assist the commissioner and insurers in approving rates, determining hazards and other material facts in connection with compensation risks, and to assist in promoting safety in the industries.

Sec. 19. [79.79] [ORGANIZATION OF ASSOCIATION.]

The association shall adopt articles of incorporation, bylaws, and a plan of operation. These articles, bylaws, and plan of operation and all amendments thereto shall be filed with and approved by the commissioner and shall not be effective until so filed and approved. The association shall admit to membership any insurer authorized to transact workers' compensation insurance in this state. The charges and service of the association shall be fixed in the articles or bylaws and shall be equitable and nondiscriminatory as between members. The initial articles, bylaws, and plan of operation shall be filed with the commissioner no later than June 15, 1988. If the initial articles, bylaws, and plan of operation are not filed by June 15, 1988, the commissioner shall adopt the initial articles, bylaws, and plan of operation.

Sec. 20. [79.80] [EXPENSE, HOW PAID.]

Each member of the association shall pay an equitable and nondiscriminatory share of the cost of operating the association. If the members of the association cannot agree upon an apportionment of cost, any member may in writing petition the commissioner to establish a basis for apportioning the cost. If any member is aggrieved by an apportionment made by the association, it may in writing petition the commissioner for a review of the apportionment. The commissioner shall, upon not less than five days notice to each member of the association, hold a hearing upon any such petition at which all members are entitled to be present and be heard. The commissioner shall determine the matter and mail a copy of the determination to each member of the association. The decision of the commissioner shall be final and binding upon all members of the association.

Sec. 21. [79.81] [BOARD OF DIRECTORS.]

A board of directors of the rating association is created and is responsible for the operation of the rating association consistent with the plan of operation and sections 10 to 36. The board consists of seven directors. Four directors shall represent insurers and the commissioner of commerce shall appoint the remaining directors. Each director is entitled to one vote. Terms of the directors shall be

two years. The board shall select a chair and other officers it deems appropriate.

A majority of the directors currently holding office constitutes a quorum. Action may be taken by a majority vote of the directors present.

The board shall take reasonable and prudent action regarding the management of the rating association including but not limited to the management of the daily affairs of the rating association.

Sec. 22. [79.82] [PLAN OF OPERATION.]

Subdivision 1. [PROVISIONS.] The plan of operation shall provide for all of the following:

- (a) the establishment of necessary facilities;
- (b) the management and operation of the rating association;
- (c) a preliminary assessment, payable by each member in proportion to its total premium in the year preceding the inauguration of the rating association, for initial expenses necessary to commence operation of the rating association;
- (d) procedures governing the actual payment of assessments to the rating association;
- (e) reimbursement of each member of the board by the rating association for actual and necessary expenses incurred on rating association business; and
- (f) any other matters required by or necessary to effectively implement sections 10 to 36.

Subd. 2. [AMENDMENTS.] (a) The plan of operation shall be subject to approval by the commissioner after consultation with the members of the association, representatives of the public and other affected individuals and organizations. If the commissioner disapproves all or any part of the proposed plan of operation, the directors shall within 15 days submit for review an appropriate revised plan of operation or part thereof. If a revised plan is not submitted within 15 days, the commissioner shall promulgate a plan of operation or part thereof, as the case may be. The plan of operation approved or promulgated by the commissioner shall become effective and operational upon order of the commissioner.

(b) Amendments to the plan of operation may be made by the commissioner or by the directors of the association, subject to the approval of the commissioner.

Sec. 23. [79.83] [APPLICABILITY OF CHAPTER 79.]

Subdivision 1. [EXAMINATION BY COMMISSIONER.] The rating association is subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any time and examine, audit, or evaluate the rating association's operations, records and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the departments of commerce or labor and industry or other parties retained by the commissioner.

Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the rating association shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. A sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 24. [79.84] [MANUALS.]

Subdivision 1. [FILING REQUIRED.] On or before July 1, 1988, the association must file with the commissioner all underwriting and rating manuals which are used in the classification of risks and the calculation of rating plans, rates, and fees. The association must provide the commissioner with at least six copies of each manual. A copy of each manual filed shall also be provided to the commissioner of labor and industry.

The commissioner shall review the manuals and on or before October 1, 1988, approve or disapprove the manuals or any part thereof. Until the commissioner has approved or disapproved the manuals, they shall remain in force. As to any manual or part thereof that is not approved, a hearing pursuant to the contested case procedures of chapter 14 shall be held.

Until the conclusion of the contested case proceeding, the portions of the manuals that were not approved shall remain in force.

Subd. 2. [AMENDMENTS.] If the association amends a manual, the amendment shall not be effective until approved by the commissioner. The commissioner shall approve or disapprove any amendment within 90 days of filing. Any amendment not approved within 90 days shall be deemed to be disapproved. As to a disapproved amendment, the association may contest the disapproval pursuant to the contested case procedures of chapter 14.

Subd. 3. [BURDEN OF PROOF.] The burden of proof in a proceeding under this section shall be upon the party requesting the adoption of a manual or an amendment of a manual.

Subd. 4. [COSTS.] The costs of the commissioner and the commissioner of labor and industry in regard to a contested case proceeding under this section, including the costs of consultants, staff, and related costs, and costs billed by the attorney general's office shall be paid by the special compensation fund and assessed to the association and its members by the special compensation fund.

Subd. 5. [PUBLIC ACCESS.] Copies of all approved manuals must be made available to the public for inspection during regular business hours at the office of the association. Proposed manuals and amendments to manuals must be made available in the same manner.

Sec. 25. [79.85] [EXEMPTION.]

The rating association is not subject to sections 15.0597 and 471.705 and chapter 13 nor any other law or rule that pertains to a public body. For purposes of Minnesota law or rule, the association is not a public body.

Sec. 26. [79.86] [LICENSE; FEE.]

The association shall procure annually from the commissioner a license to carry on its business. The license shall run from July 1 to the last day of June. An annual license fee of \$100 must be paid at the time of filing application for license.

Sec. 27. [79.861] [ANNUAL STATEMENT.]

The association on or before March 1 each year shall file with the commissioner a statement covering its activities for the year ending on the preceding December 31. This report shall cover its financial transactions and other matters connected with its operation, including employee compensation and other specific expenditures as required by the commissioner. The commissioner shall prescribe the form of the report. The association and its members are subject to supervision and examination by the commissioner or any examiner authorized by the commissioner on such matters as the commissioner deems appropriate. Examination may be made as often as the commissioner deems necessary. A sum sufficient to pay the cost of all examinations is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 28. [79.862] [ASSOCIATION SHALL MAKE CLASSIFICATION.]

The association shall, on behalf of its members, assign each compensation risk and subdivision thereof in this state to its proper classification. The determination as to the proper classification by the association shall be subject to the approval of the commissioner

as provided in this chapter. The association shall, on behalf of all members thereof, inspect and make a written survey of each risk to which the system of merit rating approved for use in this state is applicable. It shall, on behalf of all the members thereof, file with the commissioner its classification of risks and keep on file at the office of the association the written surveys of all risks inspected by it, which survey shall show the location and description of all items producing charges and credits, if any, and such other facts as are material in the writing of insurance thereon. It shall file any subsequent proposed classification or later survey and all rules and regulations which do or may affect the writing of these risks. The association classification shall be binding upon all insurers. The commissioner and the association and its representatives shall give all information as to classifications, rates, surveys, and other facts collected and intended for the common use of insurers subject to sections 10 to 36 to all these insurers at the same time. A copy of the complete survey by the association, with the approved classification and rates based thereon and the effective date thereof, shall be furnished to the insurer of record as soon as approved. The approved classification and rates upon a specific risk shall be furnished upon request to any other insurer upon the payment of a reasonable charge for the service. Every insurer shall promptly file with the association a copy of each payroll audit, which shall be checked by the association for correctness of classification and rate. The commissioner may require the association to file any such copy and may verify any payroll audit by a reaudit of the books of the employer or in such other manner as may appear most expedient. Upon written complaint stating facts sufficient to warrant action by it, the commissioner shall verify any payroll audit reported to the commissioner.

Sec. 29. [79.863] [INFORMATION.]

In addition to other information that the commissioner requests pursuant to section 10, the rating association shall: (a) separate the incurred but not reported losses of its members; (b) separate paid and outstanding losses of its members; (c) provide information indicating cases in which its members have established a reserve in excess of \$50,000; (d) provide information on the income on invested reserves of its members; and (e) provide information as to policies written at other than the filed rates. The rating association shall file information based solely on Minnesota premium income of its members concerning investment income, legal expenses, subrogation recoveries, administrative expenses, and commission expenses. The rating association shall file information based solely on Minnesota data concerning its members reserving practices, premium income, indemnity and medical benefit paid and lobbying expenses of its members. The rating association shall file an itemized breakdown of its lobbying expenses.

The commissioner shall consider this information in an appropri-

ate manner in adopting a schedule of rates and shall decline to grant a hearing pursuant to section 10 for purposes of considering a rate increase if the association fails to provide the information.

Sec. 30. [79.864] [RECORD; ASSOCIATION SHALL FURNISH INFORMATION.]

The association shall keep a careful record of its proceedings. It shall furnish, upon demand, to any employer whose workers' compensation risk has been surveyed, full information as to the survey, including the method of the computation and a detailed description and location of all items producing charges or credits. The association shall provide a means, approved by the commissioner for hearing any member or employer whose risk has been inspected, either in person or by a representative, before the governing or rating committee or other proper representatives with reference to any matter affecting the risk. Any insurer or employer may appeal from a decision of the association to the commissioner. The association shall make rules governing appeals, to be filed with and approved by the commissioner. The commissioner may require the association to file any information connected with its activities.

Sec. 31. [79.865] [INSURERS SHALL NOT DISCRIMINATE.]

No insurer shall make or charge any rate for workers' compensation insurance in this state which discriminates unfairly between risks or classes, or which discriminates unfairly between risks in the application of like charges and credits in the plan of merit or experience rating in use.

Sec. 32. [79.867] [RATES SHALL BE FILED.]

Every insurer writing workers' compensation insurance in this state, except as ordered by the commissioner, must file with the commissioner its rates for this compensation insurance and all additions or changes. All rates so filed must comply with the requirements of law and are not effective until approved by the commissioner. A rate which is filed and approved cannot be changed until 15 days after the substituted rate is filed and after approval by the commissioner.

Sec. 33. [79.868] [RATES TO BE UNIFORM; EXCEPTIONS.]

No insurer may write insurance at a rate above that established by the association and approved as reasonable by the commissioner. The association may reduce or increase a rate by the application to individual risks of the system of merit or experience rating which has been approved by the commissioner. This reduction or increase shall be set forth in the policy or by endorsement thereon. Upon written request, an insurer shall furnish a written explanation to

the insured of how and why the individual rate was adjusted by application of a system of merit or experience rating. This explanation shall be mailed to the insured within 30 days of the request.

Sec. 34. [79.869] [DUTIES OF COMMISSIONER.]

The commissioner of commerce shall require compensation insurers, or their agents, to file such reports as may be necessary for the purposes of sections 10 to 36 for use by the commissioner.

Sec. 35. [79.87] [VIOLATIONS; PENALTIES.]

In addition to any other penalties prescribed by law, any insurer, rating association, agent, or other representative or employee of any insurer or rating association that fails to comply with, violates any of the provisions of sections 10 to 36, or any order or ruling of the commissioner, shall be punished by a fine of not less than \$50 nor more than \$5,000. In addition, the license of any insurer, agent, or broker guilty of such violation may be revoked or suspended by the commissioner.

Sec. 36. [79.88] [RULEMAKING.]

Until July 1, 1989, the commissioner shall be exempt from the rulemaking provisions of chapter 14. The commissioner must comply with section 14.38, subdivision 7, when adopting rules to carry out the commissioner's duties assigned by this section. Any rules adopted pursuant to this exemption shall be subsequently adopted by a chapter 14 rules proceeding commencing no later than July 1, 1990.

Sec. 37. [MANDATED RATE REDUCTIONS.]

The approved rate schedule that is adopted after the interim rate hearing, held before August 1, 1988, under section 13, must include a minimum rate reduction of 12 percent on all rate schedules, effective October 1, 1988, and applied to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recover the rate reduction mandated by this section. An insurer shall provide all employers having an outstanding policy with the insurer as of October 1, 1988, a credit or refund of 12 percent or greater, as determined by the commissioner, on the unexpired portion of the policy, as well as a written notice of the credit or refund before that date.

Sec. 38. [OLD ASSOCIATION.]

Subdivision 1. [RECORDS DEPOSITED WITH THE COMMISSIONER.] All records of the rating association authorized by sections 79.61 and 79.62 or its predecessors pertaining to proceedings

before the department of commerce or its predecessors regarding rates or classifications shall be deposited with the commissioner no later than the effective date of the repeal of sections 79.61 and 79.62.

Subd. 2. [ASSOCIATION ASSETS.] All assets of the rating association authorized by section 79.61 or 79.62 or its predecessors shall be transferred to the rating association established under section 19.

Sec. 39. [TRANSITION PROVISIONS; EMPLOYEES.]

Until January 1, 1989, initial appointment to the professional positions authorized by section 41 shall be deemed to be provisional or exceptional appointments as defined by section 43A.15, subdivisions 4 and 8, and the commissioner of employee relations must authorize those appointments as requested by the commissioner of commerce or labor and industry. Upon request of the commissioner of commerce or labor and industry, the appointments under this section shall be considered an unusual employment condition as defined by section 43A.17, subdivision 3 and salaries may be set accordingly.

Sec. 40. [RULE SUPERSEDED.]

The security or bonding requirements of Minnesota Rules, part 2780.2700, shall continue in force but without any dollar limitations. The commissioner shall amend the rule as soon as possible to conform with this section. The amendment of the rule is not subject to chapter 14, except that the commissioner shall comply with section 14.38, subdivision 7.

Sec. 41. [LEGISLATIVE INTENT.]

It is the intent of the legislature in enacting Article 1 to reinstate the prior state law regarding rate regulation which was repealed effective January 1, 1984. Judicial and administrative decisions regarding the prior law shall be deemed to be applicable to Article 1 in the same manner as to the prior law.

Sec. 42. [APPROPRIATION.]

Subdivision 1. \$200,000 is appropriated from the special compensation fund to the department of commerce for the purpose of sections 10 to 38. The complement of the department of commerce is increased by three positions.

Subd. 2. \$375,000 is appropriated from the special compensation fund to the department of labor and industry for the purpose of sections 10 to 38. The complement of the department of labor and industry is increased by six positions.

Subd. 3. \$ 80,000 is appropriated from the special compensation fund to the attorney general for the purpose of sections 10 to 38. The complement of the attorney general is increased by two positions.

Subd. 4. The appropriations under this section are available from the effective date of this section until June 30, 1989.

Sec. 43. [REPEALER.]

Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; and 79.62, are repealed.

Sec. 44. [EFFECTIVE DATE.]

Article 1 is effective the day following final enactment.

ARTICLE 2

CHANGES TO THE WORKERS' COMPENSATION SYSTEM

Section 1. Minnesota Statutes 1986, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed $66 \frac{2}{3}$ 80 percent of the product of the daily wage times the number of days normally worked employee's spendable weekly earnings, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4,

or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 2. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 28. [SPENDABLE WEEKLY EARNINGS.] (a) "Spendable weekly earnings" means the employee's weekly wage, as defined by subdivision 18, reduced by both of the following:

(1) an amount equal to a weekly amount required to be withheld under state law and under the Internal Revenue Code of 1954, as amended, using the number of exemptions allowed for the employee, and for actual dependents, old age, and blindness, to which the employee is entitled on the date of injury; and

(2) an amount equal to the weekly amount required to be withheld from the earnings of the employee at the time of the injury under the Federal Insurance Contributions Act, without regard to the yearly maximum.

(b) Each September 1, the commissioner of the department of labor and industry shall publish a uniform table of spendable weekly earnings, as defined in paragraph (a), using applicable federal and state tax laws in effect the preceding July 1. This table shall take effect on October 1 and be conclusive for the purpose of converting a weekly wage into spendable weekly earnings during the following twelve months. The commissioner may contract with the department of revenue or any other person or organization to assist in the preparation of the table. The adoption of this table is exempt from the administrative rulemaking provisions of chapter 14.

Sec. 3. Minnesota Statutes 1986, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of 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 for medical, burial, and other nonperiodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section 176.101 12. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertain-

ment of greater permanent partial disability. Prior to or at the time of commencement of the payment of economic recovery compensation or lump sum or periodic payment of impairment compensation permanent partial disability benefits, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the 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 compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation 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 section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability can be ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment permanent partial compensation further compensation is payable pursuant to section 176.101 12, subdivision 3. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical

improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.

Disability ratings for permanent partial disability shall be based on objective medical evidence.

Sec. 4. Minnesota Statutes 1986, section 176.021, subdivision 3b, is amended to read:

Subd. 3b. [TEMPORARY AND PERMANENT PARTIAL.] For injuries occurring before January 1, 1984, if an employee has returned to work for at least six months and has, if applicable, completed a rehabilitation plan, this section does not prevent the payment of compensation for permanent partial disability because the employee is receiving compensation for temporary partial disability. This subdivision is procedural and applies regardless of the date of injury.

Sec. 5. Minnesota Statutes 1986, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation,~~ medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 6. Minnesota Statutes 1986, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b). If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. 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, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under ~~section 176.242, 176.2421, 176.243, or 176.244~~ sections 176.106 and 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) An attorney who is claiming legal fees ~~under this section~~ for

representing an employee in a workers' compensation matter shall file a statement of attorney's fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee, employer, and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, shall report the number of hours spent on the case, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

(c) An attorney representing employers or insurers shall file a statement of attorney fees or wages with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. The statement of attorney fees or wages must contain the following information: the average hourly wage or the value of hours worked on that case if the attorney is an employee of the employer or insurer, the number of hours worked on that case, and the average hourly rate or amount charged an employer or insurer for that case if the attorney is not an employee of the employer or insurer.

(d) Employers and insurers may not pay attorney fees or wages for legal services of more than \$6,500 per case unless the additional fees or wages are approved under subdivision 2.

(e) Each insurer and self-insured employer shall file annual statements with the commissioner detailing the amount of legal fees and other legal costs incurred by the insurer or employer during the year. The statement shall include the amount paid for outside and in-house counsel, deposition and other witness fees, and all other costs relating to litigation.

(f) The commissioner, in cooperation with the office of administrative hearings, shall maintain records of the amount of fees paid

to attorneys representing claimants related to any workers' compensation proceeding.

Sec. 7. Minnesota Statutes 1987 Supplement, section 176.081, subdivision 2, is amended to read:

Subd. 2. An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and the basis for the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee parties, including the employer, 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 the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 8. Minnesota Statutes 1986, section 176.081, subdivision 3, is amended to read:

Subd. 3. ~~An employee who~~ Any party that is dissatisfied with attorney fees, may file an application for review by the 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 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 workers' compensation court of appeals shall have the authority to raise ~~the question~~ of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 9. Minnesota Statutes 1986, section 176.081, subdivision 7, is amended to read:

Subd. 7. If the employer or insurer files a denial of liability, notice of discontinuance, or fails to make payment of compensation or medical expenses within the statutory period after notice of injury or occupational disease, or otherwise unsuccessfully resists the payment of compensation or medical expenses, or unsuccessfully disputes the payment of rehabilitation benefits or other aspects of a rehabilitation plan, and the injured person has employed an attorney at law, who successfully procures payment on behalf of the employee or who enables the resolution of a dispute with respect to a rehabilitation plan, the compensation judge, commissioner, or the workers' compensation court of appeals upon appeal, upon applica-

tion, shall award to the employee against the insurer or self-insured employer or uninsured employer, in addition to the compensation benefits paid or awarded to the employee, an amount equal to ~~25~~ 100 percent of that portion of the attorney's fee which has been awarded pursuant to this section ~~that is in excess of \$250.~~

Sec. 10. [176.096] [TEMPORARY TOTAL DISABILITY.]

Subdivision 1. [AMOUNT.] (a) For an injury producing temporary total disability, the weekly compensation is 80 percent of the spendable weekly earnings at the time of the injury.

(b) During the year commencing on October 1, 1988, and each year thereafter, commencing October 1, the maximum weekly compensation payable is 100 percent of the statewide average weekly wage.

(c) The minimum weekly compensation is 20 percent of the statewide average weekly wage or the injured employee's actual spendable weekly earnings, whichever is less.

Subd. 2. [TERMINATION OF COMPENSATION.] (a) This compensation shall be paid during the period of disability and shall continue until the earliest of the following:

(1) the employee is no longer disabled;

(2) the employee returns to work;

(3) the employee refuses an offer of work that is consistent with a plan of rehabilitation filed with the commissioner and meets the requirements of section 176.102, subdivision 1, or, if no plan has been filed, that the employee can do in the employee's physical condition and that pays a salary as close as possible to the preinjury wage in light of the disability;

(4) the employee retires by withdrawing from the labor market; or

(5) 90 days after the employee has reached maximum medical improvement, following service on or receipt by the employee of a written medical report indicating that the employee has reached maximum medical improvement.

(b) Once compensation has ceased under this subdivision, an employee may not receive further compensation under subdivision 1, unless the employee returned to work, but was medically unable to continue work or was terminated without just cause. Payment will not recommence if any event described in paragraph (a) occurred before termination and recommenced payment must end when any of the events in paragraph (a) occur.

(c) Notwithstanding this subdivision, temporary total compensation is payable in connection with an approved retraining plan under the provisions of section 176.102, subdivision 11.

Subd. 3. [EXTENDED DISABILITY COMPENSATION.] (a) If an employee, who has a permanent partial disability, is not working because of the personal injury after payment of permanent partial disability benefits is complete, the employee shall be eligible for extended disability compensation. If an employee received any permanent partial compensation in a lump sum, payment will be considered complete after expiration of the period that the employee would have received permanent partial compensation had it been paid periodically.

(b) Extended disability compensation is paid at the rate for temporary total compensation, escalated under section 176.645, for the number of weeks equal to 246 multiplied by the employee's permanent partial disability rating, determined according to the rules adopted by the commission pursuant to section 176.105, subdivision 4. The total extended compensation for any injury may not exceed this product.

(c) Extended disability compensation shall cease if the employee is no longer disabled, returns to work, refuses a job offer described in subdivision 2, paragraph (a), clause 3, or retires from the labor market.

(d) An employee is not eligible for extended disability compensation if, at any time before the employee would have become eligible:

(1) the employee refuses a job offer, as described in subdivision 2, paragraph (a), clause 3; or

(2) the employee returns to work and terminates employment, unless the employee was medically unable to continue work or was terminated without just cause;

(e) An employee is eligible for extended compensation at any time after payment of permanent partial benefits is complete so long as the employee meets the qualifications of this section and has not been paid the maximum number of weeks under paragraph (b) for that injury; provided that, extended compensation may not be paid beyond 350 weeks after the date of disability.

Sec. 11. [176.097] [TEMPORARY PARTIAL DISABILITY.]

Subdivision 1. [AMOUNT; MAXIMUM.] In cases of temporary partial disability, compensation shall be paid as follows:

(a) For the first 52 weeks that the employee returns to work, the

compensation shall be 80 percent of the difference between the spendable weekly earnings of the employee at the time of injury and the spendable weekly earnings the employee is earning in the employee's partially disabled condition.

(b) For the second 52 weeks after that the employee returns to work, the compensation shall be 60 percent of the difference between the spendable weekly earnings of the employee at the time of injury and the spendable weekly earnings the employee is earning in the employee's partially disabled condition.

(c) For the third 52 weeks that the employee returns to work, the compensation shall be 40 percent of the difference between the spendable weekly earnings of the employee at the time of injury and the spendable weekly earnings the employee is earning in the employee's partially disabled condition.

The maximum weekly compensation equals 100 percent of the statewide average weekly wage.

Subd. 2. [ELIGIBILITY.] (a) Temporary partial compensation may be paid only if the employee is (1) disabled, (2) employed and (3) earning less in spendable weekly earnings than the employee earned in spendable weekly earnings at the time of the injury.

(b) Except as provided in section 176.102, subdivision 11, temporary partial disability benefits shall not be paid after the employee has returned to work for 156 weeks or after 350 weeks after the date of disability, whichever occurs first.

Sec. 12. [176.098] [PERMANENT PARTIAL COMPENSATION.]

Subdivision 1. [AMOUNT OF COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury shall receive compensation as provided in this section. The amount of compensation equals the percent of disability of the whole body suffered by the employee multiplied by the corresponding amount in the following schedule:

<u>Percent of disability</u>	<u>Amount</u>
<u>0-25</u>	<u>\$ 75,000</u>
<u>26-30</u>	<u>80,000</u>
<u>31-35</u>	<u>85,000</u>
<u>36-40</u>	<u>90,000</u>
<u>41-45</u>	<u>95,000</u>
<u>46-50</u>	<u>100,000</u>
<u>51-55</u>	<u>120,000</u>
<u>56-60</u>	<u>140,000</u>

<u>61-65</u>	<u>160,000</u>
<u>66-70</u>	<u>180,000</u>
<u>71-75</u>	<u>200,000</u>
<u>76-80</u>	<u>240,000</u>
<u>81-85</u>	<u>280,000</u>
<u>86-90</u>	<u>320,000</u>
<u>91-95</u>	<u>360,000</u>
<u>96-100</u>	<u>400,000</u>

The percent disability of the whole body is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision applies to an injury which occurs on or after October 1, 1988.

Subd. 2. [PAYMENT OF COMPENSATION.] Permanent partial disability compensation is payable after temporary total compensation ceases under section 10, subdivision 2. If the employee is not working, permanent partial compensation is payable at the same intervals and in the same amount as the temporary total compensation was paid immediately before the compensation ceased. If the employee begins a job at any time before any or all of the compensation has been paid, the remaining compensation is payable in a lump sum 30 calendar days after the employee returned to work, if the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at that job at the end of the period.

Subd. 3. [PAYMENT OF COMPENSATION AT DEATH.] If an employee dies before receiving permanent partial compensation from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a surviving spouse, the spouse shall receive the unpaid compensation in a lump sum within 30 days of death.

(b) If the deceased employee leaves dependent children, as defined in section 176.111, subdivision 1, and no spouse, the unpaid compensation shall be paid periodically to the children in the same amount and intervals that compensation was paid to the employee before death. The compensation is paid until the amount that the employee is entitled to is paid or until the last child is no longer dependent, whichever occurs first.

(c) If the deceased employee is not survived by a spouse or any dependent children as defined in section 176.111, no further permanent partial compensation is payable to any person.

(d) If the death results from the injury, the payment of permanent

partial compensation shall cease upon the death and in lieu thereof death benefits are payable pursuant to section 176.111.

Sec. 13. Minnesota Statutes 1986, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66%~~ 80 percent of the daily wage spendable weekly earnings at the time of the injury, subject to a the maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the and minimum weekly compensation rates for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 14. Minnesota Statutes 1986, section 176.101, subdivision 5, is amended to read:

Subd. 5. [TOTAL DISABILITY.] (a) For the purposes of subdivision 4, permanent total disability means:

(1) the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties; or

(2) any other injury which totally incapacitates the employee from working at an occupation which brings the employee an income constitutes total disability;

(b) For purposes of paragraph (a), clause (2), totally and permanently incapacitated means that the employee's physical disability,

in combination with the employee's age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income.

(c) Local labor market conditions may not be considered in making a determination under paragraph (a), clause (2), although statewide economic conditions may be considered; provided that, the employer furnishes or procures employment that the employee can do in the employee's physical condition and pays reasonable moving expenses to relocate the employee and family if the job is located beyond reasonable commuting distance; provided further that, in such circumstances, an employee who fails to cooperate with reasonable efforts to secure employment, including travelling to job interviews at the employer's expense, will be disqualified from receiving further benefits under this subdivision. If an employee is relocated, begins a job and is medically unable to continue at the job, the employee is entitled to weekly compensation benefits at the temporary total compensation rate, until it is determined whether the employee qualifies for permanent total disability benefits.

Sec. 15. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services and shall, by emergency rules, establish a fee schedule or otherwise limit fees or billings of qualified rehabilitation consultants and rehabilitation vendors. The emergency rules shall remain in effect until the commissioner adopts permanent rules regulating these fees and billings. The commission shall adopt such permanent rules, to become effective October 1, 1990, or as soon thereafter as possible. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 16. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has ~~60~~ 90 days of lost work time due to the personal injury; ~~except as otherwise provided in this subdivision.~~ ~~Where an employee has incurred an injury to the back, the consul-~~

tation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury preinjury employer, rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party to the case, including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

The employee may choose a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests shall be determined by the commissioner or compensation judge according to the best interests of the parties.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner or compensation judge shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 17. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. Any plan that is not completed within six months or that will cost more than \$2,500, must be specifically approved by the commissioner. This approval may not be waived by the parties.

Sec. 18. Minnesota Statutes 1986, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition ~~the commissioner~~ for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount ~~the commissioner determines is appropriate,~~ not to exceed the employee's request. This additional compensation shall cease at any time the commissioner

or compensation judge determines the special circumstances are no longer present.

(b) Notwithstanding sections 10 and 11, temporary total disability or temporary partial disability shall be paid during a retraining plan that has been approved under this section and for up to 90 days after the end of the plan. Payment of temporary total compensation during the 90-day period shall cease as provided in section 10, subdivision 2.

Sec. 19. Minnesota Statutes 1986, section 176.105, subdivision 1, is amended to read:

Subdivision 1. The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. The commissioner, in consultation with the medical services review board, shall annually review these rules to determine whether any injuries omitted from the schedule should be compensable and whether any other changes are necessary and amend the rules accordingly.

Sec. 20. Minnesota Statutes 1986, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at 50 60 percent of the employee's spendable weekly wage earnings at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 21. Minnesota Statutes 1986, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 75 percent of the daily wage spendable weekly earnings 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 weekly benefits shall be paid at a rate which is 16 $\frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years equal to 60 percent of the employee's spendable weekly earnings, including adjustments as provided in section 176.645, for a period of ten years.

Sec. 22. Minnesota Statutes 1986, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two or more dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children ~~66%~~ 80 percent of the spendable weekly earnings at the time of the injury of the deceased until the last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to equal to 60 percent of the employee's spendable weekly earnings, including adjustments under section 176.645, for a period of ten years.

Sec. 23. Minnesota Statutes 1986, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid ~~55~~ 65 percent of the spendable weekly wage earnings at the time of the injury of the deceased, for two or more orphans there shall be paid ~~66%~~ 80 percent of the wages spendable weekly earnings.

Sec. 24. Minnesota Statutes 1986, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee leave no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on deceased, there shall be paid to such parents jointly ~~45~~ 55 percent of the spendable weekly wage earnings at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 45 percent of the spendable weekly wage earnings thereafter. If the deceased employee leave one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 45 percent of the spendable weekly wage earnings at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 25. Minnesota Statutes 1987 Supplement, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, ~~30~~ 35 percent of the spendable weekly wage earnings at the

time of injury of the deceased, or if more than one, 35 percent of the weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 26. Minnesota Statutes 1986, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66²/₃~~ 80 percent of the spendable weekly wage earnings of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 27. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability from that injury alone that is substantially greater, because of a preexisting physical impairment, than what would have resulted from the personal injury alone, the employer or insurer shall pay all compensation provided by this chapter, but the employer shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and ~~\$2,000~~ \$3,500 in medical expenses, subject to the exceptions in paragraphs (a), (b), and (c):

(a) If the disability caused by the subsequent injury is made substantially greater by the employee's registered preexisting physical impairment, there shall be apportionment of liability among all injuries. The special compensation fund shall only reimburse for that portion of the compensation, medical expenses, and rehabilitation expenses attributed to the subsequent injury after the applicable deductible has been met.

(b) If the subsequent personal injury alone results in permanent partial disability to a scheduled member under the schedule adopted by the commissioner pursuant to section 176.105, the special compensation fund shall not reimburse permanent partial disability, medical expenses, or rehabilitation expenses.

(c) Reimbursement for compensation paid shall be at the rate of 75 percent.

Sec. 28. Minnesota Statutes 1986, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on-the-job training

program pursuant to an approved rehabilitation plan under section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on-the-job training program, the on-the-job training employer shall pay the medical expenses and compensation required by this chapter, and shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury; except that, reimbursement for compensation paid shall be at the rate of 75 percent. The employer, at the time of the personal injury for which the employee has been approved for on-the-job training, is liable for the portion of the disability that is attributable to that injury.

Sec. 29. Minnesota Statutes 1986, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury results in disability or death, and if the injury, death, or disability would not have occurred except for the preexisting physical impairment registered with the special compensation fund, the employer shall pay all compensation provided by this chapter, and shall be ~~fully~~ reimbursed from the special compensation fund for the compensation, except that:

(1) this full reimbursement shall not be made for cardiac disease or a condition registered pursuant to subdivision 8, clause (t) or (u) unless the commissioner by rule provides otherwise; and

(2) reimbursement for compensation paid shall be at the rate of 75 percent.

Sec. 30. Minnesota Statutes 1986, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a preexisting physical impairment must have been registered with the commissioner prior to the employee's personal injury.

(c) The injury for which the employer requests reimbursement must have occurred within three years of the date that the employee returned to work following the registered injury or three years after the employee was hired by the employer, whichever is later.

Sec. 31. Minnesota Statutes 1986, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) registration is accompanied by satisfactory evidence of the physical impairment;

(b) registration is in effect as long as the impairment exists, provided that no reimbursement is made to an employer if the injury occurred more than three years after the employee returned to work with or was hired by that employer;

(c) upon request, a registered employee shall be furnished by the commissioner with a registration card evidencing the registration, and other facts as the commissioner deems advisable.

Sec. 32. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment except that physical impairment is limited to the following:

(a) Epilepsy,

(b) Diabetes,

(c) Hemophilia,

(d) Cardiac disease, provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,

(e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,

(f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,

(g) Residual disability from poliomyelitis,

(h) Cerebral Palsy,

(i) Multiple Sclerosis,

- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,

(t) Any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

(u) Any other physical impairments of a permanent nature which the commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

Sec. 33. Minnesota Statutes 1986, section 176.131, is amended by adding a subdivision to read:

Subd. 13. [APPLICABLE LAW.] The right to reimbursement under this section is governed by the law in effect on the date of the subsequent injury.

Sec. 34. Minnesota Statutes 1986, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally

disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983, and before October 1, 1988, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(c) An employee who has suffered personal injury on or after October 1, 1988, that caused a permanent total disability, as defined in section 176.101, subdivision 5, is eligible to receive supplementary benefits after four years have elapsed since the first date of the total disability, provided that the employee continues to have a permanent total disability.

Sec. 35. Minnesota Statutes 1986, 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~~ 4, plus the amount of any disability benefits being paid by any government disability benefit program if those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4, plus any old age or survivor's benefits, 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 the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

Sec. 36. Minnesota Statutes 1987 Supplement, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] (a) The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to the charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured persons. On this basis the commissioner or compensation judge may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

(b) For any treatment provided after December 31, 1988, an employer is not liable for the cost of any ongoing therapy treatment after four months after the first treatment, unless a treatment plan is specifically approved in advance by the commissioner as reasonable and necessary. This approval may not be waived by the parties. Therapy treatments during the first four months of treatment must still be reasonable and necessary. The commissioner may adopt emergency rules to establish standards for reasonable and necessary therapy treatments.

Sec. 37. Minnesota Statutes 1986, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] The commissioner 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 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 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 75th 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, except that the medical fee rules promulgated on October 1, 1988, and based upon 1987 medical cost data, shall remain in effect until September 30, 1990; except that the commissioner may modify provisions of the medical fee rules other than the amount of the fees by rule before that date. The commissioner shall by rule expand the fee schedule to include as many relevant medical procedures as possible. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 38. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [HOSPITAL CHARGES.] The commissioner shall adopt rules that reasonably limit inpatient and outpatient hospital charges. Hospital charges may be limited under subdivision 1 or by any other prudent, cost-effective method, or under both subdivision 1 and this subdivision.

Sec. 39. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1b. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt emergency rules that reasonably limit amounts which may be charged for, or in connection with, independent, adverse, or neutral medical examinations requested by any party, including the amount that may be charged for depositions, witness fees or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. An insurer or employer may not pay fees above the amount in the schedule. The emergency rules shall remain in

effect until permanent rules are adopted. The commissioner shall adopt permanent rules, to be effective after September 30, 1990, or as soon thereafter as possible, regulating these fees.

Sec. 40. Minnesota Statutes 1986, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] ~~Where permanent rules have been adopted to implement this section,~~ The commissioner shall annually give notice in the State Register of the 75th percentile to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 if the 75th percentile for the service data meets the requirements of paragraphs (a) to ~~(c)~~ (d).

(a) The data base includes at least three different providers of the service.

(b) The data base contains at least 20 billings for the service.

~~(c) The standard deviation as a percentage of the mean of billings for the service is 50 percent or less.~~

~~(d) The means of the Blue Cross and Blue Shield data base and of the department of human services data base for the service are within 20 percent of each other. The value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile.~~

~~(e) The data is taken from the data base of Blue Cross and Blue Shield or the department of human services.~~

(d) If the commissioner identifies a problem with the data base such that the average fee does not logically reflect the usual and customary charge, then, upon consultation with the medical services review board, the commissioner may eliminate the category from the rules or adjust the rate to correct the inconsistency or error.

Sec. 41. Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the petitioner's residence. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's

physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather addition information which was not included on the petition as required by section 176.291.

Sec. 42. Minnesota Statutes 1986, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an

injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of economic recovery or impairment permanent partial compensation shall not exceed 20 percent of the amount that would otherwise be payable.

A credit may not be applied against medical expenses due or payable.

Sec. 43. Minnesota Statutes 1987 Supplement, section 176.194, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may, by rules adopted in accordance with chapter 14, specify additional unfair, misleading, deceptive, or fraudulent practices or conduct which are subject to the penalties under this section.

Sec. 44. Minnesota Statutes 1987 Supplement, section 176.194, is amended by adding a subdivision to read:

Subd. 6. [UNFAIR BUSINESS PRACTICES.] (a) An insurer, self-insurer, or other entity referred to in subdivision 1, causing or permitting with such frequency to indicate a general business practice any unfair, deceptive, or fraudulent act concerning any claim or complaint of an insured or claimant including, but not limited to, those practices enumerated under section 72A.20, subdivision 12, may be ordered by the commissioner to cease and desist from such practice immediately and may be assessed a civil penalty of \$2,000 for each offense.

(b) Any person who violates a cease and desist order of the commissioner under this section after it has become final, shall forfeit and pay to the special compensation fund a sum of \$10,000 for each violation. In addition, the commissioner of commerce may revoke or suspend the entity's license to write insurance or administer or adjust claims, or authority to self-insure in this state in accordance with the procedures in section 176.195.

(c) These penalties are in addition to any other penalties that may be imposed under chapter 176, or chapters 60 to 80. An order of the commissioner under this section shall become final as provided by section 72A.24.

Sec. 45. Minnesota Statutes 1987 Supplement, section 176.221, subdivision 1, is amended to read:

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within 14 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter 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. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within ~~30~~ 60 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within ~~30~~ 60 days of notice or knowledge. After the ~~30-day~~ 60-day period, payment may be terminated only by the filing of a notice as provided under section 176.239. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Sec. 46. Minnesota Statutes 1986, section 176.221, subdivision 6a, is amended to read:

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT PERMANENT PARTIAL COMPENSATION.] The penalties provided by this section apply in cases where

payment for treatment under section 176.135, or rehabilitation expenses under section 176.102, subdivisions 9 and 11, ~~economic recovery compensation or impairment~~ permanent partial compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.

Sec. 47. Minnesota Statutes 1987 Supplement, section 176.238, is amended by adding a subdivision to read:

Subd. 1a. [NOTICE OF REEMPLOYMENT.] An employer or insurer must notify the employee within 30 days of the notice of maximum medical improvement whether the employer will offer the employee a job with the preinjury employer. A copy of the notice must be filed with the department. The commissioner may impose a penalty of up to \$200 for any failure to provide or file the notices as required by this subdivision.

Sec. 48. Minnesota Statutes 1986, 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' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:

(1) grant an oral argument based on the record before the compensation judge;

(2) examine the record;

(3) substitute for the findings of fact made by the compensation judge findings based on the total evidence;

(4) sustain, reverse, make or modify an award or disallowance of compensation or other order based on the facts, findings, and law; and,

(5) summarily affirm without opinion the decision of the commissioner or compensation judge; and

(6) remand or make other appropriate order.

Sec. 49. Minnesota Statutes 1986, section 176.645, subdivision 2, is amended to read:

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 the first anniversary of the date

of the injury. For injuries occurring on or after October 1, 1988, the initial adjustment under subdivision 1 shall be deferred until the third anniversary of the date of injury.

Sec. 50. Minnesota Statutes 1986, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66%~~ 80 percent of the employee's spendable weekly wage earnings on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 51. Minnesota Statutes 1986, section 176.83, is amended by adding a subdivision to read:

Subd. 16. [EMERGENCY RULES; EFFECTIVE DATES.] Notwithstanding sections 14.29 to 14.36, emergency rules authorized by sections 15 and 39, may be adopted beyond the 180-day period referred to in section 14.29 and, once adopted, shall remain in effect until September 30, 1990 and shall continue until permanent rules are adopted under those sections. The commissioner shall begin the rulemaking process for permanent rules so that permanent rules may be adopted before October 1, 1990, or as soon thereafter as possible.

Sec. 52. Minnesota Statutes 1986, section 176.84, subdivision 1, is amended to read:

Subdivision 1. [SPECIFICITY REQUIRED.] Notices of ~~discontinuance~~ intention to discontinue and denials of liability shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. Notwithstanding section 176.275, if the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed. If rejected, the notice or statement will not be considered filed, unless the defect is cured within ten days.

Sec. 53. Minnesota Statutes 1986, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue such coverage.

Sec. 54. Minnesota Statutes 1986, section 176A.03, is amended by adding a subdivision to read:

Subd. 4. [INSURANCE OF LOW-RISK EMPLOYERS.] The fund shall make all efforts to insure employers that have been required to insure through the assigned risk plan and have not been liable for workers' compensation benefits, other than medical benefits for any injury or death occurring in the five preceding years. The fund shall review the application of any such employer and shall provide the specific detailed reasons why any such employer is not provided insurance. The manager shall report to the legislature before January 1, 1990, on the efforts of the fund to insure these employers.

Sec. 55. [REPORTS TO THE LEGISLATURE; RECOMMENDATIONS ON MEDICAL AND REHABILITATION ISSUES.]

Subdivision 1. [MEDICAL COSTS.] The commissioner of labor and industry shall present a detailed report to the legislature before January 1, 1990, concerning medical cost issues in the workers' compensation system.

Subd. 2. [NEUTRAL PHYSICIANS.] The commissioner shall develop and evaluate a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities. The commissioner shall present this report to the legislature before January 1, 1989.

Subd. 3. [QUALIFIED REHABILITATION CONSULTANTS.]

The commissioner shall develop a plan to assure neutrality and high quality of qualified rehabilitation consultants and shall consider alternative methods of selection of qualified rehabilitation consultants for injured workers. The commissioner shall also develop a detailed plan for assuring the high quality of qualified rehabilitation consultants. In formulating this plan, the commissioner shall consider methods used in other states to discipline and otherwise regulate rehabilitation consultants. The commissioner shall report to the legislature by January 1, 1989, regarding these plans.

Sec. 56. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF THE CHIEF ADMINISTRATIVE LAW

JUDGE.] The chief administrative law judge shall consider methods to reduce the formality and length of hearings in workers' compensation cases at the office of administrative hearings, with a goal of completing 50 percent of the hearings in less than two hours, 75 percent in less than four hours and nearly all of the cases in less than one day. Before January 1, 1989, the chief judge shall report to the legislature on the efforts to meet these goals, including any recommendations for legislation needed to achieve these goals.

Sec. 57. [REPEALER.]

Minnesota Statutes 1986, sections 176.011, subdivision 26; 176.021, subdivision 3a; 176.101, subdivisions 1, 2, 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u; and 176.111, subdivision 8a, are repealed.

Sec. 58. [EFFECTIVE DATE.]

Sections 6 to 9, 15 to 17, 19, 27 to 33, 36 to 41, 43 to 45, 47, 48, 51 to 56 and 58 are effective July 1, 1988. Sections 1 to 5, 10 to 14, 18, 20 to 26, 34, 35, 42, 46, 49, 50, and 57 are effective October 1, 1988."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating workers' compensation insurance; regulating medical and rehabilitation services; limiting attorney fees; regulating benefits; appropriating money; mandating studies and recommendations; amending Minnesota Statutes 1986, sections 62I.07; 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivisions 3 and 3b; 176.061, subdivision 10; 176.081, subdivisions 1, 3, and 7; 176.101, subdivisions 4 and 5; 176.102, subdivision 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, 3, 5, and by adding a subdivision; 176.132, subdivisions 1 and 2; 176.136, subdivisions 1, 5, and by adding subdivisions; 176.179; 176.221, subdivision 6a; 176.421, subdivision 6; 176.645, subdivision 2; 176.66, subdivision 11; 176.83, by adding a subdivision; 176.84, subdivision 1; and 176A.03, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 62I.02, subdivision 1; 176.081, subdivision 2; 176.102, subdivisions 2, 4, and 6; 176.111, subdivision 15; 176.131, subdivisions 1 and 8; 176.135, subdivision 3; 176.155, subdivision 1; 176.194, subdivision 5, and by adding a subdivision; 176.221, subdivision 1; 176.238, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I; 79; and 176; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivision 26; 176.021, subdivision 3a; 176.101, subdivisions 1, 2, 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u; and 176.111, subdivision 8a."

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Begich and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Forsythe	Lieder	Osthoff	Simoneau
Anderson, R.	Frederick	Long	Otis	Skoglund
Battaglia	Frerichs	Marsh	Ozment	Solberg
Bauerly	Gruenes	McDonald	Pappas	Sparby
Beard	Gutknecht	McEachern	Pauly	Stanius
Begich	Hartle	McKasy	Pelowski	Steensma
Bertram	Haukoos	McLaughlin	Peterson	Sviggum
Bishop	Heap	McPherson	Poppenhagen	Swenson
Blatz	Hugoson	Milbert	Quinn	Thiede
Boo	Jacobs	Miller	Quist	Tjornhom
Brown	Jaros	Minne	Redalen	Tompkins
Burger	Jefferson	Morrison	Reding	Trimble
Carlson, D.	Johnson, A.	Munger	Rest	Tunheim
Carlson, L.	Johnson, R.	Murphy	Richter	Uphus
Carruthers	Johnson, V.	Nelson, C.	Riveness	Valento
Clark	Kahn	Nelson, K.	Rodosovich	Vellenga
Clausnitzer	Kalis	Neuenschwander	Rose	Wagenius
Cooper	Kelly	O'Connor	Rukavina	Waltman
Dauner	Kelso	Ogren	Sarna	Welle
Dawkins	Kinkel	Olsen, S.	Schafer	Wenzel
DeBlieck	Kludt	Olson, E.	Scheid	Winter
Dempsey	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
DeRaad	Krueger	Omann	Seaberg	
Dille	Larsen	Onnen	Segal	
Dorn	Lasley	Orenstein	Shaver	

Wynia moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Krueger amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 35 yeas and 98 nays as follows:

Those who voted in the affirmative were:

Bauerly	Kalis	Lieder	Pelowski	Sparby
Bishop	Kelso	Long	Peterson	Tunheim
Cooper	Kludt	Nelson, C.	Reding	Vellenga
Dauner	Knuth	Nelson, D.	Rest	Wagenius
DeBlieck	Kostohryz	Nelson, K.	Riveness	Welle
Dorn	Krueger	Ogren	Rodosovich	Winter
Jensen	Lasley	Orenstein	Segal	Spk. Vanasek

Those who voted in the negative were:

Anderson, G.	Forsythe	Kinkel	Omann	Seaberg
Anderson, R.	Frederick	Knickerbocker	Onnen	Simoneau
Battaglia	Frerichs	Larsen	Osthoff	Skoglund
Beard	Greenfield	Marsh	Otis	Solberg
Begich	Gruenes	McDonald	Ozment	Stanius
Bennett	Gutknecht	McEachern	Pappas	Stensma
Bertram	Hartle	McKasy	Pauly	Sviggum
Blatz	Haukoos	McLaughlin	Poppenhagen	Swenson
Boo	Heap	McPherson	Price	Thiede
Brown	Himle	Milbert	Quinn	Tjornhom
Burger	Hugoson	Miller	Quist	Tompkins
Carlson, D.	Jacobs	Minne	Redalen	Trimble
Carlson, L.	Jaros	Morrison	Rice	Uphus
Carruthers	Jefferson	Munger	Richter	Valento
Clark	Jennings	Murphy	Rose	Voss
Clausnitzer	Johnson, A.	Neuenschwander	Rukavina	Waltman
Dawkins	Johnson, R.	O'Connor	Sarna	Wenzel
Dempsey	Johnson, V.	Olsen, S.	Schafer	Wynia
DeRaad	Kahn	Olson, E.	Scheid	
Dille	Kelly	Olson, K.	Schreiber	

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

Heap moved to amend S. F. No. 2235, as follows:

Page 1, after line 7, insert:

“ARTICLE 1”

Page 2, after line 32, insert:

“ARTICLE 2

WORKERS' COMPENSATION SYSTEM CHANGES

Section 1. Minnesota Statutes 1986, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] “Family farm” means any farm operation which (1) pays or is obligated to pay less than \$8,000 \$20,000 in cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year, and (2) has total liability and medical payment coverage equal to \$250,000 and \$5,000, respectively, under a farm liability insurance policy. For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 2. Minnesota Statutes 1986, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed $66 \frac{2}{3}$ percent of the product of the daily wage times the number of days normally worked employee's after-tax weekly wage, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 3. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 18a. [AFTER-TAX WEEKLY WAGE.] After-tax weekly wage means the weekly wage reduced by the amounts required to be withheld by the Federal Insurance Contributions Act, United States Code, Title 16, sections 3101 to 3126, but without regard to the yearly maximum, and by state and federal income tax laws using as the number of allowances the number of exemptions that the employee is entitled to under federal law for the employee and the employee's dependents.

Sec. 4. Minnesota Statutes 1986, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of 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 for medical, burial, and other nonperiodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section 176.101 13. If doubt exists as to the eventual permanent partial disability, payment for the ~~economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101,~~ shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of ~~economic recovery compensation or lump sum or periodic payment of impairment compensation~~ permanent partial disability compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. ~~Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the 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 compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation 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 section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.~~

The right to receive economic recovery compensation or impairment permanent partial compensation vests in an injured employee or in the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained, provided that the employee lives for at least 30 days beyond the date of the injury. The right is not abrogated by the employee's death prior to the making of the payment. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3c, are not met.

Disability ratings for permanent partial disability shall be based on objective medical evidence.

Sec. 5. Minnesota Statutes 1987 Supplement, section 176.041, subdivision 4, is amended to read:

Subd. 4. [OUT-OF-STATE EMPLOYMENTS.] (a) Except as provided in paragraph (b), if an employee who regularly performs the primary duties of employment outside of this state or is hired to perform the primary duties of employment outside of this state, receives an injury within this state in the employ of the same employer, such injury shall be covered within the provisions of this chapter if the employee chooses to forego any workers' compensation claim resulting from the injury that the employee may have a right to pursue in some other state, provided that the special compensation fund is not liable for payment of benefits pursuant to section 176.183 if the employer is not insured against workers' compensation liability pursuant to this chapter and the employee is a nonresident of Minnesota on the date of the personal injury.

(b) An employee who has been hired outside of this state, or regularly performs the primary duties of employment outside of this state, and the employee's employer, are exempt from the provisions of this chapter while the employee is temporarily within this state performing work for the employer provided the employer has furnished workers' compensation insurance coverage under the workers' compensation law or other similar law of another state which covers the employee's employment while in this state. The benefits under the workers' compensation law or similar law of the other state, or other remedies under that state's law, are the exclusive remedy against the employer for any injury, whether resulting in death or not, received by the employee while working for that employer within this state. A certificate from the commissioner of labor and industry or other similar official of another state certifying that the employer is insured in that state and has provided extraterritorial coverage insuring its employees while

working within this state is prima facie evidence that the employer carries workers' compensation insurance on those employees.

Sec. 6. Minnesota Statutes 1986, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation,~~ medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 7. Minnesota Statutes 1986, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in ~~clause paragraph~~ (b). If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. 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, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under ~~section 176.242, 176.2421, 176.243, or 176.244~~ sections 176.106 and 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) An attorney who is claiming legal fees ~~under this section~~ for representing an employee in a workers' compensation matter shall file a statement of ~~attorney's attorney~~ fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee. If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation

judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5. If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

(c) An attorney representing employers or insurers shall file a statement of attorney fees or wages with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. The statement of attorney fees or wages must contain the following information: the average hourly wage or the value of hours worked on that case if the attorney is an employee of the employer or insurer, the number of hours worked on that case, and the average hourly rate or amount charged an employer or insurer for that case if the attorney is not an employee of the employer or insurer.

(d) Employers and insurers may not pay attorney fees or wages for legal services of more than \$6,500 per case unless the additional fees or wages are approved under subdivision 2.

Sec. 8. Minnesota Statutes 1987 Supplement, section 176.081, subdivision 2, is amended to read:

Subd. 2. An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested ~~and, the number of hours spent on the case,~~ the basis for the request, and whether or not a hearing is requested. The application, with affidavit of service upon the ~~employee attorney's client,~~ 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 the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 9. Minnesota Statutes 1986, section 176.081, subdivision 3, is amended to read:

Subd. 3. ~~An employee who~~ A party that is dissatisfied with its attorney fees, may file an application for review by the 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 party's attorney ~~for the employee~~ by the 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 workers' compensation court of appeals shall have the

authority to raise ~~the question of~~ the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 10. Minnesota Statutes 1986, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] (a) For an injury producing temporary total disability, the compensation is ~~66 $\frac{2}{3}$~~ 80 percent of the after-tax weekly wage at the time of injury.

(1) ~~provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1,~~ (b) The maximum weekly compensation payable is 105 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

~~(2)~~ (c) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 ~~50~~ 20 percent of the statewide average weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. ~~In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

(d) ~~Subject to subdivisions 3a to 3u~~ This compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be, and shall cease whenever any one of the following occurs:

(1) the disability ends;

(2) the employee returns to work;

(3) the employee retires by withdrawing from the labor market;

(4) the employee refuses an offer of work that is consistent with a plan of rehabilitation filed with the commissioner, which meets the requirements of section 176.102, subdivision 1, or, if no plan has been filed, that the employee can do in the employee's physical condition; or

(5) 90 days have passed after the employee has reached maximum medical improvement, except as provided in section 176.102, subdivision 1, paragraph (b).

(e) For purposes of paragraph (d), clause (5), the 90-day period after maximum medical improvement commences on the earlier of:

(1) the date that the employee receives a written medical report indicating that the employee has reached maximum medical improvement; or

(2) the date that the employer or insurer serves the report on the employee and the employee's legal representative and files a copy with the division.

(f) Once compensation has ceased under paragraph (d), clauses (1), (2), and (3), it may be recommenced at a later date if: the employee returns to work, the employee is laid off due to economic conditions or is medically unable to continue at the job, and the layoff or inability to continue occurs prior to 90 days after the employee reaches maximum medical improvement. Compensation recommenced under this paragraph is subject to cessation under paragraph (d). Recommenced compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).

(g) Once compensation has ceased under paragraph (d), clauses (4) and (5), it may not be recommenced at a later date except as provided under section 176.102, subdivision 11, paragraph (b).

Sec. 11. Minnesota Statutes 1986, section 176.101, is amended by adding a subdivision to read:

Subd. 1a. [EXTENDED DISABILITY COMPENSATION.] (a) If an employee, who has a permanent partial disability, is not working because of the personal injury after payment of permanent partial disability benefits is complete, the employee shall be eligible for extended disability compensation. If an employee received any permanent partial compensation in a lump sum, payment will be considered complete after expiration of the period that the employee would have received permanent partial compensation had it been paid periodically.

(b) Extended disability compensation is paid at the rate for temporary total compensation, escalated under section 176.645, for the number of weeks equal to 246 multiplied by the employee's percentage rating of permanent partial disability, determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. The total extended compensation for any injury may not exceed this product.

(c) Extended disability compensation shall cease if the employee is no longer disabled, returns to work, refuses a job offer described in subdivision 1, paragraph (d), clause (4), or retires from the labor market.

(d) An employee is not eligible for extended disability compensation if, at any time before the employee would have become eligible:

(1) the employee refuses a job offer, as described in subdivision 1, paragraph (d), clause (4); or

(2) the employee returns to work and terminates employment, unless the employee was medically unable to continue work or was terminated without just cause.

(e) An employee is eligible for extended compensation at any time after payment of permanent partial benefits is complete so long as the employee meets the qualifications of this section and has not been paid the maximum number of weeks under paragraph (b) for that injury; provided that, extended compensation may not be paid beyond 350 weeks after the date of injury.

Sec. 12. Minnesota Statutes 1986, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be ~~66 $\frac{2}{3}$~~ percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition. paid as follows:

(1) for the first 26 weeks that the employee returns to work, the compensation shall be 80 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is earning in the employee's partially disabled condition;

(2) for the second 26 weeks that the employee returns to work, the compensation shall be 60 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is earning in the employee's partially disabled condition; and

(3) for the third 26 weeks that the employee returns to work, the compensation shall be 40 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is earning in the employee's partially disabled condition.

(b) This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to 105 percent of the statewide average weekly wage.

(c) Temporary partial compensation may be paid only while the employee is working and earning less than the employee's weekly wage at the time of the injury. Except as provided in section

176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 78 weeks or after 350 weeks after the date of injury, whichever occurs first.

Sec. 13. Minnesota Statutes 1986, section 176.101, is amended by adding a subdivision to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] (a) Compensation for permanent partial disability is as provided in this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule, the amount of compensation is equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<u>Percent of Disability</u>	<u>Amount</u>
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period.

Sec. 14. Minnesota Statutes 1986, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66%~~ 80 percent of the daily after-tax weekly wage at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 15. Minnesota Statutes 1986, section 176.101, subdivision 5, is amended to read:

Subd. 5. [TOTAL DISABILITY DEFINITION.] (a) For purposes of subdivision 4, permanent total disability means only:

(1) the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties;₂ or

(2) any other injury which totally and permanently incapacitates the employee from working at an occupation which brings the employee an income ~~constitutes total disability.~~

(b) For purposes of paragraph (a), clause (2), totally and permanently incapacitated means that the employee's physical disability, in combination with the employee's age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial

income. Local labor market conditions may not be considered in making the total and permanent incapacitation determination.

Sec. 16. Minnesota Statutes 1986, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (a) This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.

(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 17. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 18. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member and two members one member each from representing employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four two members each representing labor and rehabilitation vendors, and six members who are qualified rehabilitation consultants. The members shall be appointed by the commissioner and shall serve four-year

terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 19. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, ~~chiropractic~~, or rehabilitation vendors, and one member representing qualified rehabilitation consultants.

Sec. 20. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this~~

subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant; except that, if the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate pursuant to subdivision 1, the employer shall provide such services. If the consultation indicates that rehabilitation services are not appropriate pursuant to subdivision 1, the employer shall notify the employee of this determination within seven days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer must notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest. The consultant shall also disclose to all parties any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party to the case, including or to any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

(f) If the employer does not provide rehabilitation consultation, or the employee does not select a qualified rehabilitation consultant, as required by this section provided under paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide, or the employee fails to select, whichever is applicable, a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(h) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 21. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation

judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. A plan that is not completed within six months or that will cost more than \$3,000 must be specifically approved by the commissioner. This approval may not be waived by the parties.

Sec. 22. Minnesota Statutes 1986, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] (a) Upon request by the commissioner, insurer, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner, insurer, employer, or employee.

(b) If a rehabilitation plan has not already been filed pursuant to subdivision 4, an employer shall report to the commissioner after 90 days from the date of the injury, but before 120 days therefrom, as to what rehabilitation consultation and services, if any, have been provided to the injured employee or why rehabilitation consultation and services have not been provided.

Sec. 23. Minnesota Statutes 1986, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) Pursuant to section 176.101, subdivisions 1 and 2, temporary total disability or temporary partial disability shall be paid during a retraining plan that has been specifically approved under this section and for up to 90 days after the end of the plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (4). Compensation paid under this paragraph must cease if the

employee terminates participation in the approved retraining plan without good cause.

Sec. 24. Minnesota Statutes 1986, section 176.105, subdivision 1, is amended to read:

Subdivision 1. (a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. The commissioner, in consultation with the medical services review board, shall annually review these rules to determine whether any injuries omitted from the schedule should be compensable and, if so, amend the rules accordingly.

(b) Disability ratings for permanent partial disability must be based on objective medical evidence.

Sec. 25. Minnesota Statutes 1986, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at 50 80 percent of the after-tax weekly wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 26. Minnesota Statutes 1986, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 80 percent of the daily after-tax weekly 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 weekly benefits at a rate which is 16% percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

Sec. 27. Minnesota Statutes 1986, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66% 80 percent of the daily after-tax weekly wage at the time of the injury of the deceased until the last dependent child is no longer dependent. At that time the dependent

surviving spouse shall be paid weekly benefits at a rate which is ~~25~~ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

Sec. 28. Minnesota Statutes 1986, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid ~~55~~ 80 percent of the after-tax weekly wage at the time of the injury of the deceased, for two or more orphans there shall be paid ~~66 $\frac{2}{3}$~~ 80 percent of the wages after-tax weekly wage.

Sec. 29. Minnesota Statutes 1986, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee leave no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on deceased, there shall be paid to such parents jointly ~~45~~ 80 percent of the after-tax weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 80 percent of the after-tax weekly wage thereafter. If the deceased employee leave one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 80 percent of the after-tax weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 30. Minnesota Statutes 1987 Supplement, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, ~~30~~ 40 percent of the after-tax weekly wage at the time of injury of the deceased, or if more than one, ~~35~~ 45 percent of the after-tax weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 31. Minnesota Statutes 1986, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual

dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66%~~ 80 percent of the after-tax weekly wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 32. Minnesota Statutes 1987 Supplement, 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 after-tax weekly wage being earned by the deceased employee at the time of the injury causing death; provided, however, that no state workers' compensation 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. For the purposes of this subdivision, mother's or father's insurance benefits received pursuant to United States Code, title 42, section 402(g), are benefits under a government survivor program.

Sec. 33. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability from that injury alone that is substantially greater, because of a preexisting physical impairment, than what would have resulted from the personal injury alone, the employer or insurer shall pay all compensation provided by this chapter, but the employer shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and ~~\$2,000~~ \$3,500 in medical expenses, subject to the exceptions in paragraphs (a), (b), and (c):

(a) If the disability caused by the subsequent injury is made

substantially greater by the employee's registered preexisting physical impairment, there shall be apportionment of liability among all injuries. The special compensation fund shall only reimburse for that portion of the compensation, medical expenses, and rehabilitation expenses attributed to the subsequent injury after the applicable deductible has been met.

(b) If the subsequent personal injury alone results in permanent partial disability to a scheduled member under the schedule adopted by the commissioner pursuant to section 176.105, the special compensation fund shall not reimburse permanent partial disability, medical expenses, or rehabilitation expenses.

(c) Reimbursement for compensation paid shall be at the rate of 75 percent.

Sec. 34. Minnesota Statutes 1986, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on-the-job training program pursuant to an approved rehabilitation plan under section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on-the-job training program, the on-the-job training employer shall pay the medical expenses and compensation required by this chapter, and shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury; except that, reimbursement for compensation paid shall be at the rate of 75 percent. The employer, at the time of the personal injury for which the employee has been approved for on-the-job training, is liable for the portion of the disability that is attributable to that injury.

Sec. 35. Minnesota Statutes 1986, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury results in disability or death, and if the injury, death, or disability would not have occurred except for the preexisting physical impairment registered with the special compensation fund, the employer shall pay all compensation provided by this chapter, and shall be ~~fully~~ reimbursed from the special compensation fund for the compensation, except that:

(1) this full reimbursement shall not be made for cardiac disease or a condition registered pursuant to subdivision 8, clause (t) or (u) unless the commissioner by rule provides otherwise; and

(2) reimbursement for compensation paid shall be at the rate of 75 percent.

Sec. 36. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment except that physical impairment is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease, provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,

(q) Seizures,

(r) Cancer of the bone,

(s) Leukemia,

(t) Any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

(u) Any other physical impairments of a permanent nature which the commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

Sec. 37. Minnesota Statutes 1986, section 176.131, is amended by adding a subdivision to read:

Subd. 13. [APPLICABLE LAW.] The right to reimbursement under this section is governed by the law in effect on the date of the subsequent injury.

Sec. 38. Minnesota Statutes 1986, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) ~~An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.~~

(b) ~~An employee who has suffered personal injury after October 1, 1983, and before August 1, 1988, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits~~

after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after August 1, 1988, that caused a permanent total disability, as defined in section 176.101, subdivision 5, is eligible to receive supplementary benefits after four years have elapsed since the first date of the total disability, provided that the employee continues to have a permanent total disability.

Sec. 39. Minnesota Statutes 1986, 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 4, and 65 percent of the statewide average weekly wage as computed annually. The supplementary benefit payable under this section is:

(1) the sum of the amount the employee receives under section 176.101, subdivision 4, plus the amount of any disability benefits being paid by any government disability benefit program if those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4, plus any old age and survivor's insurance benefits, subtracted from

(2) 50 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 50 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) (d) 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 the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

Sec. 40. Minnesota Statutes 1986, section 176.132, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The payment of supplementary benefits shall be the responsibility of the employer or insurer currently paying total disability benefits, or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law. The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 41. Minnesota Statutes 1986, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner 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 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 shall must 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 75th 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.

(b) The medical fee rules for providers other than hospitals, which are promulgated on October 1, 1987, and based upon 1986 medical

cost data, must remain in effect until September 30, 1989; and the medical fee rules for providers other than hospitals, which are promulgated on October 1, 1989, must be based on the 1987 medical cost data and must remain in effect until September 30, 1990.

(c) The procedures established by the commissioner for determining whether or not the charge for a health service is excessive ~~shall~~ must be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures ~~shall~~ must incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 42. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. An insurer or employer may not pay fees above the amount in the schedule.

Sec. 43. Minnesota Statutes 1987 Supplement, section 176.221, subdivision 1, is amended to read:

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within 14 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter 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. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within ~~30~~ 60 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within ~~30~~ 60 days of notice or knowledge. After the ~~30-day~~ 60-day period, payment may be terminated only by the filing of a notice as provided under section 176.239. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Sec. 44. Minnesota Statutes 1986, section 176.645, subdivision 1, is amended to read:

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 total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, 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~~ four 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~~ four percent.

Sec. 45. Minnesota Statutes 1986, section 176.645, subdivision 2, is amended to read:

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 the first anniversary of the date of the injury. For injuries occurring on or after August 1, 1988, the initial adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.

Sec. 46. Minnesota Statutes 1986, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66%~~ 80 percent of the employee's after-tax weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 47. [176.90] [AFTER-TAX CALCULATION.]

For purposes of section 176.011, subdivision 18, section 176.101, subdivisions 1, 2, 3, and 4, section 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21, and section 176.66, the commissioner shall publish by September 1 of each year tables or formulas for determining the after-tax weekly wage to take effect the following October 1. The tables or formulas must be based on the applicable federal income tax and social security laws and state income tax laws in effect on the preceding April 1. These tables or formulas are conclusive for the purposes of converting weekly wage into after-tax weekly wage. The commissioner may contract with the department of revenue or any other person or organization in order to adopt the tables or formulas. The adoption of the tables or formulas is exempt from the administrative rulemaking provisions of chapter 14.

Sec. 48. [176.95] [ADMINISTRATIVE COSTS.]

The annual cost to the commissioner of labor and industry of administering the workers' compensation system under this chapter must be charged to the state general fund. Administrative costs include the cost of administering the workers' compensation division of the department of labor and industry and the workers' compensation division of the office of administrative hearings.

Sec. 49. [ADMINISTRATIVE COSTS CHANGE-OVER.]

For the biennium beginning July 1, 1989, 50 percent of the costs of administering the workers' compensation system must be charged

to the state general fund and 50 percent to the special compensation fund.

Sec. 50. [EXISTING DISABILITY RATINGS.]

Existing disability ratings adopted under section 176.105, subdivision 1, may not be changed before June 30, 1991.

Sec. 51. [AFTER-TAX CALCULATION.]

Notwithstanding section 47, the commissioner of labor and industry shall publish by July 15, 1988, a table or formula for determining the after-tax weekly wage effective August 1, 1988, until October 1, 1988, as otherwise required under that section.

Sec. 52. [APPROPRIATION.]

\$434,800 is appropriated from the workers' compensation special compensation fund to the commissioner of labor and industry to administer the workers' compensation system in accordance with this article. \$124,800 is for fiscal year 1988 and is available until June 30, 1989. \$310,000 is for fiscal year 1989. The approved complement of the department of labor and industry is increased by ten positions.

Sec. 53. [REPEALER.]

Minnesota Statutes 1986, sections 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6, are repealed.

Sec. 54. [EFFECTIVE DATE.]

Sections 5, 17, 18, 19, 24, 43, 47, 50, and 51 are effective the day following final enactment. Section 48 is effective July 1, 1991. Notwithstanding section 176.1321, sections 1 to 4, 6 to 16, 20 to 23, 25 to 41, 44 to 46, 49, and 53 are effective August 1, 1988. Section 42 is effective January 1, 1989.

ARTICLE 3

WORKERS' COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1986, section 79.095, is amended to read:

79.095 [APPOINTMENT OF ACTUARY.]

The commissioner ~~shall~~ may employ the services of a casualty ~~actuary~~ actuaries experienced in ~~worker's~~ workers' compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of ~~the~~ an actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 2. Minnesota Statutes 1986, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] No premium is excessive in a competitive market. ~~In the absence of a competitive market,~~ Premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Sec. 3. Minnesota Statutes 1986, section 79.56, is amended by adding a subdivision to read:

Subd. 5. [RATE REGULATION.] (a) Whenever an insurer files a change in its existing rate level or rating plan, the commissioner may hold a hearing to determine if the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. The hearing must be conducted pursuant to chapter 14. The commissioner shall give notice of intent to hold a hearing within 90 days of the filing of the change. It is the responsibility of the insurer to show that the rate level or rating plan is not excessive, inadequate, or unfairly discriminatory. The rate level or rating plan is effective unless it is determined as a result of the hearing that the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. Upon such a finding, the rate level or rating plan is retroactively rescinded and any premiums collected thereunder must be refunded. This subdivision applies only to changes resulting from an insurer's utilization of either: (1) the pure premium base rate level filed by any data service organization, plus the insurer's loading for expenses and profit; or (2) the insurer's own filed rate levels and rating plan. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, or statutory benefit level changes to sections 176.101, subdivisions 1, 2, and 4, 176.111, 176.132, and 176.645 as a result of annual adjustments in the statewide average weekly wage. The disapproval of a rate level or rating plan under this subdivision must be done in the same manner as under section 70A.11, except that the standards of section 79.55 apply.

(b) Notwithstanding paragraph (a), if the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this subdivision, the commissioner must hold a hearing if the

commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court or enactment of a statute has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner of labor and industry must make a prima facie showing that law change has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed.

(c) Notwithstanding paragraph (a), the commissioner may hold a hearing if the commissioner determines that the hearing is necessary because of circumstances which result in a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner must make a prima facie showing that the circumstances resulted in a substantial change in the basis upon which the existing rate levels or rating plan was filed.

Sec. 4. [79.561] [PARTICIPATION.]

An employer, or person representing a group of employers, which will be directly affected by a change in an insurer's existing rate level or rating plan filed under section 3, and the commissioner of labor and industry, must be allowed to participate in any hearing under that subdivision challenging the change in rate level or rating plan as being excessive, inadequate, or unfairly discriminatory.

Sec. 5. Minnesota Statutes 1986, section 79.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for

insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; and

(h) Assess its members for operating expenses on a fair and equitable basis;

(i) Separate the incurred but not reported losses of its members;

(j) Separate paid and outstanding losses of its members;

(k) Provide information indicating cases in which its members have established a reserve in excess of \$50,000;

(l) Provide information on the income on invested reserves of its members;

(m) Provide information as to policies written at other than the filed rates;

(n) File information based solely on Minnesota premium income of its members concerning investment income, legal expenses, subro-

gation recoveries, administrative expenses, and commission expenses;

(o) File information based solely on Minnesota data concerning its members' reserving practices, premium income, indemnity, and medical benefits paid; and

(p) Provide any records of the data service organizations that are requested by the commissioner or otherwise required by statute.

Sec. 6. [79.65] [CHAPTER APPLICABILITY TO DATA SERVICE ORGANIZATIONS.]

Subdivision 1. [EXAMINATION BY COMMISSIONER.] Data service organizations are subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any reasonable time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the departments of commerce or labor and industry or other parties retained by the commissioner. Examination under this section may be done of any member of data service organizations for purposes of workers' compensation insurance regulation.

Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the data service organization shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. A sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 7. Minnesota Statutes 1986, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue such coverage.

Sec. 8. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in article 1 and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on August 1, 1988, must be reduced by 16 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to

recoup the 16 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 16 percent premium reduction prorated to the expiration of that policy. An insurer shall provide written notice by September 1, 1988, to all employers having an outstanding policy with the insurer as of August 1, 1988, to read as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1988 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ which reflects a 16 percent mandated premium reduction prorated to the expiration of your policy."

(b) No rate increases may be filed between April 10, 1988, and January 1, 1989.

Sec. 9. [NOTICE OF INTENT TO CHALLENGE RATE LEVEL CHANGE.]

Notwithstanding section 3, the commissioner shall have an additional 90 days to give notice of intent to hold a hearing pursuant to that section. This section applies only to challenges to an insurer's change in existing rate levels or rating plan filed between the date the 1989 rate-making report is approved by the commissioner of commerce and six months thereafter.

Sec. 10. [RECORDS DEPOSITED WITH THE COMMISSIONER.]

All records of data services organizations authorized by section 79.61, or its predecessors, pertaining to proceedings before the department of commerce or its predecessors regarding rates or classifications must be deposited with the commissioner no later than August 1, 1988.

Sec. 11. [CONTINGENT APPROPRIATION.]

(a) \$250,000 is appropriated from the special compensation fund to a workers' compensation contingent account for the purposes of this article. The appropriation in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30. The appropriation in this section does not cancel but is available until June 30, 1989.

(b) \$100,000 from the general contingent account for workers' compensation appropriated under Laws 1987, chapter 404, section 44, is available for the purposes of article 2.

Sec. 12. [REPEALER.]

Minnesota Statutes 1986, sections 79.54, 79.57, and 79.58 are repealed.

Sec. 13. [EFFECTIVE DATE.]

Section 8, paragraph (b), is effective the day following final enactment.

ARTICLE 4

WORKERS' COMPENSATION COURT OF APPEALS ABOLISHED

Section 1. Minnesota Statutes 1986, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a 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, the party 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 compensation judge committed an error of law; or
- (3) the findings of fact and order were clearly erroneous and unsupported by substantial evidence in view of the entire record as submitted; or
- (4) the findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 2. Minnesota Statutes 1986, 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' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. On review, the court may not substitute its judgment for that of the compensation judge as to the weight or credibility of the evidence on any finding of fact. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:

(1) grant an oral argument based on the record before the compensation judge;

(2) examine the record;

(3) substitute for the findings of fact made by the compensation judge findings based on the total evidence;

(4) sustain, reverse, make or modify an award or disallowance of compensation or other order based on the facts, findings, and law; and,

(5) (4) remand or make other appropriate order.

Sec. 3. Minnesota Statutes 1986, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court and the workers' compensation court of appeals. The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 4. Minnesota Statutes 1986, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in sections 14.44 and 14.45; and; the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.

Sec. 5. [TRANSFER OF JURISDICTION AND PERSONNEL.]

The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 2, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that, all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.

Sec. 6. [INCREASED JUDGES.]

(a) The number of judges on the court of appeals as of January 1, 1989, shall be increased by three. The three additional judges are subject to senate confirmation.

(b) For purposes of establishing the number of judges on the court of appeals pursuant to Minnesota Statutes, section 480A.01, subdivision 3, the number of appeals filed in the court of appeals for the calendar years 1987 and 1988 shall be considered to include three-fourths of the number of appeals filed in the workers' compensation court of appeals for those two years.

Sec. 7. [INSTRUCTION TO REVISOR.]

In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."

Sec. 8. [REAPPROPRIATION.]

\$386,064 is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal year 1989 due to the abolishment of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.

Sec. 9. [REPEALER.]

Minnesota Statutes 1986, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; and 175A.10, are repealed. Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Sections 3 to 9 are effective January 1, 1989.

ARTICLE 5

REPORTS TO THE LEGISLATURE

Section 1. [REPORT TO THE LEGISLATURE ON MEDICAL ISSUES.]

The commissioner of labor and industry shall present a report to the legislature concerning medical issues in the workers' compensation system. Specifically, the report must include findings and

recommendations designed to contain or reduce the cost of workers' compensation related medical services, including methods of controlling the cost of ongoing therapy treatments. The report must be presented by January 1, 1990.

The state fund mutual insurance company shall be consulted, as part of the medical services study, in order to assist the department in developing a proposal to collect and analyze all medical bills. The ultimate goal of this consultation will be the development of a flagging and monitoring system to identify cases which significantly deviate from normal utilization patterns, costs and outcomes. The department shall make a preliminary report on the progress of the proposal to the legislature on January 1, 1989. The department shall make a final recommendation on implementation of the proposal at the time it makes its report to the legislature concerning medical issues in the workers' compensation system on January 1, 1990.

Sec. 2. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL PHYSICIANS.]

The commissioner of labor and industry shall present a report to the legislature concerning workers' compensation before January 1, 1989, which develops and evaluates a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities. The report must contain a bill proposal to implement the commissioner's recommendations.

Sec. 3. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL QUALIFIED REHABILITATION CONSULTANTS.]

To reduce cost and contention in the rehabilitation system, the commissioner of labor and industry shall develop and evaluate a detailed proposal to establish a system to ensure that qualified rehabilitation consultants will not be aligned with either insurers or claimants. The commissioner shall consider alternative methods of selection and payment to ensure neutrality. The commissioner shall present a report and proposal to the legislature by January 1, 1989.

Sec. 4. [REPORT TO THE LEGISLATURE ON IMPLEMENTATION OF MANDATED RATE REDUCTIONS.]

The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under article 2, section 8, have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner must present a report detailing findings and conclusions to the legislature by February 1, 1989.

Sec. 5. [REPORT TO THE LEGISLATURE ON RECODIFICATION OF WORKERS' COMPENSATION LAW.]

The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176.

The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.

Each state department agency and legislative staff, including senate counsel and house of representatives research, shall provide assistance in the recodification as requested by the revisor of statutes.

The revisor shall report to the legislature by January 1, 1989, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 1, 1990.

Sec. 6. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF THE CHIEF ADMINISTRATIVE LAW JUDGE.]

The chief administrative law judge shall consider methods to reduce the formality and length of hearings in workers' compensation cases at the office of administrative hearings, with a goal of completing 50 percent of the hearings in less than two hours, 75 percent in less than four hours and nearly all of the cases in less than one day. Before January 1, 1989, the chief judge shall report to the legislature on the efforts to meet these goals, including any recommendations for legislation needed to achieve these goals.

Sec. 7. [REPORT TO THE LEGISLATURE ON STATE REGULATION OF WORKERS' COMPENSATION INSURANCE.]

Legislative staff shall prepare and present a report to the legislature surveying the different processes for regulation of workers' compensation insurance rating plans under other states' workers' compensation insurance laws. The report must be presented to the legislature by January 1, 1989.

Sec. 8. [APPROPRIATION.]

\$100,000 is appropriated from the special compensation fund to the commissioner of labor and industry for the purposes of sections 2, 3, and 4.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; providing for the appointment of actuaries; abolishing the workers' compensation court of appeals and transferring its jurisdiction to the court of appeals; requiring certain reports relating to workers' compensation; appropriating money; amending Minnesota Statutes 1986, sections 79.095; 79.55, subdivision 2; 79.56, by adding a subdivision; 79.61, subdivision 1; 176.011, subdivisions 11a, 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.081, subdivisions 1 and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.136, subdivision 1, and by adding a subdivision; 176.421, subdivisions 1 and 6; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176A.03, by adding a subdivision; and 480A.06, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, sections 176.041, subdivision 4; 176.081, subdivision 2; 176.102, subdivisions 2, 3, 3a, 4, and 6; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; 176.155, subdivision 1; 176.221, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1986, sections 79.54; 79.57; 79.58; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6; and Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2."

A roll call was requested and properly seconded.

POINT OF ORDER

Begich raised a point of order pursuant to rule 3.10 that the Heap amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

POINT OF ORDER

Battaglia raised a point of order pursuant to section 112, paragraphs 5 and 6 of "Mason's Manual of Legislative Procedure" relating to the reading of papers. The Speaker ruled the point of order well taken.

The question recurred on the Heap amendment and the roll was called. There were 80 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Kalis	Olsen, S.	Seaberg
Bauerly	Dorn	Kelso	Olson, E.	Shaver
Bennett	Forsythe	Kludt	Omamm	Sparby
Bertram	Frederick	Knickerbocker	Onnen	Stanius
Bishop	Frerichs	Knuth	Ozment	Steensma
Blatz	Gruenes	Krueger	Pauly	Sviggum
Boo	Gutknecht	Lasley	Pelowski	Swenson
Brown	Hartle	Lieder	Peterson	Thiede
Burger	Haukoos	Marsh	Poppenhagen	Tjornhom
Carlson, D.	Heap	McDonald	Quist	Tompkins
Clausnitzer	Himle	McEachern	Redalen	Tunheim
Cooper	Hugoson	McKasy	Richter	Uphus
Dauner	Jennings	McPherson	Rodosovich	Valento
DeBlieck	Jensen	Miller	Rose	Waltman
Dempsey	Johnson, R.	Morrison	Schafer	Welle
DeRaad	Johnson, V.	Nelson, C.	Schreiber	Winter

Those who voted in the negative were:

Anderson, G.	Jefferson	Munger	Pappas	Simoneau
Battaglia	Johnson, A.	Murphy	Price	Skoglund
Beard	Kahn	Nelson, D.	Quinn	Solberg
Begich	Kelly	Nelson, K.	Reding	Trimble
Carlson, L.	Kinkel	Neuenschwander	Rest	Vellenga
Carruthers	Kostohryz	O'Connor	Rice	Voss
Clark	Larsen	Ogren	Riveness	Wagenius
Dawkins	Long	Olson, K.	Rukavina	Wenzel
Greenfield	McLaughlin	Orenstein	Sarna	Wynia
Jacobs	Milbert	Osthoff	Scheid	Spk. Vanasek
Jaros	Minne	Otis	Segal	

The motion prevailed and the amendment was adopted.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 5.8 that S. F. No. 2235, as amended, be re-referred to the Committee on Governmental Operations. The Speaker ruled the point of order not well taken.

Anderson, G., moved to amend S. F. No. 2235, as amended, as follows:

Page 2, after line 32, insert:

“Sec. 2. [REPEALER.]

Minnesota Statutes, chapters 79 and 176, are repealed.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1989.”

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Anderson, G., amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 7 yeas and 125 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Kalis	Kludt	Pappas
Jennings	Kinkel	Larsen	

Those who voted in the negative were:

Anderson, R.	Forsythe	Lieder	Osthoff	Shaver
Battaglia	Frederick	Long	Otis	Simoneau
Bauerly	Frerichs	Marsh	Ozment	Skoglund
Beard	Greenfield	McDonald	Pauly	Solberg
Begich	Gruenes	McEachern	Pelowski	Sparby
Bennett	Gutknecht	McKasy	Peterson	Stanius
Bertram	Hartle	McLaughlin	Poppenhagen	Steensma
Bishop	Haukoos	McPherson	Price	Sviggum
Blatz	Heap	Milbert	Quinn	Swenson
Boo	Himle	Miller	Quist	Thiede
Brown	Hugoson	Minne	Redalen	Tjornhom
Burger	Jacobs	Morrison	Reding	Tompkins
Carlson, D.	Jefferson	Murphy	Rest	Trimble
Carlson, L.	Jensen	Nelson, C.	Rice	Tunheim
Carruthers	Johnson, A.	Nelson, D.	Richter	Uphus
Clark	Johnson, R.	Nelson, K.	Riveness	Valento
Clausnitzer	Johnson, V.	Neuenschwander	Rodosovich	Vellenga
Cooper	Kahn	O'Connor	Rose	Voss
Dauner	Kelly	Ogren	Rukavina	Wagenius
Dawkins	Kelso	Olsen, S.	Sarna	Waltman
DeBlieck	Knickerbocker	Olson, E.	Schafer	Welle
Dempsey	Knuth	Olson, K.	Scheid	Wenzel
DeRaad	Kostohryz	Omann	Schreiber	Winter
Dille	Krueger	Onnen	Seaberg	Wynia
Dorn	Lasley	Orenstein	Segal	Spk. Vanasek

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

S. F. No. 2235, A bill for an act relating to workers' compensation; regulating the location of certain medical examinations; amending Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 81 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Kalis	Olsen, S.	Schreiber
Bauerly	Dorn	Kelso	Olsen, E.	Seaberg
Bennett	Forsythe	Kludt	Olsen, K.	Shaver
Bertram	Frederick	Knickerbocker	Omann	Sparby
Bishop	Frerichs	Knuth	Onnen	Stanius
Blatz	Gruenes	Krueger	Ozment	Steensma
Boo	Gutknecht	Lasley	Pauly	Swiggum
Brown	Hartle	Lieder	Pelowski	Swenson
Burger	Haukoos	Marsh	Peterson	Thiede
Carlson, D.	Heap	McDonald	Poppenhagen	Tjornhom
Clausnitzer	Himle	McEachern	Quist	Tompkins
Cooper	Hugoson	McKasy	Redalen	Tunheim
Dauner	Jennings	McPherson	Richter	Uphus
DeBlicke	Jensen	Miller	Rodosovich	Valento
Dempsey	Johnson, R.	Morrison	Rose	Waltman
DeRaad	Johnson, V.	Nelson, C.	Schafer	Welle
				Winter

Those who voted in the negative were:

Anderson, G.	Jefferson	Munger	Price	Skoglund
Battaglia	Johnson, A.	Murphy	Quinn	Solberg
Beard	Kahn	Nelson, D.	Reding	Trimble
Begich	Kelly	Nelson, K.	Rest	Vellenga
Carlson, L.	Kinkel	Neuenschwander	Rice	Voss
Carruthers	Kostohryz	O'Connor	Riveness	Wagenius
Clark	Larsen	Ogren	Rukavina	Wenzel
Dawkins	Long	Orenstein	Sarna	Wynia
Greenfield	McLaughlin	Osthoff	Scheid	Spk. Vanasek
Jacobs	Milbert	Otis	Segal	
Jaros	Minne	Pappas	Simoneau	

The bill was passed, as amended, and its title agreed to.

S. F. No. 2452 was reported to the House.

Kelly moved that S. F. No. 2452 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 994 was reported to the House.

Trimble moved that S. F. No. 994 be continued on Special Orders for one day. The motion prevailed.

CALL OF THE HOUSE LIFTED

Simoneau moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Nelson, K., was excused for the remainder of today's session.

S. F. No. 2473 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Simoneau moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2473 be given its third reading and be placed upon its final passage. The motion prevailed.

Simoneau moved that the Rules of the House be so far suspended that S. F. No. 2473 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 2473, A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; prescribing a penalty; amending Minnesota Statutes 1986, sections 176.181, subdivision 2; 176.183, subdivision 3; Minnesota Statutes 1987 Supplement, section 176.183, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 79B; repealing Minnesota Statutes 1987 Supplement, sections 60A.101; and 176.183, subdivision 1a.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Omman	Seaberg
Anderson, R.	Frerichs	Krueger	Onnen	Segal
Battaglia	Greenfield	Larsen	Orenstein	Shaver
Bauerly	Gruenes	Lasley	Osthoff	Simoneau
Beard	Gutknecht	Lieder	Otis	Skoglund
Begich	Hartle	Long	Ozment	Solberg
Bennett	Haukoos	Marsh	Pappas	Sparby
Bertram	Heap	McDonald	Pauly	Stanius
Blatz	Himle	McEachern	Pelowski	Steensma
Boo	Hugoson	McKasy	Peterson	Svigum
Brown	Jacobs	McLaughlin	Poppenhagen	Swenson
Burger	Jaros	McPherson	Price	Thiede
Carlson, D.	Jefferson	Milbert	Quinn	Tjornhom
Carlson, L.	Jennings	Miller	Quist	Tompkins
Carruthers	Jensen	Minne	Redalen	Trimble
Clark	Johnson, A.	Morrison	Reding	Tunheim
Clausnitzer	Johnson, R.	Munger	Rest	Uphus
Cooper	Johnson, V.	Murphy	Rice	Valento
Dauner	Kahn	Nelson, C.	Richter	Vellenga
Dawkins	Kalis	Nelson, D.	Rodosovich	Voss
DeBlieck	Kelly	Neuenschwander	Rose	Wagenius
Dempsey	Kelso	O'Connor	Rukavina	Waltman
DeRaad	Kinkel	Ogren	Sarna	Welle
Dille	Kludt	Olsen, S.	Schafer	Wenzel
Dorn	Knickerbocker	Olson, E.	Scheid	Winter
Forsythe	Knuth	Olson, K.	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

The Speaker called Simoneau to the Chair.

S. F. No. 1228 was reported to the House.

Kinkel moved to amend S. F. No. 1228, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 136A.02, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall consist of eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, ~~and three two citizen members and one student member~~ also to be appointed by the governor with the advice and consent of the senate to represent the state at large. ~~The chair of the student advisory council shall serve as a nonvoting member of the board. The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment or within one year prior to appointment. The student advisory council may recommend candidates to the governor for the student member position. All appointees to the board shall be selected for their knowledge of and interest in post secondary education and at least one shall be selected specifically for knowledge of and interest in vocational education. A voting nonstudent member of the board must not be an employee of or receive compensation from a public or private post-secondary institution while serving on the board. A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but must not otherwise be employed or compensated by a post-secondary institution while serving on the board.~~

Sec. 2. Minnesota Statutes 1986, section 136A.02, subdivision 1a, is amended to read:

Subd. 1a. The term of each voting board member shall be six years, except that the student member's term shall be two years. As nearly as possible, one-sixth of the terms of the voting board members shall expire each year. The compensation, removal of voting members, and filling of vacancies among voting members on the board shall be as provided in section 15.0575, subdivisions 3, 4, and 5.

Sec. 3. Minnesota Statutes 1986, section 136A.02, subdivision 7, is amended to read:

Subd. 7. [STUDENT ADVISORY COUNCIL.] A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota vocational technical student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board,

(2) make recommendations to the board as the council deems appropriate,

(3) review and comment upon proposals and other matters before the board,

(4) provide any reasonable assistance to the board, and

(5) select one of its members to serve as chair ~~and as a nonvoting member of the board~~. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee.

Sec. 4. [FIRST STUDENT MEMBER.]

The first student member of the board shall be appointed by the governor by July 1, 1988. This appointment shall not displace an incumbent at-large board member, but instead shall constitute a 12th board member until a vacancy occurs in which the incumbent does not reapply or is not reappointed. When that vacancy occurs, the student member shall assume that at-large position.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appointing a voting student member to the higher education coordinating board; amending Minnesota Statutes 1986, section 136A.02, subdivisions 1, 1a, and 7."

The motion prevailed and the amendment was adopted.

S. F. No. 1228, A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivisions 1, 1a, and 7.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Seaberg
Anderson, R.	Greenfield	Larsen	Orenstein	Segal
Battaglia	Gruenes	Lasley	Osthoff	Shaver
Bauerly	Gutknecht	Lieder	Otis	Simoneau
Beard	Hartle	Long	Ozment	Skoglund
Begich	Haukoos	Marsh	Pappas	Solberg
Bennett	Heap	McDonald	Pauly	Sparby
Bertram	Himle	McEachern	Pelowski	Stanius
Blatz	Hugoson	McKasy	Peterson	Steensma
Boo	Jacobs	McLaughlin	Poppenhagen	Sviggum
Brown	Jaros	McPherson	Price	Swenson
Burger	Jefferson	Milbert	Quinn	Thiede
Carlson, D.	Jennings	Miller	Quist	Tjornhom
Carlson, L.	Jensen	Minne	Redalen	Tompkins
Carruthers	Johnson, A.	Morrison	Reding	Trimble
Clark	Johnson, R.	Munger	Rest	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rice	Uphus
Cooper	Kahn	Nelson, C.	Richter	Valento
Dauner	Kalis	Nelson, D.	Riveness	Vellenga
Dawkins	Kelly	Neuenschwander	Rodosovich	Voss
DeBlieck	Kelso	O'Connor	Rose	Wagenius
Dempsey	Kinkel	Ogren	Rukavina	Waltman
DeRaad	Kludt	Olsen, S.	Sarna	Welle
Dille	Knickerbocker	Olsen, E.	Schafer	Wenzel
Dorn	Knuth	Olsen, K.	Scheid	Winter
Forsythe	Kostohryz	Omann	Schreiber	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

S. F. No. 1809 was reported to the House.

Ogren, Beard, Clark, McLaughlin and Vanasek moved to amend S. F. No. 1809, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [237.49] [COMBINED LOCAL ACCESS SURCHARGE.]

Each local telephone company shall collect from each subscriber an amount or amounts representing the total of the surcharges required under sections 237.52, 237.70, and 403.11. Amounts collected must be remitted to the department of administration in the manner prescribed in section 403.11. The department of administration shall divide the amounts received proportional to the individual surcharges and deposit them in the appropriate accounts.

Sec. 2. Minnesota Statutes 1987 Supplement, section 237.50, subdivision 4, is amended to read:

Subd. 4. [COMMUNICATION DEVICE.] "Communication device" means a device that when connected to a telephone enables a communication-impaired person to communicate with another person utilizing the telephone system. A "communication device" includes a ring signaler, an amplification device, a telephone device for the deaf with any auxiliary equipment the board deems necessary, and a telebraille unit.

Sec. 3. Minnesota Statutes 1987 Supplement, section 237.51, subdivision 5, is amended to read:

Subd. 5. [DUTIES.] In addition to any duties specified elsewhere in sections 237.51 to 237.56, the board shall:

(1) define economic hardship, special needs, and household criteria so as to determine the priority of eligible applicants for initial distribution of devices and to determine circumstances necessitating provision of more than one communication device per household;

(2) establish a method to verify eligibility requirements;

(3) ~~research and publish lists of available~~ establish specifications for communication devices and compatibility of the devices with available telephone equipment to be purchased under section 237.53, subdivision 3;

(4) enter contracts for the establishment and operation of the message relay service pursuant to section 237.54;

(5) inform the public and specifically the community of communication-impaired persons of the program;

- (6) prepare the reports required by section 237.55;
- (7) administer the fund created in section 237.52;
- (8) retain the services of a program administrator; and
- (9) adopt rules, including emergency rules, under chapter 14 to implement the provisions of sections 237.50 to 237.56; and
- (10) study the potential economic impact of the program on local communication device retailers and dispensers and. Notwithstanding any provision of chapter 16B, the board shall develop guidelines for the purchase of some communication devices from local retailers and dispensers if the study determines that otherwise they will be economically harmed by implementation of sections 237.50 to 237.56.

Sec. 4. Minnesota Statutes 1987 Supplement, section 237.52, subdivision 5, is amended to read:

Subd. 5. [EXPENDITURES.] Money in the fund may only be used for:

- (1) program administration expenses of the board, including personnel cost, public relations, board members' expenses, preparation of reports, and other reasonable expenses not to exceed 20 percent of total program expenditures;
- (2) reimbursing telephone companies the commissioner of human services for purchases made or services provided pursuant to section 237.53;
- (3) reimbursing telephone companies for purchases made or services provided under section 237.53, subdivision 5; and
- (4) contracting for establishment and operation of the message relay service required by section 237.54.

All costs directly associated with the establishment of the board and program, the purchase and distribution of communication devices, and the establishment and operation of the message relay service are either reimbursable or directly payable from the fund after authorization by the board.

Sec. 5. Minnesota Statutes 1987 Supplement, section 237.53, subdivision 3, is amended to read:

Subd. 3. [DISTRIBUTION.] The telephone company providing local exchange service to the largest number of persons in the state commissioner of human services shall purchase and distribute to

~~each other telephone company providing local exchange service a sufficient number of communication devices so that each eligible household receives an appropriate device. Each telephone company providing local exchange service~~ The commissioner of human services shall distribute the devices to eligible households in its each service area free of charge as directed by the program administrator. Initial distribution of the devices will be on a priority basis as determined by the board under section 237.51. the board under section 237.51, subdivision 5.

Sec. 6. Minnesota Statutes 1987 Supplement, section 237.53, subdivision 4, is amended to read:

Subd. 4. [TRAINING; MAINTENANCE.] ~~The company providing local exchange service to an eligible household~~ commissioner of human services shall maintain the communication devices until the warranty period expires, and provide training, without charge, to first-time users of the devices.

Sec. 7. Minnesota Statutes 1987 Supplement, section 237.53, subdivision 6, is amended to read:

Subd. 6. [OWNERSHIP.] ~~All communication devices purchased pursuant to subdivision 3 will become the property of the company providing the communication device to eligible recipients and are excluded from that company's rate base for the purpose of establishing rates under section 237.075 as applicable state of Minnesota.~~

Sec. 8. Minnesota Statutes 1987 Supplement, section 237.53, subdivision 7, is amended to read:

Subd. 7. [STANDARDS.] ~~The communication devices distributed under this section must comply with the electronic industries association standards and approved by the Federal Communications Commission. Each company~~ The commissioner of human services must provide each eligible person a choice of several models of devices, the retail value of which may not exceed \$600 for a communication device for the deaf, and a retail value of \$7,000 for a telebraille device, or an amount authorized by the board for a telephone device for the deaf with auxiliary equipment.

Sec. 9. Minnesota Statutes 1987 Supplement, section 237.69, is amended by adding a subdivision to read:

Subd. 3a. [DISABLED.] "Disabled" has the meaning given it in section 363.01, subdivision 25.

Sec. 10. Minnesota Statutes 1987 Supplement, section 237.69, subdivision 6, is amended to read:

Subd. 6. [FEDERAL MATCHING PLAN.] "Federal matching plan" means the any telephone assistance plan formulated by the Federal Communications Commission that provides federal assistance to local telephone subscribers.

Sec. 11. Minnesota Statutes 1987 Supplement, section 237.69, is amended by adding a subdivision to read:

Subd. 6a. [FUND.] "Fund" means the telephone assistance fund established in section 16.

Sec. 12. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 3, is amended to read:

Subd. 3. [FEDERAL MATCHING PLAN.] The telephone assistance plan must contain adequate provisions to enable telephone companies to qualify for assistance under waiver of the federal interstate access charge and to enable eligible subscribers to take advantage of the federal matching plan.

Sec. 13. Minnesota Statutes 1987 Supplement, section 237.70, is amended by adding a subdivision to read:

Subd. 4a. [HOUSEHOLDS ELIGIBLE FOR CREDITS.] The telephone assistance plan must provide telephone assistance credit for a residential household in Minnesota that meets each of the following criteria:

(1) has a household member who:

(i) subscribes to local exchange service; and

(ii) is either disabled or 65 years of age or older;

(2) whose household income is 150 percent or less of federal poverty guidelines or is currently eligible for:

(i) aid to families with dependent children;

(ii) medical assistance;

(iii) general assistance;

(iv) Minnesota supplemental aid;

(v) food stamps;

(vi) refugee cash assistance or refugee medical assistance;

(vii) energy assistance; or

(viii) supplemental security income; and

(3) who has been certified as eligible for telephone assistance plan credits.

Sec. 14. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] The commission shall provide for the funding of the telephone assistance plan by assessing a uniform recurring monthly surcharge, not to exceed ten cents per access line, applicable to all classes and grades of access lines provided by each telephone company in the state. The revenue generated by the surcharge must not exceed \$2,500,000 on a statewide basis. This statewide \$2,500,000 limitation must be apportioned between telephone companies based on their relative number of access lines.

Sec. 15. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATION.] The telephone assistance plan must be administered jointly by the commission, the department of human services, and the telephone companies in accordance with the following guidelines:

(a) The commission and the department of human services shall develop eligibility certification forms an application form that must be completed at least annually by the subscriber residing in a household for the purposes purpose of certifying eligibility for telephone assistance plan credits to the telephone companies. Each telephone company shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU MEET CERTAIN HOUSEHOLD INCOME LIMITS, AND YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT

(b) The department of human services, through its various offices and agencies, shall determine the eligibility for telephone assistance plan credits on an annual basis at least annually according to the criteria contained in subdivision 4, based upon consideration of documentation made available to the department of human services

by the subscriber, and shall provide the necessary certification forms to eligible households for provision by the households to the telephone company 4a.

(c) The Each telephone company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of an eligibility certification application form and shall continue to provide credits for 12 months after, unless notified that eligibility has terminated earlier the subscriber is ineligible. At the end of every 12-month period, telephone assistance plan credits cease unless the telephone company has been provided with a new eligibility certification form. The company shall cease granting credits at the earliest possible billing cycle when notified by the department of human services that the subscriber is ineligible.

(d) The commission shall serve as the administrator coordinator of a statewide surcharge revenue pool the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the administrator coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

(2) establish a uniform statewide level of telephone assistance plan credit that each telephone company shall extend to each eligible household in its service area;

(3) require each telephone company to account to the commission on a periodic basis for surcharge revenues collected by the company, expenses incurred by the company, not to include expenses of collecting surcharges, and credits extended by the company under the telephone assistance plan;

(4) require each telephone company to remit excess surcharge revenues to the ~~commission~~ department of administration for administration as part of the pool deposit in the fund; and

(5) remit to each telephone company from the surcharge revenue pool the amount necessary to compensate the company for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits that are not covered by the surcharge revenue collected by the company. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the

surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each telephone company shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the department of public service with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The department of public service shall investigate complaints against telephone companies with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 16. [237.701] [TELEPHONE ASSISTANCE FUND; APPROPRIATION.]

Subdivision 1. [TELEPHONE ASSISTANCE FUND.] The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to telephone companies for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the administrative expenses of the department of human services from January 1, 1988, to June 30, 1989, to implement sections 237.69 to 237.71 not to exceed \$90,000; and

(3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually.

Subd. 2. [APPROPRIATION.] Money in the fund is appropriated to the commission to be disbursed pursuant to section 237.70, subdivision 7.

Sec. 17. Laws 1987, chapter 340, section 17, is amended to read:

Sec. 17. [LEGISLATIVE REPORT.]

By January 1, 1989, the commission shall submit a report to the legislature with regard to the implementation, administration, and effectiveness of the telephone assistance plan and shall make any recommendations the commission believes are appropriate with

regard to eligibility, funding, and administration of the telephone assistance plan for changes in the plan.

Sec. 18. [237.711] [RULES.]

The commission may adopt emergency and permanent rules to implement sections 1 to 16.

Sec. 19. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 237.53, subdivision 8, 237.70, subdivision 4, and 237.72, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge at the option of each company; requiring the department of human services to administer the telecommunications assistance for communication impaired persons program; making other technical changes in the program; requiring the department of administration to separate the surcharges into three separate accounts; adding low-income disabled persons to those eligible for the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5; 237.53, subdivisions 3, 4, 6, and 7; 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 6, 7, and by adding a subdivision; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, sections 237.53, subdivision 8; 237.70, subdivision 4; and 237.72."

Kahn moved to amend the Ogren et al amendment to S. F. No. 1809, as follows:

Page 1, delete section 1

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 237.52, is amended, by adding a subdivision to read:

Subd. 2a. [ASSESSMENT.] The commission shall annually assess each local telephone company an amount equal to a maximum of ten cents per month per access line owned by the company including trunk equivalents as designated by the commission under section 403.11, subdivision 1. A company must remit payment of its assessment to the commissioner of revenue for deposit in the fund created in subdivision 1. A company may pay its assessment annually, monthly, or at any other regular interval approved by the commission. A company, except for an independent telephone company, may not bill subscribers for the amount of the assessment but may include the amount in calculations required under sections 237.075 and 237.62 for rate changes.

Page 5, line 26, strike "a uniform"

Page 5, line 27, strike the existing language, delete the underlined language and insert "each local telephone company an amount equal to a maximum of ten cents per month per access line owned by the company including trunk equivalents as designated by the commission under section 403.11, subdivision 1. A company must remit payment of its share of the assessment to the commissioner of revenue for deposit in the fund created in section 16. A company may pay its assessment annually, monthly, or at any other regular interval approved by the commission. A company, except for an independent telephone company, may not bill subscribers for the amount of the assessment but may include the amount in calculations required under sections 237.075 and 237.62 for rate changes."

Page 5, lines 28 to 29, delete the underlined language and strike the existing language.

Page 7, line 4, strike "surcharge revenue pool" and insert "fund"

Page 7, lines 6 and 7, strike the existing language

Page 7, line 8, strike "(2)" and insert "(1)"

Page 7, line 11, strike "(3)" and insert "(2)"

Page 7, lines 12 to 13, strike "surcharge revenues collected by the company,"

Page 7, lines 13 to 14, delete the underlined language

Page 7, line 15, after the semicolon insert "and"

Page 7, lines 16 to 19, strike the existing language and delete the underlined language

Page 7, line 20, strike "(5)" and insert "(3)"

Page 7, lines 20 to 21, strike "surcharge revenue pool" and insert "fund"

Page 7, line 22, delete the underlined language

Page 7, line 25, strike "surcharge permitted" and insert "assessment"

Page 7, line 29, strike "surcharge" and insert "assessment"

Page 7, line 31, strike "surcharge" and insert "assessment"

Page 7, line 33, strike "surcharge" and insert "assessment"

Page 7, line 35, strike "surcharge revenues," and the second comma

Page 8, lines 14 to 15, delete "department of administration" and insert "commissioner of revenue"

Page 9, after line 6, insert:

"Sec. 19. [DIRECTIONS TO COMMISSION.]

Notwithstanding any provision of chapter 237 or any other law to the contrary, the commission shall, within 30 days of a written request of a telephone company, adjust the rates allowed to be charged by that company to reflect the assessments required under sections 3 and 14. Any adjustment made for a specific company pursuant to this section remains in effect until resolution of that company's next rate case."

Page 9, line 8, after "sections" insert "237.52, subdivisions 2 and 3,"

Page 9, line 11, delete "19" and insert "20"

Renumber the sections in sequence

Amend the title as follows:

Page 9, line 15, delete everything after the semicolon and insert "changing funding of TACIP and TAP from surcharges on subscribers to assessments on companies;"

Page 9, delete lines 16 to 18

Page 9, line 19, delete everything before "requiring"

Page 9, delete line 23

Page 9, line 24, delete everything before "adding"

Page 9, line 31, before the second semicolon insert "and by adding a subdivision"

Page 9, line 37, after "sections" insert "237.52, subdivisions 2 and 3"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 55 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Battaglia	Forsythe	Lasley	Osthoff	Solberg
Bauerly	Greenfield	Long	Otis	Sparby
Bear	Gutknecht	McEachern	Pappas	Steensma
Begich	Jefferson	McLaughlin	Pauly	Trimble
Boo	Johnson, R.	Milbert	Peterson	Tunheim
Carlson, L.	Kahn	Minne	Price	Voss
Carruthers	Kinkel	Murphy	Rest	Wagenius
Cooper	Kludt	Nelson, C.	Rice	Welle
Dauner	Knuth	Nelson, D.	Rukavina	Wenzel
Dawkins	Kostohryz	Olson, K.	Segal	Winter
DeBlieck	Krueger	Orenstein	Skoglund	Wynia

Those who voted in the negative were:

Anderson, G.	Frerichs	Knickerbocker	Omann	Schreiber
Anderson, R.	Gruenes	Larsen	Onnen	Seaberg
Bennett	Hartle	Lieder	Ozment	Shaver
Bertram	Haukoos	Marsh	Pelowski	Stanius
Bishop	Heap	McDonald	Poppenhagen	Sviggum
Blatz	Himle	McKasy	Quinn	Swenson
Brown	Hugoson	McPherson	Quist	Thiede
Burger	Jacobs	Miller	Redalen	Tjornhom
Carlson, D.	Jennings	Morrison	Reding	Tompkins
Clausnitzer	Jensen	Neuenschwander	Richter	Uphus
Dempsey	Johnson, V.	O'Connor	Rodosovich	Valento
DeRaad	Kalis	Ogren	Rose	Vellenga
Dille	Kelly	Olsen, S.	Schafer	Waltman
Frederick	Kelso	Olson, E.	Scheid	

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

The question recurred on the Ogren et al amendment to S. F. No. 1809. The motion prevailed and the amendment was adopted.

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

Clark moved to amend S. F. No. 1809, as amended, as follows:

In the Ogren et al amendment, page 1, line 6, after the period insert “Where a company collects the surcharges as one amount, the combined surcharge must be titled “911/Improved Access.””

A roll call was requested and properly seconded.

The question was taken on the Clark amendment and the roll was called. There were 24 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Clark	Jefferson	Munger	Rodosovich	Vellenga
Dawkins	Kelly	Nelson, D.	Rukavina	Wagenius
DeBlicek	Kostohryz	Ogren	Segal	Wynia
Greenfield	Larsen	Pappas	Skoglund	Spk. Vanasek
Jaros	McLaughlin	Rice	Trimble	

Those who voted in the negative were:

Anderson, G.	Dempsey	Kelso	Olsen, S.	Schreiber
Anderson, R.	DeRaad	Kinkel	Olson, E.	Seaberg
Battaglia	Dille	Kludt	Olson, K.	Shaver
Bauerly	Forsythe	Knickerbocker	Omann	Solberg
Beard	Frederick	Knuth	Onnen	Sparby
Begich	Frerichs	Krueger	Orenstein	Stanisus
Bennett	Gruenes	Lasley	Osthoff	Steensma
Bertram	Hartle	Lieder	Ozment	Sviggum
Bishop	Haukoos	Marsh	Pauly	Swenson
Blatz	Heap	McDonald	Pelowski	Thiede
Boo	Himle	McEachern	Peterson	Tjornhom
Brown	Hugoson	McPherson	Poppenhagen	Tompkins
Burger	Jacobs	Miller	Quinn	Tunheim
Carlson, D.	Jennings	Minne	Quist	Uphus
Carlson, L.	Jensen	Morrison	Redalen	Valento
Carruthers	Johnson, A.	Murphy	Reding	Waltman
Clausnitzer	Johnson, R.	Nelson, C.	Sarna	Welle
Cooper	Johnson, V.	Neuenschwander	Schafer	Wenzel
Dauner	Kalis	O'Connor	Scheid	Winter

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

Stanisus, Jennings, Sviggum, Valento and Pauly moved to amend S. F. No. 1809, as amended, as follows:

In the Ogren et al amendment page 2, after line 26, insert:

“Sec. 4. [FUNDING.]

Receipts deposited in the telecommunications access for communication impaired persons fund established in section 237.52, subdivision 1, and receipts under section 237.70, subdivision 6 are transferred to the general fund and shall be allocated to the

department of human services for the purpose of funding the telecommunication assistance plan and the telecommunication access for communication impaired person program. Notwithstanding any law to the contrary, the department of human services shall administer these same programs and adopt rules to carry out the intent of sections 237.43 to 237.56 and sections 237.69 to 237.72.

Sec. 5. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 6; 237.52; 237.70, subdivisions 6 and 7 are repealed."

Renumber sections accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius et al amendment and the roll was called. There were 54 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Kalis	Omam	Solberg
Bertram	Frederick	Kinkel	Onnen	Stanisus
Boo	Frerichs	Knickerbocker	Osthoff	Sviggum
Carlson, D.	Gruenes	Marsh	Pauly	Swenson
Carruthers	Gutknecht	McDonald	Poppenhagen	Thiede
Clausnitzer	Haukoos	McKasy	Quist	Tjornhom
Dauner	Heap	McPherson	Richter	Tompkins
Dempsey	Himle	Miller	Schafer	Uphus
DeRaad	Hugoson	Morrison	Scheid	Valento
Dille	Jennings	Nelson, C.	Schreiber	Waltman
Dorn	Johnson, V.	Olsen, S.	Seaberg	

Those who voted in the negative were:

Battaglia	Jensen	McLaughlin	Pelowski	Simoneau
Beard	Johnson, A.	Milbert	Peterson	Skoglund
Begich	Kahn	Minne	Price	Sparby
Brown	Kelly	Murphy	Quinn	Steensma
Burger	Kelso	Nelson, D.	Reding	Trimble
Clark	Kludt	Neuenschwander	Rest	Tunheim
Cooper	Knuth	O'Connor	Rice	Vellenga
Dawkins	Krueger	Ogren	Riveness	Voss
DeBlicke	Larsen	Olson, E.	Rodosovich	Wagenius
Greenfield	Lasley	Olson, K.	Rukavina	Welle
Jacobs	Lieder	Orenstein	Sarna	Wenzel
Jaros	Long	Otis	Segal	Winter
Jefferson	McEachern	Pappas	Shaver	Wynia
				Spk. Vanasek

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

The Speaker resumed the Chair.

S. F. No. 1809, A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivisions 3 and 5; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 6; 237.52, subdivisions 1 and 4; and 237.53, subdivision 8.

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

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Otis	Skoglund
Anderson, R.	Greenfield	Lasley	Ozment	Solberg
Battaglia	Gruenes	Lieder	Pappas	Stanius
Beard	Gutknecht	Long	Pauly	Steensma
Begich	Hartle	Marsh	Pelowski	Sviggum
Bennett	Haukoos	McDonald	Peterson	Swenson
Bertram	Heap	McEachern	Poppenhagen	Tjornhom
Bishop	Himle	McKasy	Price	Tompkins
Blatz	Hugoson	McLaughlin	Quinn	Trimble
Brown	Jacobs	Milbert	Quist	Tunheim
Burger	Jaros	Minne	Redalen	Uphus
Carlson, D.	Jefferson	Morrison	Reding	Valento
Carlson, L.	Jennings	Munger	Rest	Vellenga
Carruthers	Jensen	Murphy	Rice	Voss
Clark	Johnson, A.	Nelson, C.	Riveness	Wagenius
Cooper	Johnson, R.	Nelson, D.	Rodosovich	Waltman
Dauner	Kahn	Neuenschwander	Rukavina	Welle
Dawkins	Kalis	O'Connor	Sarna	Wenzel
DeBlick	Kinkel	Ogren	Scheid	Winter
Dempsey	Kludt	Olson, K.	Seaberg	Wynia
DeRaad	Knuth	Omann	Segal	Spk. Vanasek
Dorn	Kostohryz	Onnen	Shaver	
Frederick	Krueger	Orenstein	Simoneau	

Those who voted in the negative were:

Dille	Kelly	Osthoff	Sparby
Forsythe	Knickerbocker	Schafer	Thiede
Johnson, V.	Olson, E.	Schreiber	

The bill was passed, as amended, and its title agreed to.

Carlson, D., was excused for the remainder of today's session.

Wynia moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

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. 2253, A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, sections 80B.03, subdivisions 1 and 6; and 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 2253 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2253, A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; applying the control share acquisition and business combination statutes to certain issuing public corporations; amending Minnesota Statutes 1986, section 80B.03, subdivisions 1 and 6; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.471, subdivision 1; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673, subdivisions 1 and 3;

repealing Minnesota Statutes 1987 Supplement, section 302A.673, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ferichs	Krueger	Onnen	Shaver
Anderson, R.	Greenfield	Larsen	Orenstein	Simoneau
Battaglia	Gruenes	Lasley	Osthoff	Skoglund
Bauerly	Gutknecht	Lieder	Otis	Solberg
Beard	Hartle	Long	Ozment	Sparby
Begich	Haukoos	Marsh	Pappas	Stanius
Bennett	Heap	McDonald	Pauly	Steensma
Bertram	Himle	McEachern	Pelowski	Sviggum
Blatz	Hugoson	McKasy	Peterson	Swenson
Boo	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Brown	Jaros	McPherson	Price	Tompkins
Burger	Jefferson	Milbert	Quinn	Trimble
Carlson, L.	Jennings	Miller	Quist	Tunheim
Carruthers	Jensen	Minne	Redalen	Uphus
Clark	Johnson, A.	Morrison	Reding	Valento
Clausnitzer	Johnson, R.	Munger	Rest	Vellenga
Cooper	Johnson, V.	Murphy	Rice	Voss
Dauner	Kahn	Nelson, C.	Richter	Wagenius
Dawkins	Kalis	Nelson, D.	Riveness	Waltman
DeBlicke	Kelly	Neuenschwander	Rodosovich	Welle
Dempsey	Kelso	O'Connor	Rukavina	Wenzel
DeRaad	Kinkel	Ogren	Sarna	Winter
Dille	Kludd	Olsen, S.	Schafer	Wynia
Dorn	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Forsythe	Knuth	Olson, K.	Schreiber	
Frederick	Kostohryz	Omann	Segal	

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. 453, A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; protecting public pension investment policy; authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354A.23, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; 354A.31, subdivision 6, and by adding a subdivision; proposing coding for new law in

Minnesota Statutes, chapter 11A.

PATRICK E. FLAHAVEN, Secretary of the Senate

O'Connor moved that the House refuse to concur in the Senate amendments to H. F. No. 453, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 453:

O'Connor, Rice and McKasy.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1939:

Winter, DeBlicke and Dauner.

MOTIONS AND RESOLUTIONS

Skoglund moved that the names of McLaughlin and Knickerbocker be added as authors on H. F. No. 125. The motion prevailed.

Greenfield moved that the name of Orenstein be added as an author on H. F. No. 2127. The motion prevailed.

Carlson, D., moved that his name be stricken as an author on H. F. No. 2642. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 2808. The motion prevailed.

SUSPENSION OF RULES

Anderson, G., moved that the rules be so far suspended that S. F. No. 1618 be recalled from the Committee on Appropriations, be given its second reading and be placed at the end of General Orders. The motion prevailed.

S. F. No. 1618 was read for the second time.

Redalen moved that H. F. No. 2681 be returned to its author. The motion prevailed.

Wenzel introduced:

House Concurrent Resolution No. 28, A House concurrent resolution providing for a select committee to develop a suitable method to honor the achievements of former Senator Gordon Rosenmeier.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Saturday, April 16, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Saturday, April 16, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives