

EIGHTY-EIGHTH DAY

St. Paul, Minnesota, Friday, March 12, 1982

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John G. Donahue.

The roll was called, and the following Senators answered to their names:

Ashbach	Dieterich	Langseth	Peterson, D.L.	Stern
Bang	Engler	Lantry	Peterson, R.W.	Stokowski
Belanger	Frank	Lessard	Petty	Stumpf
Benson	Frederick	Lindgren	Pillsbury	Taylor
Berg	Frederickson	Luther	Purfeerst	Tennesen
Berglin	Hanson	Menning	Ramstad	Ulland
Bernhagen	Hughes	Merriam	Renneke	Vega
Bertram	Humphrey	Moe, D.M.	Rued	Waldorf
Brataas	Johnson	Moe, R.D.	Schmitz	Wegener
Chmielewski	Kamrath	Nelson	Setzepfandt	Willet
Dahl	Knoll	Olhoft	Sieloff	
Davies	Knutson	Pehler	Sikorski	
Davis	Kroening	Penny	Solon	
Dicklich	Kronebusch	Peterson, C.C.	Spear	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Keefe was excused from the Session of today.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Davies moved that the following members be excused for a Conference Committee on H.F. No. 1484:

Messrs. Dieterich, Ulland, Olhoft, Davies and Peterson, R.W. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Knoll moved that the following members be

excused for a Conference Committee on S.F. No. 1964:

Messrs. Knoll, Spear, Pillsbury, Nelson and Moe, D.M. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 10, 1982

The Honorable Jack Davies
President of the Senate

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, S.F. Nos. 1107, 1088, 1514 and 272.

Sincerely yours,

Albert H. Quie, Governor

March 10, 1982

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

The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1982 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:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1982	Date Filed 1982
272		393	March 10	March 10
1514		394	March 10	March 10
1107		395	March 10	March 10
1088		396	March 10	March 10

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1888.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concur-

rence of the Senate is respectfully requested:

S.F. No. 1715: A bill for an act relating to the city of Minneapolis; providing duties of the civil service commission; providing for positions in the unclassified service; permitting the city to change the name of the housing and redevelopment authority; permitting the transfer of certain employees to employment of the housing and redevelopment authority; establishing terms for transfer of the employees; permitting certain employees to purchase service credit from the Minneapolis employees retirement fund; amending Laws 1969, Chapter 937, Section 1, Subdivision 1, as amended, and by adding subdivisions; and Laws 1980, Chapter 595, Section 2, Subdivision 1 and Section 3, by adding a subdivision.

Senate File No. 1715 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

CONCURRENCE AND REPASSAGE

Mr. Petty moved that the Senate concur in the amendments by the House to S.F. No. 1715 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1715 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Langseth	Penny	Solon
Bang	Engler	Lantry	Peterson, C. C.	Stern
Belanger	Frank	Lessard	Peterson, D. L.	Stokowski
Benson	Frederickson	Lindgren	Petty	Stumpf
Berg	Hanson	Luther	Pillsbury	Taylor
Berglin	Hughes	Menning	Purfeerst	Tennessee
Bernhagen	Humphrey	Merriam	Ramstad	Ulland
Bertram	Kamrath	Moe, D. M.	Renneke	Vega
Chmielewski	Knoll	Moe, R. D.	Schmitz	Waldorf
Dahl	Knutson	Nelson	Setzepfandt	Willet
Davis	Kroening	Pehler	Sikorski	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1886: A bill for an act relating to energy; changing the definition of large energy facility; amending Minnesota Statutes 1980, Section 116H.02, Subdivision 5.

Senate File No. 1886 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

CONCURRENCE AND REPASSAGE

Mr. Dahl moved that the Senate concur in the amendments by the House to S.F. No. 1886 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1886: A bill for an act relating to the public utilities commission; specifying the role of the department of energy, planning and development before the public utilities commission; clarifying and assigning certain public utilities commission responsibilities; defining "district heating systems" for purposes of the program of loans to municipalities for establishing and improving district heating systems; amending Minnesota Statutes 1980, Sections 116H.02, Subdivision 5; 218.021, Subdivision 1; 218.041, Subdivision 4; and 218.071, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 116H.11, by adding a subdivision; 116H.13, Subdivision 8; 116H.31, Subdivisions 1 and 2; 216B.241, Subdivision 2; 218.031, Subdivision 1; 218.041, Subdivision 2 and 465.74, by adding a subdivision.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kroening	Penny	Stern
Bang	Engler	Kronebusch	Peterson, C.C.	Stokowski
Belanger	Frank	Langseth	Peterson, D.L.	Stumpf
Benson	Frederick	Lantry	Petty	Taylor
Berg	Frederickson	Lindgren	Pillsbury	Tennessen
Berglin	Hanson	Luther	Purfeerst	Ulland
Bernhagen	Hughes	Menning	Ramstad	Vega
Bertram	Humphrey	Merriam	Renneke	Waldorf
Brataas	Johnson	Moe, D. M.	Schmitz	Wegener
Chmielewski	Kamrath	Moe, R. D.	Setzepfandt	Willet
Dahl	Knoll	Nelson	Sikorski	
Davis	Knutson	Pehler	Solon	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 303: A bill for an act proposing an amendment to the Minnesota Constitution, Article X, by adding a section to authorize at the track parimutuel betting on races if authorized by law; proposing an amendment to the Minnesota Constitution by repealing Article XIII, Section 5, the prohibition against lotteries.

Senate File No. 303 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. Purfeerst moved that the Senate do not concur in the amendments by the House to S. F. No. 303, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1451: A bill for an act relating to metropolitan government; providing for the establishment and operation of a water planning and management program in the metropolitan area; requiring watershed and local water management plans; providing for the establishment and operation of watershed management organizations; establishing provision for the event that grant funding is not received for the North Koochiching area sanitary district; authorizing counties, cities, and towns to bond for certain watershed improvements; authorizing taxes; amending Minnesota Statutes 1980, Sections 112.35, by adding a subdivision; 112.37, Subdivision 1, and by adding a subdivision; 112.42, Subdivision 3 and by adding a subdivision; 112.43, by adding a subdivision; Laws 1981, Chapter 291, Section 2, Subdivisions 1, 2, and by adding subdivisions; 4, Subdivision 1; 5, Subdivision 2; 7; 8, Subdivisions 1, 2, and by adding a subdivision; and 24; proposing new law coded in Minnesota Statutes, Chapter 473.

Senate File No. 1451 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. Merriam moved that S.F. No. 1451 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1666: A bill for an act relating to legal services; providing for a surcharge on civil filing fees; authorizing the supreme court to appoint an advisory committee; authorizing the distribution of the surcharge funds to qualified programs providing legal services to certain persons; requiring a report to the legislature; proposing new law coded in Minnesota Statutes, Chapter 480.

Senate File No. 1666 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

CONCURRENCE AND REPASSAGE

Mr. Hanson moved that the Senate concur in the amendments by the House to S.F. No. 1666 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1666: A bill for an act relating to legal services; providing for a surcharge on civil filing fees; authorizing the supreme court to appoint an advisory committee; authorizing the distribution of the surcharge funds to qualified programs providing legal services to certain persons; requiring a report to the legislature; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 375.167, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 480.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kronebusch	Peterson, D.L.	Stokowski
Bang	Engler	Lantry	Petty	Stumpf
Belanger	Frank	Lessard	Pillsbury	Taylor
Benson	Frederick	Lindgren	Purfeerst	Tennessee
Berg	Frederickson	Luther	Ramstad	Ulland
Berglin	Hanson	Menning	Renneke	Vega
Bernhagen	Hughes	Merriam	Rued	Waldorf
Bertram	Humphrey	Moe, D. M.	Schmitz	Wegener
Brataas	Johnson	Moe, R. D.	Setzepfandt	Willet
Chmielewski	Kamrath	Nelson	Sikorski	
Dahl	Knoll	Pehler	Solon	
Davis	Kroening	Penny	Stern	

Mr. Knutson voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1859: A bill for an act relating to forestry; establishing a forest resource management policy and plan; realignment of forestry boundaries; establishing a forest management fund and accounting system; changing certain procedures for timber sales from state and tax-forfeited lands; extending certain timber permits; making various changes in forestry laws; amending Minnesota Statutes 1980, Sections 16A.125, Subdivision 5; 89.001, and by adding subdivisions; 89.01, Subdivision 6; 89.021, Subdivision 1; 89.036; 89.37, Subdivisions 2, 3, 3a, and 4; 90.201; 90.251, Subdivisions 1 and 4; 197.447; 282.01, Subdivisions 1 and 3; 282.02; and 282.132; Minnesota Statutes 1981 Supplement, Section 282.04, Subdivision 1; Laws 1981, Chapter 305, Section 11; proposing new law coded in Minnesota Statutes, Chapters 88, 89, 90, and 282; repealing Minnesota Statutes 1980, Sections

282.031; 282.032; 282.033; 282.034; 282.035; 282.036; and 282.037.

Senate File No. 1859 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. Willet moved that S.F. No. 1859 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1894: A bill for an act relating to energy; changing the duties of the commissioner of the department of energy, planning and development; expanding the scope of certain energy education programs; changing certain residential energy sales programs; providing for wind energy conversion systems in county and municipal zoning law; creating wind easements; amending Minnesota Statutes 1980, Sections 116H.02, by adding a subdivision; 116H.15, Subdivisions 1 and 3; 394.25, Subdivision 3; 462.357, Subdivision 1; 500.30; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.088, Subdivision 1; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.128; 116H.15, Subdivision 2; 116H.18; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; and Minnesota Statutes 1981 Supplement, Section 120.78, Subdivision 1.

Senate File No. 1894 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. Waldorf moved that the Senate do not concur in the amendments by the House to S. F. No. 1894, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1699:

H.F. No. 1699: A bill for an act relating to education; requiring all public elementary and secondary schools to provide instructional programs in chemical abuse; amending Minnesota Statutes 1980, Section 126.03; and proposing new law coded in Chapter 126.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

McEachern, Long and Levi have been appointed as such committee on the part of the House.

House File No. 1699 is herewith transmitted to the Senate with the request

that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1982

Mr. Davis moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1699, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1799:

H.F. No. 1799: A bill for an act relating to health; providing for evaluation of certain changes in certificate of need review; requiring certain price information to be reported and disseminated; requiring monitoring; amending the thresholds of review; providing for additional waivers; requiring reports; amending Minnesota Statutes 1980, Sections 145.833, Subdivision 5; 145.835, Subdivisions 3 and 4; Minnesota Statutes 1981 Supplement, Sections 250.05, Subdivision 4; 447.45, Subdivision 1; and 474.03; proposing new law coded in Minnesota Statutes, Chapter 144; repealing Minnesota Statutes 1980, Sections 145.832 to 145.845, as amended; and Minnesota Statutes 1981 Supplement, Sections 62D.22, Subdivision 6; 145.834; and 145.845.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Swanson; Sieben, M. and Kaley have been appointed as such committee on the part of the House.

House File No. 1799 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1982

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1799, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1897:

H.F. No. 1897: A bill for an act relating to the state agricultural society; updating and clarifying certain powers and duties of the society; amending Minnesota Statutes 1980, Sections 37.01; 37.04, Subdivision 3; 37.05; 37.06; 37.17, subdivisions 1, 2, and by adding a subdivision; 37.18; 37.19; 37.20; 37.21; and 37.22; repealing Minnesota Statutes 1980, Section 37.23; Minnesota Statutes 1981 Supplement, Sections 37.17, Subdivision 3; and 37.27.

And the House respectfully requests that a Conference Committee of three

members be appointed thereon:

Rice, Wynia and Laidig have been appointed as such committee on the part of the House.

House File No. 1897 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1982

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1897, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1702: A bill for an act relating to corrections; authorizing the appointment of internal security investigators for adult correctional facilities in the unclassified civil service; clarifying the "good time" and solitary confinement provisions relating to county jails; amending Minnesota Statutes 1980, Sections 241.01, Subdivision 3a; 641.09; and 643.29, Subdivision 1.

There has been appointed as such committee on the part of the House:

Johnson, D.; Laidig and Battaglia.

Senate File No. 1702 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1443: A bill for an act relating to agriculture; prohibiting the trafficking in skunks; setting a penalty; proposing new law coded in Minnesota Statutes, Chapter 145.

There has been appointed as such committee on the part of the House:

Reif, Begich and Welch.

Senate File No. 1443 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2000: A bill for an act relating to the city of Brooklyn Center; authorizing the Brooklyn Center housing and redevelopment authority to carry out a housing interest buy-down program.

There has been appointed as such committee on the part of the House:

Ellingson, Jacobs and Schreiber.

Senate File No. 2000 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1671: A bill for an act relating to environment; providing for the chairmanship, staff, and administration of the environmental quality board; amending Minnesota Statutes 1980, Section 116C.03, Subdivision 2a, and by adding subdivisions; Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Sections 116C.04, Subdivisions 8 and 9; 116C.05; 116C.07; and Minnesota Statutes 1981 Supplement, Section 116C.03, Subdivision 3.

There has been appointed as such committee on the part of the House:

Munger, Hanson and Dean.

Senate File No. 1671 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 16: A bill for an act relating to probate; changing certain time limits and procedures for a personal representative to file an inventory and appraisal; amending Minnesota Statutes 1980, Section 524.3-706.

There has been appointed as such committee on the part of the House:

Norton, Jude and Peterson, B.

Senate File No. 16 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1522: A bill for an act relating to local government; changing the filing of the bond of the town clerk and the town treasurer; permitting towns to self insure in the same way as other political subdivisions; authorizing certain towns to exercise special powers by affirmative vote of the town electors; requiring notice; authorizing towns to plan; providing for standards and criteria for conditional uses and variances; authorizing the establishment of a board for planning in certain areas; authorizing governmental units to provide services for other governmental units; amending Minnesota Statutes 1980, Sections 367.10; 367.15; 368.01, Subdivisions 1, 30, and by adding subdivisions; 462.352, Subdivision 2; 462.357, Subdivision 6; 462.358, Subdivision 1a; 462.36, Subdivision 1; 471.59, by adding a subdivision; and 471.98, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 462.

There has been appointed as such committee on the part of the House:

Brinkman, Voss and Niehaus.

Senate File No. 1522 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1621: A bill for an act relating to state government; removing the geographic limitation on state and public employees' eligibility for the state employee transportation program; amending Minnesota Statutes 1981 Supplement, Section 16.756, Subdivision 1a.

There has been appointed as such committee on the part of the House:

Voss, McCarron and Schreiber.

Senate File No. 1621 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1982

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1684, 930, 1017, 2000, 2065, 2080 and 2188.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1982

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1684: A bill for an act relating to gambling; permitting local governments to fix the compensation of bingo security workers by ordinance; amending Minnesota Statutes 1980, Section 349.17, Subdivision 1.

Referred to the Committee on General Legislation and Administrative Rules.

H.F. No. 930: A bill for an act relating to the collection and dissemination of data; classifying data as private, confidential, nonpublic, and protected non-public; amending Minnesota Statutes 1980, Sections 15.162, Subdivision 4; 15.1621, Subdivision 1; 15.1642, Subdivision 5; 15.165, Subdivision 2; 15.1678; 15.1679; 15.1691, Subdivision 6; 15.1692, Subdivision 2; 169.09, Subdivision 13; 268.12, Subdivision 12; Minnesota Statutes 1981 Supplement, Sections 15.1682; 15.1699; 15.775, Subdivision 2; 15.781, Subdivisions 1, 2, and 4; and 15.784, Subdivision 2; proposing new law coded in Chapter 15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 198, now on the Calendar.

H.F. No. 1017: A bill for an act proposing an amendment to the Minnesota Constitution, Article XI, Section 5; providing for the improvement and rehabilitation of certain railroad facilities; amending Minnesota Statutes 1980, Section 222.49.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 862, now on Special Orders.

H.F. No. 2000: A bill for an act relating to health and welfare; strengthening qualifications for persons controlling, administering, or managing nursing homes; requiring review of reimbursement for substandard care; requiring license revocation in certain situations; clarifying certain provisions of the general assistance program; revising a penalty; amending Minnesota Statutes 1980, Sections 144A.01, Subdivision 7; 144A.04, Subdivisions 4 and 6; 144A.08, Subdivision 3; 144A.10, Subdivision 4; 144A.11, Subdivision 2, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2065, now on Special Orders.

H.F. No. 2065: A bill for an act relating to public welfare; providing for regulation of aversive or deprivation procedures for behavior modification of mentally retarded individuals; proposing new law coded in Minnesota Statutes, Chapter 245.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1928, now on Special Orders.

H.F. No. 2080: A bill for an act relating to economic development; provid-

ing for a Minnesota conference on job formation; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1815, now on Special Orders.

H.F. No. 2188: A bill for an act relating to public welfare; providing for a mechanism in the program of aid to families with dependent children to minimize certain recipients' incentives to quit work; amending Minnesota Statutes 1980, Section 256.74, Subdivisions 1, as amended; and 1a, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1771, now on Special Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1542 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1542	1685				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1542 be amended as follows:

Page 2, line 13, delete everything after "area"

Page 2, delete lines 14 and 15

Page 2, delete "24W"

Page 2, line 25, delete the comma and delete ". If"

Page 2, delete line 26

Page 2, line 27, delete everything before the period

Page 3, line 13, delete everything after "objects"

Page 2, line 14, delete everything before the period

Page 4, delete lines 17 to 31 and insert:

"Subd. 2. The commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding six-tenths of one mill times the current assessed valuation of the metropolitan area. ~~Each county in the district shall levy a special tax each year in order to defray its share of the cost of the activities of the commission, which share shall be based on population. Such levy where necessary may be made separate from the general levy of the county and may be made at any time of the year, however, The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed six-tenths of one mill. The auditor of each county in the~~

district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No participating county shall levy any tax for mosquito control except under sections 473.701 to 473.717 473.716. The levy shall be in addition to other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275."

Page 4, line 36, delete "Carver,"

And when so amended H.F. No. 1542 will be identical to S.F. No. 1685, and further recommends that H.F. No. 1542 be given its second reading and substituted for S.F. No. 1685, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 352 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
352	1175				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 352 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 352, the third engrossment, and insert the language after the enacting clause of S.F. No. 1175, the first engrossment. Further, delete the title of H.F. No. 352, the third engrossment, and insert the title of S.F. No. 1175, the first engrossment.

And when so amended H.F. No. 352 will be identical to S.F. No. 1175, and further recommends that H.F. No. 352 be given its second reading and substituted for S.F. No. 1175, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which were referred the following appointments as reported in the Journal for January 19, 1981:

STATE BOARD OF EDUCATION

Margaret W. Marvin
William J. Ridley

STATE BOARD FOR COMMUNITY COLLEGES

Elna H. Ponto

Reports the same back with the recommendation that the appointments be

confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which were referred the following appointments as reported in the Journal for May 14, 1981:

STATE BOARD OF EDUCATION

Beverly J. Carpenter
Louis R. Smerling
Marilyn Witty

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 4, 1982:

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Leonard J. Rogge
Herbert M. Stellner, Jr.

COUNCIL ON QUALITY EDUCATION

Anna F. Barker
Moira Boyne Rummel

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 8, 1982:

STATE UNIVERSITY BOARD

Christine P. Fritsche

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Peter H. Seed

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 15, 1982:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Archie Chelseth
Douglas H. Sillers
Gretchen Taylor

STATE UNIVERSITY BOARD

Bernard A. Miller
Elizabeth A. Pegues

STATE BOARD FOR COMMUNITY COLLEGES

John Edel, Jr.
Toyse A. Kyle
Sung Won Son

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which was referred the following appointment as reported in the Journal for February 19, 1982:

DEPARTMENT OF EDUCATION

COMMISSIONER

John J. Feda

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 2, 1982:

STATE BOARD OF EDUCATION

Henry J. Bromelkamp
Erling O. Johnson
Ruth A. Myers

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 9, 1982:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Arthur F. Gillen
Robert W. Hatch

Reports the same back with the recommendation that the appointments be

confirmed.

Mr. Moe, R. D. moved that the foregoing committee report be laid on the table. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1897: Messrs. Chmielewski, Solon and Frederickson.

H.F. No. 1799: Messrs. Solon, Waldorf and Lindgren.

H.F. No. 1699: Messrs. Davis, Vega and Rued.

S.F. No. 1894: Messrs. Waldorf, Dahl and Bernhagen.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1542 and 352 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Kamrath introduced—

Senate Resolution No. 82: A Senate resolution congratulating the Lancers wrestling team from Canby High School for winning the 1982 Region 3 High School wrestling championship.

Referred to the Committee on Rules and Administration.

Mr. Bang moved that S.F. No. 2027, No. 49 on Special Orders, be stricken and returned to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Davis moved that S.F. No. 1365, No. 27 on Special Orders, be stricken and returned to the Committee on Education. The motion prevailed.

Mr. Bertram moved that S.F. No. 1499 be recalled from the House of Representatives for further consideration. The motion prevailed.

S.F. No. 1538 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1538

A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns; requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40, Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

March 10, 1982

The Honorable Jack Davies
President of the Senate

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

We, the undersigned conferees for S.F. No. 1538, 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. 1538 be further amended as follows:

Page 1, after line 13, insert:

“Section 1. Minnesota Statutes 1980, Section 214.04, Subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health related and non-health related board shall be the chief administrative officer for the board but he shall not be a member of the board. He shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service: dentistry; medical examiners; nursing; pharmacy; accountancy; architecture, engineering, land surveying and landscape architecture; barber examiners; cosmetology; electricity; ~~and~~ teaching; *and peace officer standards and training*. The executive secretaries serving the remaining boards shall be hired by those boards, and shall be in the unclassified civil service except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive secretary may employ such services on a part-time basis. To the extent practicable the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, shall be classified civil service employees of the department servicing the board. To the extent practicable the commissioner shall insure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 2. Minnesota Statutes 1980, Section 326.337, Subdivision 1, is amended to read:

Subdivision 1. It is unlawful for the holder of a license knowingly to commit any of the following acts within or without the state of Minnesota: To incite, encourage, or aid in the incitement or encouragement of any person who has become a party to any strike to do unlawful acts or to incite, stir up, create, or aid in the inciting of discontent or dissatisfaction among the employees of any person, firm, or corporation with the intention of having them strike; to interfere with or prevent lawful and peaceful picketing during strikes; to interfere with, restrain or coerce employees in the exercise of their right to form, join, or assist any labor organization of their own choosing; to interfere with or hinder the lawful or peaceful collective bargaining between employees and employers; to pay, offer or give any money, gratuity, favor, consideration, or other thing of value, directly or indirectly, to any person for any verbal or written report of the lawful activities of employees in the exercise of their right of self-organization and their right to form, join, or assist labor organizations and

to bargain collectively through representatives of their own choosing; to advertise for, recruit, furnish or replace, or offer to furnish or replace, for hire or reward, within or without Minnesota, any help or labor, skilled or unskilled, or to furnish or offer to furnish armed guards, other than armed guards regularly employed for the protection of payrolls, property, or premises, for service upon property which is being operated in anticipation of or during the course or existence of a strike, or furnish armed guards upon the highways, for persons involved in labor disputes, or to furnish or offer to furnish to employers or their agents any arms, munitions, tear gas implements, or any other weapons; to use in any manner the words "police", "constable", "highway patrol," "state patrol," "trooper," "law enforcement", or the name of the local city, county or state on any vehicle, badge, emblem, stationery, advertising of any private detective or protective agent as defined in section 326.338 and no vehicle, emblem, or badge shall be designed or worn as imitative of any such vehicle, emblem, or badge used by a police department, highway patrol, constable, or peace officer, or to send letters or literature to employers offering to eliminate labor unions, or distribute or circulate any list of members of a labor organization, or to advise any person of the membership of an individual in a labor organization for the express purpose of preventing those so listed or named from obtaining or retaining employment. Any person who violates the provisions of this subdivision is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 357.09, Subdivision 2, is amended to read:

Subd. 2. When mileage is allowed the sheriff it shall be computed from the place where the court is usually held and shall be at the rate provided to state employees pursuant to section ~~43.327~~ 43A.18, plus eight cents per mile notwithstanding any other provisions of law to the contrary."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 2, after "peace officers" insert ", private detectives, and protective agents; providing for unclassified civil service status of employees of board of peace officer standards and training; clarifying the use by certain protective agents and private detectives of the word "patrol" in their names; correcting a statutory reference"

Page 1, line 7, after "Sections" insert "214.04, Subdivision 3; 326.337, Subdivision 1;"

Page 1, line 9, delete "Section" and insert "Sections 357.09, Subdivision 2; and"

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

Senate Conferees: (Signed) Myrton O. Wegener, Dave Rued, Bob Lessard

House Conferees: (Signed) Arlene I. Lehto, Robert E. Vanasek, David M. Jennings

Mr. Wegener moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1538 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1538 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Peterson, C. C.	Spear
Bang	Engler	Lantry	Peterson, D. L.	Stern
Belanger	Frank	Lessard	Peterson, R. W.	Stokowski
Benson	Frederick	Lindgren	Petty	Stumpf
Berg	Frederickson	Luther	Pillsbury	Tennessen
Berglin	Hanson	Menning	Purfeerst	Ulland
Bernhagen	Humphrey	Merriam	Ramstad	Vega
Bertram	Johnson	Moe, R. D.	Renneke	Waldorf
Chmielewski	Kamrath	Nelson	Rued	Wegener
Dahl	Knoll	Olhoft	Setzepfandt	Willet
Davies	Knutson	Pehler	Sieloff	
Davis	Kroening	Penny	Sikorski	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECONSIDERATION

Mr. Petty moved that the vote whereby H.F. No. 546 was passed by the Senate on March 11, 1982, be now reconsidered. The motion prevailed.

H.F. No. 546: A bill for an act relating to insurance; extending the insurance division revolving fund; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; amending Minnesota Statutes 1980, Sections 60A.03, Subdivision 6; and 62B.06, Subdivisions 2, 3 and 4; and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 60A.

Mr. Petty moved to amend H.F. No. 546, the unofficial engrossment, as follows:

Strike the Petty amendment to pages 13 and 14, and strike the title amendment, adopted by the Senate March 11, 1982, and amend H.F. No. 546, the unofficial engrossment as follows:

Page 16, after line 3, insert:

“Sec. 8. Minnesota Statutes 1980, Section 62B.06, is amended by adding a subdivision to read:

Subd. 6. The creditor shall have 30 days after the insurance company submits its report of losses to the department of commerce for the previous calendar year to change its disclosure to reflect the current loss ratio.”

Page 16, line 7, delete “and 7” and insert “to 8”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after "4" insert "4", and by adding a subdivision"

The motion prevailed. So the amendment was adopted.

H.F. No. 546 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Lantry	Peterson, D. L.	Spear
Bang	Dieterich	Lessard	Peterson, R. W.	Stern
Belanger	Engler	Lindgren	Petty	Stokowski
Benson	Frank	Luther	Pillsbury	Stumpf
Berg	Frederickson	Menning	Purfeerst	Tennessen
Berglin	Hanson	Merriam	Ramstad	Ulland
Bernhagen	Hughes	Moe, R. D.	Renneke	Vega
Brataas	Humphrey	Nelson	Rued	Waldorf
Dahl	Kroening	Olhoft	Setzepfandt	Willet
Davies	Kronebusch	Penny	Sikorski	
Davis	Langseth	Peterson, C. C.	Solon	

Those who voted in the negative were:

Bertram	Kamrath	Knutson	Pehler	Wegener
Chmielewski	Knoll			

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, C.C. moved that S.F. No. 1481 be taken from the table. The motion prevailed.

CONCURRENCE AND REPASSAGE

Mr. Peterson, C.C. moved that the Senate concur in the amendments by the House to S.F. No. 1481 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1481: A bill for an act relating to state government; providing a one time early retirement insurance benefit option for certain state employees; providing that certain other early retirement incentives may be negotiated; amending Minnesota Statutes 1981 Supplement, Section 43A.24, Subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 8, as follows:

Those who voted in the affirmative were:

Belanger	Engler	Langseth	Pehler	Solon
Benson	Frank	Lantry	Penny	Spear
Berglin	Frederickson	Lessard	Peterson, C. C.	Stern
Bernhagen	Hanson	Lindgren	Peterson, D. L.	Stokowski
Bertram	Hughes	Luther	Peterson, R. W.	Stumpf
Chmielewski	Humphrey	Menning	Pillsbury	Vega
Davies	Kamrath	Moe, R. D.	Purfeerst	Wegener
Davis	Kroening	Nelson	Schmitz	Willet
Dieterich	Kronebusch	Olhoft	Sikorski	

Those who voted in the negative were:

Brataas	Knutson	Petty	Tennessen	Waldorf
Knoll	Merriam	Ramstad		

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Ramstad moved that H.F. No. 1685 be withdrawn from the Committee on Veterans' Affairs, given a second reading and placed at the top of Special Orders. The motion prevailed.

H.F. No. 1685: A bill for an act relating to the military; providing for the administration of oaths and acknowledgments by a member of the armed forces of the United States; amending Minnesota Statutes 1980, Sections 192.205, by adding a subdivision; and 358.32.

H.F. No. 1685 was read the second time.

SUSPENSION OF RULES

Mr. Ramstad moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1685 and that the rules of the Senate be so far suspended as to give H.F. No. 1685, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1685 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Langseth	Peterson, D.L.	Stokowski
Bang	Engler	Lantry	Peterson, R.W.	Stumpf
Belanger	Frank	Lessard	Petty	Tennessen
Benson	Frederickson	Lindgren	Pillsbury	Ulland
Berg	Hanson	Luther	Purfeerst	Vega
Berglin	Hughes	Merriam	Ramstad	Waldorf
Bernhagen	Humphrey	Moe, D. M.	Renneke	Wegener
Bertram	Kamrath	Moe, R. D.	Schmitz	Willet
Chmielewski	Knoll	Nelson	Setzepfandt	
Dahl	Knutson	Olhoft	Sieloff	
Davis	Kroening	Pehler	Sikorski	
Dicklich	Kronebusch	Peterson, C.C.	Stern	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Messrs. Moe, D.M.; Humphrey; Ms. Berglin; Messrs. Moe, R.D. and Solon introduced—

Senate Resolution No. 83: A Senate resolution memorializing the life and work of Roy Wilkins.

Mr. Moe, R.D. moved that Senate Resolution No. 83 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe,

R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 1789: A bill for an act relating to the environment; limiting and reducing emissions of sulphur dioxide in the state; requiring adoption of an acid deposition control standard and plan by the pollution control agency; requiring reports; imposing an assessment on utilities; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 116C.69, Subdivision 3; proposing new law coded in Minnesota Statutes, Chapter 116.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 3, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lantry	Peterson, R. W.	Stumpf
Belanger	Frank	Lessard	Petty	Taylor
Benson	Frederick	Lindgren	Purfeerst	Tennessee
Berg	Frederickson	Luther	Ramstad	Ulland
Bernhagen	Hanson	Merriam	Renneke	Vega
Brataas	Hughes	Moe, D. M.	Schmitz	Waldorf
Chmielewski	Humphrey	Moe, R. D.	Setzepfandt	Wegener
Dahl	Knoll	Nelson	Sieloff	Willet
Davies	Knutson	Olhoft	Sikorski	
Davis	Kroening	Pehler	Spear	
Dicklich	Kronebusch	Peterson, C. C.	Stern	
Dieterich	Langseth	Peterson, D. L.	Stokowski	

Messrs. Bertram, Kamrath and Pillsbury voted in the negative.

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Peterson, C.C. introduced—

S.F. No. 2228: A bill for an act relating to children; requiring reporting of certain chemical abuse; imposing a penalty; proposing new law coded in Minnesota Statutes, Chapter 260.

Referred to the Committee on Judiciary.

Mr. Lindgren introduced—

S.F. No. 2229: A bill for an act relating to local government; providing cities with authority relating to water, sanitary sewer and storm sewer systems; amending Minnesota Statutes 1980, Section 444.075, Subdivisions 1 and 3.

Referred to the Committee on Local Government and Urban Affairs.

Messrs. Renneke, Bernhagen and Dahl introduced—

S.F. No. 2230: A bill for an act relating to taxation; redefining agricultural alcohol gasoline; changing the amount and duration of tax reduction for agricultural alcohol gasoline; providing for reciprocity with certain other states; amending Minnesota Statutes 1980, Sections 296.01, Subdivision 24; and 296.02, Subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:15 p.m. The motion prevailed.

The hour of 1:15 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MEMBERS EXCUSED

Mrs. Stokowski was excused from the Session of today from 1:15 to 1:45 p.m.. Mr. Menning was excused from the Session of today from 3:10 to 5:45 p.m. Mr. Dieterich was excused from the Session of today from 4:00 to 5:00 p.m.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, C.C. moved that the following members be excused for a Conference Committee on H.F. No. 438:

Messrs. Peterson, C.C.; Renneke; Frederickson; Moe, D.M. and Spear. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 303: Messrs. Purfeerst, Nelson, Dicklich, Vega and Ramstad.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1451. The motion prevailed.

SPECIAL ORDER

H.F. No. 1760: A bill for an act relating to crimes; expanding criminal

responsibility of certain recipients of stolen property; modifying penalties for receiving stolen property; expanding definition of "burglary"; amending Minnesota Statutes 1980, Sections 609.53, Subdivisions 1 and 3; and 609.58, Subdivision 2; 626A.05, Subdivision 2; Minnesota Statutes 1981 Supplement, Section 609.53, Subdivisions 1a and 4; repealing Minnesota Statutes 1980, Section 609.53, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 609.53, Subdivision 2a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Lessard	Peterson, D.L.	Tennessen
Bang	Dieterich	Lindgren	Peterson, R.W.	Vega
Belanger	Engler	Luther	Petty	Waldorf
Benson	Frank	Menning	Pillsbury	Wegener
Berg	Johnson	Moe, R. D.	Ramstad	Willet
Berglin	Kamrath	Nelson	Rued	
Bernhagen	Kronebusch	Olhoft	Schmitz	
Brataas	Langseth	Pehler	Setzepfandt	
Chmielewski	Lantry	Penny	Sikorski	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1919: A bill for an act relating to agriculture; formulating a state agricultural land preservation and conservation policy; imposing duties on state agencies regarding agency actions adversely affecting agricultural land; continuing the existence of the joint legislative committee on agricultural land preservation; allocating certain state cost-sharing funds for high priority soil erosion, sedimentation and water control problems identified by local soil and water conservation districts; imposing duties on state and local soil and water conservation boards; providing technical and administrative assistance grants to local districts; requiring coordination of state soil and water conservation programs with other public agencies; establishing a conservation tillage demonstration program; amending Minnesota Statutes 1980, Sections 15.0412, by adding a subdivision; 40.03, Subdivision 4; 40.036; 40.07, Subdivision 9; and Laws 1979, Chapter 315, Section 2, as amended; proposing new law coded in Minnesota Statutes, Chapters 17 and 40; repealing Minnesota Statutes 1980, Section 473H.13; and Laws 1979, Chapter 315, Section 1.

Mr. Setzepfandt moved to amend H.F. No. 1919, as amended pursuant to Rule 49, adopted by the Senate March 10, 1982, as follows:

(The text of the amended House File is identical to S.F. No. 1847.)

Page 6, after line 9, insert:

"Sec. 8. Minnesota Statutes 1980, Section 40.03, Subdivision 2, as amended by Laws 1981, Third Special Session, Chapter 2, Article I, Section 13, is amended to read:

Subd. 2. [EMPLOYEES.] The department of natural resources shall provide administrative functions of this section. The commissioner of natural

resources shall make available by separate budget to the state soil and water conservation board the staff services, funds for operation, and office space necessary for the administration and coordination of its functions. The state board shall be responsible to the commissioner for reporting purposes in regard to staff functions and operations which relate to department activities.

The commissioner of natural resources shall, ~~with the advice~~ *subject to approval* of the state board, provide an administrative officer and other necessary permanent and temporary technical experts, agents and employees. The state board shall ~~recommend~~ *determine* the personnel's qualifications and duties ~~to the commissioner of natural resources~~, and recommend compensation to the commissioner of employee relations. The state board may call upon the attorney general for necessary legal services. It shall have authority to delegate to its chairman or to one or more of its other officers or members or administrative officer any of its own powers and duties it may deem proper. The administrative officer is ~~in the unclassified service~~ *responsible to the state board and may be dismissed by the commissioner of natural resources only upon the advice and recommendation of the state board*. All permanent personnel of the state board are employees of the department of natural resources and are in the classified service of the state ~~except for the administrative officer~~ *or as otherwise required by statute*. In order to perform its duties, the state board may request information from the supervising officer of any state agency or state institution of higher education, including the state universities, the community colleges, and the post-secondary vocational technical schools. The supervising officer shall comply with the state board's request to the extent possible considering available appropriations and may assign agency or institution employees to compile existing information and to complete special reports, surveys, or studies concerning the problems specified in section 40.02."

Page 13, line 30, delete "12" and insert "16"

Page 13, line 32, delete "12" and insert "13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 19, after "4" insert "and Subdivision 2, as amended"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Wegener moved to amend H.F. No. 1919, as amended pursuant to Rule 49, adopted by the Senate March 10, 1982, as follows:

(The text of the amended House File is identical to S.F. No. 1847.)

Page 4, after line 23, insert:

"An agency action is not subject to review under this section or section 5 if the action is reviewed as required by chapter 116D and the environmental

review rules adopted under that chapter, or if a political subdivision is required by law to review and approve the action."

The motion prevailed. So the amendment was adopted.

Mr. Setzepfandt moved to amend H.F. No. 1919, as amended pursuant to Rule 49, adopted by the Senate March 10, 1982, as follows:

(The text of the amended House File is identical to S. F. No. 1847.)

Page 3, line 6, delete "*minimizing*" and insert "*eliminating*"

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Penny moved that the vote whereby the Setzepfandt amendment to H.F. No. 1919 was adopted on March 12, 1982, be now reconsidered. The motion did not prevail.

H.F. No. 1919 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Dicklich	Kroening	Pehler	Sikorski
Belanger	Dieterich	Kronebusch	Penny	Solon
Benson	Engler	Langseth	Peterson, C.C.	Spear
Berg	Frank	Lantry	Peterson, D.L.	Stern
Berglin	Frederick	Lessard	Peterson, R.W.	Stokowski
Bernhagen	Frederickson	Lindgren	Petty	Stumpf
Bertram	Hughes	Luther	Purfeerst	Tennessen
Brataas	Humphrey	Menning	Renneke	Ulland
Chmielewski	Johnson	Merriam	Rued	Vega
Dahl	Kamrath	Moe, D.M.	Schmitz	Waldorf
Davies	Knoll	Moe, R.D.	Setzepfandt	Wegener
Davis	Knutson	Olhoft	Sieloff	Willet

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1546: A bill for an act relating to juveniles; providing for the detention of juveniles for whom a motion to refer for prosecution is pending before the court; amending Minnesota Statutes 1980, Section 260.173, Subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Dieterich	Langseth	Peterson, D.L.	Solon
Benson	Frank	Lantry	Peterson, R.W.	Stern
Berglin	Frederick	Lessard	Petty	Stokowski
Bernhagen	Hughes	Lindgren	Pillsbury	Stumpf
Bertram	Humphrey	Luther	Purfeerst	Ulland
Brataas	Johnson	Menning	Ramstad	Vega
Chmielewski	Kamrath	Merriam	Rued	Waldorf
Dahl	Knoll	Moe, R.D.	Schmitz	Wegener
Davies	Knutson	Olhoft	Setzepfandt	Willet
Davis	Kroening	Pehler	Sieloff	
Dicklich	Kronebusch	Penny	Sikorski	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that S.F. No. 1859 be taken from the table. The motion prevailed.

S.F. No. 1859: A bill for an act relating to forestry; establishing a forest resource management policy and plan; realignment of forestry boundaries; establishing a forest management fund and accounting system; changing certain procedures for timber sales from state and tax-forfeited lands; extending certain timber permits; making various changes in forestry laws; amending Minnesota Statutes 1980, Sections 16A.125, Subdivision 5; 89.001, and by adding subdivisions; 89.01, Subdivision 6; 89.021, Subdivision 1; 89.036; 89.37, Subdivisions 2, 3, 3a, and 4; 90.201; 90.251, Subdivisions 1 and 4; 197.447; 282.01, Subdivisions 1 and 3; 282.02; and 282.132; Minnesota Statutes 1981 Supplement, Section 282.04, Subdivision 1; Laws 1981, Chapter 305, Section 11; proposing new law coded in Minnesota Statutes, Chapters 88, 89, 90, and 282; repealing Minnesota Statutes 1980, Sections 282.031; 282.032; 282.033; 282.034; 282.035; 282.036; and 282.037.

CONCURRENCE AND REPASSAGE

Mr. Willet moved that the Senate concur in the amendments by the House to S.F. No. 1859 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1859 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Dieterich	Langseth	Peterson, R.W.	Stokowski
Benson	Frank	Lantry	Petty	Stumpf
Berg	Frederick	Lessard	Pillsbury	Tennessen
Berglin	Hanson	Lindgren	Purfeerst	Ulland
Bernhagen	Hughes	Luther	Ramstad	Vega
Bertram	Humphrey	Menning	Rued	Waldorf
Brataas	Johnson	Merriam	Schmitz	Wegener
Chmielewski	Kamrath	Moe, R.D.	Setzepfandt	Willet
Dahl	Knoll	Olhoft	Sieloff	
Davies	Knutson	Pehler	Sikorski	
Davis	Kroening	Penny	Solon	
Dicklich	Kronebusch	Peterson, D.L.	Stern	

So the bill, as amended, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Purfeerst moved that the following members be excused for a Conference Committee on S.F. No. 155:

Messrs. Purfeerst; Peterson, R.W. and Mrs. Brataas. The motion prevailed.

SPECIAL ORDER

H.F. No. 1492: A bill for an act relating to natural resources; authorizing an addition to Split Rock Creek Recreation Area and authorizing land acquisition in relation thereto.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kronebusch	Penny	Stern
Bang	Dieterich	Langseth	Peterson, D.L.	Stokowski
Benson	Frank	Lantry	Petty	Stumpf
Berglin	Frederick	Lessard	Pillsbury	Tennessen
Bernhagen	Hanson	Lindgren	Purfeerst	Vega
Bertram	Hughes	Luther	Ramstad	Waldorf
Brataas	Humphrey	Menning	Rued	Wegener
Chmielewski	Kamrath	Merriam	Schmitz	Willet
Dahl	Knoll	Moe, R.D.	Setzepfandt	
Davies	Knutson	Olhoft	Sieloff	
Davis	Kroening	Pehler	Sikorski	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1553: A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured persons; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 171.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Kronebusch	Penny	Stokowski
Bang	Dicklich	Langseth	Peterson, D.L.	Stumpf
Belanger	Dieterich	Lantry	Petty	Tennessen
Benson	Engler	Lessard	Pillsbury	Ulland
Berg	Frank	Lindgren	Ramstad	Vega
Berglin	Frederick	Luther	Rued	Waldorf
Bernhagen	Hanson	Menning	Schmitz	Wegener
Bertram	Hughes	Merriam	Setzepfandt	Willet
Brataas	Humphrey	Moe, R.D.	Sieloff	
Chmielewski	Kamrath	Nelson	Sikorski	
Dahl	Knoll	Olhoft	Solon	
Davies	Kroening	Pehler	Stern	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1941: A bill for an act relating to agriculture; setting a standard of proof and procedures for decision and appeal for claims of damage to livestock by endangered species; amending Minnesota Statutes 1980, Section 3.737, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kroening	Nelson	Sikorski
Bang	Engler	Kronebusch	Olhoft	Solon
Belanger	Frank	Langseth	Pehler	Stern
Berglin	Frederick	Lantry	Penny	Stokowski
Bernhagen	Hanson	Lessard	Peterson, D.L.	Stumpf
Bertram	Hughes	Lindgren	Petty	Tennessen
Chmielewski	Humphrey	Luther	Ramstad	Vega
Davies	Johnson	Menning	Rued	Waldorf
Davis	Kamrath	Merriam	Setzepfandt	Wegener
Dicklich	Knutson	Moe, R.D.	Sieloff	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1690: A bill for an act relating to public welfare; requiring the commissioner of public welfare to promulgate rules which establish foster care maintenance payments by the state; establishing a state goal for the reduction of the number of children in residential facilities for more than 24 months; requiring the commissioner of public welfare to comply with the requirements of Title IV-E of the federal Social Security Act in order to obtain adoption assistance funds for eligible children; expanding the eligibility for medical assistance to include children receiving foster care maintenance payments under Title IV-E of the federal Social Security Act; authorizing the transfer of funds; amending Minnesota Statutes 1980, Sections 256.82; 257.071, by adding a subdivision; and 259.40, Subdivisions 2, 3, and 10; Minnesota Statutes 1981 Supplement, Section 256B.06, Subdivision 1, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kroening	Nelson	Sieloff
Bang	Engler	Kronebusch	Olhoft	Sikorski
Belanger	Frank	Langseth	Pehler	Solon
Berglin	Frederick	Lantry	Penny	Stern
Bernhagen	Hughes	Lessard	Peterson, D.L.	Stokowski
Bertram	Humphrey	Lindgren	Petty	Stumpf
Chmielewski	Johnson	Luther	Ramstad	Tennessen
Davies	Kamrath	Menning	Rued	Vega
Davis	Knoll	Merriam	Schmitz	Willet
Dicklich	Knutson	Moe, R.D.	Setzepfandt	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1702: A bill for an act relating to veterans; providing for the furnishing of chiropractic care to residents of the Minnesota veterans home; proposing new law coded in Minnesota Statutes, Chapter 198.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Frank	Langseth	Pehler	Stern
Berglin	Frederick	Lantry	Penny	Stokowski
Bernhagen	Hughes	Lessard	Peterson, D.L.	Stumpf
Bertram	Humphrey	Lindgren	Petty	Tennessen
Chmielewski	Johnson	Luther	Rued	Vega
Davies	Kamrath	Menning	Schmitz	Wegener
Davis	Knoll	Merriam	Setzepfandt	Willet
Dicklich	Knutson	Moe, R. D.	Sieloff	
Dieterich	Kroening	Nelson	Sikorski	
Engler	Kronebusch	Olhoft	Solon	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 378:

Ms. Berglin, Messrs. Ramstad and Peterson, R.W. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Davis moved that the following members be excused for a Conference Committee on H.F. No. 1699:

Messrs. Davis, Rued and Vega. The motion prevailed.

SPECIAL ORDER

H.F. No. 1115: A bill for an act relating to transportation; providing for the distribution of assistance under the public transit participation program; defining terms; changing eligibility requirements for replacement transit service; providing for public transit contract procedures; amending Minnesota Statutes 1980, Sections 174.21; 174.22, by adding subdivisions; 174.23, by adding a subdivision; 174.24, Subdivision 1, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 174.24, Subdivisions 3, and 3a, as amended; and 174.265, Subdivision 4; repealing Minnesota Statutes 1980, Sections 174.25; and 174.26.

Mr. Menning moved to amend H. F. No. 1115 as follows:

Page 6, after line 9, insert:

“Sec. 8. Minnesota Statutes 1981 Supplement, Section 174.24, Subdivision 3a, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 17, is amended to read:

Subd. 3a. [TRANSIT COMMISSION.] The commissioner shall provide financial assistance by contract to the metropolitan transit commission from appropriations provided for that purpose. In order to receive financial assistance, the commission shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to identify the revenues, costs, and service plan upon which the appropriation is based. *The metropolitan transit commission shall not operate a shuttle bus service for the purpose of providing transit service for athletic events at the Hubert H. Humphrey Metrodome operated by the metropolitan sports facilities commission, unless total operating costs, other than costs for providing transportation for handicapped persons, are recovered from non-state sources.*

Page 8, line 13, delete “and 10” and insert “10, and 11”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, delete “Subdivision 3” and insert “Subdivisions 3 and 3a, as amended”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 29, as follows:

Those who voted in the affirmative were:

Benson	Lantry	Luther	Pehler	Solon
Bertram	Lessard	Menning	Penny	Ulland
Kamrath	Lindgren	Olhoft	Peterson, D.L.	Willet

Those who voted in the negative were:

Bang	Davies	Johnson	Petty	Stern
Belanger	Dicklich	Kroening	Pillsbury	Stokowski
Berg	Dieterich	Kronebusch	Ramstad	Stumpf
Bernhagen	Engler	Merriam	Setzepfandt	Tennessee
Brataas	Frank	Moe, R. D.	Sieloff	Waldorf
Dahl	Humphrey	Nelson	Sikorski	

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

H.F. No. 1115 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kronebusch	Olhoft	Sikorski
Belanger	Frank	Langseth	Pehler	Solon
Berg	Frederickson	Lantry	Penny	Stern
Bernhagen	Humphrey	Lindgren	Peterson, C.C.	Stokowski
Bertram	Johnson	Luther	Peterson, D.L.	Stumpf
Dahl	Kamrath	Menning	Petty	Tennessee
Davies	Knoll	Merriam	Ramstad	Ulland
Dicklich	Knutson	Moe, R. D.	Setzepfandt	Waldorf
Dieterich	Kroening	Nelson	Sieloff	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1576: A bill for an act relating to commerce; regulated loans; applying the statutory provisions relating to conventional loan defaults to regulated loans; clarifying the method for the computation of interest; allowing the combination of loans of different maturities and interest rates; prohibiting attorney's fees except in connection with mortgage foreclosures; placing certain restrictions on the procurement of insurance in connection with a loan; providing miscellaneous technical and clarifying amendments; and eliminating a duplicative provision; amending Minnesota Statutes 1980, Section 53.04, Subdivision 5; and Minnesota Statutes 1981 Supplement, Sections 53.01; 53.04, Subdivision 3a; 56.12; 56.131, Subdivisions 1, 3, and 5; 56.155; 334.02; and 334.03; proposing new law coded in Minnesota Statutes, Chapter 56.

Mr. Tennesen moved to amend H. F. No. 1576, as amended pursuant to Rule 49, adopted by the Senate March 10, 1982, as follows:

(The text of the amended House File is identical to S. F. No. 1507.)

Page 2, line 6, after "3a." insert "(a)"

Page 2, line 15, delete "No"

Page 2, delete lines 16 to 25

Page 2, line 26, do not start a new paragraph

Page 2, after line 28, insert:

"(b) Loans made under this section at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan made after August 1, 1984 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan shall not exceed the rate provided in section 47.20, subdivision 4a. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20."

The motion prevailed. So the amendment was adopted.

H.F. No. 1576 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 42 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kronebusch	Peterson, D.L.	Stokowski
Bang	Engler	Langseth	Petty	Stumpf
Belanger	Frank	Lantry	Ramstad	Tennesen
Bernhagen	Frederickson	Lindgren	Schmitz	Ulland
Bertram	Humphrey	Merriam	Setzepfandt	Waldorf
Brataas	Johnson	Moe, R. D.	Sieloff	Willet
Chmielewski	Knoll	Nelson	Sikorski	
Dahl	Knutson	Olhoft	Solon	
Davies	Kroening	Peterson, C.C.	Stern	

Mr. Penny voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1523: A bill for an act relating to driver licensing; allowing certain reports to be made to the commissioner of public safety; proposing new law coded in Minnesota Statutes, Chapter 171.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dahl	Knutson	Moe, R.D.	Sieloff
Bang	Davies	Kroening	Nelson	Solon
Belanger	Dicklich	Kronebusch	Olhoft	Stern
Benson	Engler	Langseth	Penny	Stokowski
Berg	Frank	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Frederickson	Lessard	Petty	Tennessee
Bertram	Hanson	Lindgren	Ramstad	Ulland
Brataas	Humphrey	Luther	Schmitz	Waldorf
Chmielewski	Knoll	Merriam	Setzepfandt	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 534: A bill for an act relating to the collection and dissemination of data; administration of the state archives and state and local government records; classifying data; providing a penalty; amending Minnesota Statutes 1980, Sections 15.17; 138.161; 138.17, Subdivisions 1, 6, 7, and by adding subdivisions; 138.19; 138.20; 138.21; proposing new law coded in Minnesota Statutes, Chapter 138; repealing Minnesota Statutes 1980, Sections 16.66 and 138.18.

Mr. Chmielewski moved to amend H.F. No. 534 as follows:

Page 1, after line 12, insert:

“Section 1. Minnesota Statutes 1980, Section 15.1693, Subdivision 2, is amended to read:

Subd. 2. Except as provided in ~~subdivision~~ subdivisions 4 and 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) Pursuant to section 15.163;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To disclose information in health and safety emergencies pursuant to the provisions of 20 U.S.C., Section 1232g(b)(1)(I) and 45 C.F.R., Section 99.36 which are in effect on July 1, 1979;
- (e) Pursuant to the provisions of 20 U.S.C., Sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and 45 C.F.R., Sections 99.31, 99.32, 99.33, 99.34 and 99.35 which are in effect on July 1, 1979; or
- (f) To appropriate health authorities but only to the extent necessary to

administer immunization programs.

Sec. 2. Minnesota Statutes 1980, Section 15.1693, is amended by adding a subdivision to read:

Subd. 5. [RELEASE TO ARMED FORCES RECRUITERS.] (a) The responsible authority may release the names, addresses, telephone numbers and dates of birth of students attending secondary school to a recruiting officer for any branch of the United States armed forces who requests the information.

(b) Prior to the release of the information in clause (a), the school board shall give, by mailing to the parent or the student who is over 18 years of age, notice of the categories of personally identifiable information which is to be released, including the right of the parent or the student who is over 18 years of age to refuse to permit the release, and the period of time within which a parent or a student who is over 18 years of age must inform the responsible authority in writing that the information is not to be released with respect to that student.

(c) The responsible authority may require the recruiting officer to pay the cost of mailing the notice required in clause (b) and to pay the actual cost of making and compiling the information in clause (a).

(d) The recruiting officer shall use the information in clause (a) to provide information regarding military service to students and shall not use it for any other purpose or release the information to any person or organization other than individuals within the recruiting services of the United States armed forces.

(e) Release of information under this subdivision shall not require the responsible authority to release the information to any other person or organization."

Page 10, line 7, delete "Sections 1 through 13" and insert "This act"

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring the disclosure of names, addresses, telephone numbers and dates of birth of students in secondary schools to recruiting officers for any branch of the United States armed forces unless the parents request in writing that the information not be released; requiring certain procedures to be followed prior to release; restricting the dissemination of disclosed information;"

Page 1, line 5, after "Sections" insert "15.1693, Subdivision 2, and by adding a subdivision;"

Mr. Tennesen questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question recurred on the Chmielewski amendment. The motion did not prevail. So the amendment was not adopted.

H.F. No. 534 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davies	Kroening	Peterson, D.L.	Stokowski
Bang	Dicklich	Kronebusch	Petty	Stumpf
Belanger	Dieterich	Lantry	Pillsbury	Taylor
Benson	Engler	Lessard	Ramstad	Tennessee
Berg	Frank	Lindgren	Renneke	Ulland
Berglin	Frederickson	Luther	Schmitz	Waldorf
Bertram	Hughes	Merriam	Sieloff	Wegener
Brataas	Kamrath	Moe, R.D.	Solon	Willet
Chmielewski	Knoll	Olhoft	Spear	
Dahl	Knutson	Peterson, C.C.	Stern	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1994: A bill for an act relating to financial institutions; permitting certain shared appreciation mortgages; providing that the mortgage becomes due and payable upon its sale or transfer; authorizing bank or trust company investment in community welfare projects; amending Minnesota Statutes 1980, Section 48.61, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 47.20, Subdivision 4b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davies	Lindgren	Pillsbury	Stumpf
Bang	Dicklich	Luther	Ramstad	Taylor
Belanger	Engler	Merriam	Renneke	Tennessee
Benson	Frank	Moe, R. D.	Rued	Ulland
Berg	Frederick	Olhoft	Schmitz	Vega
Berglin	Frederickson	Pehler	Sieloff	Waldorf
Bernhagen	Humphrey	Peterson, C.C.	Solon	Wegener
Bertram	Kamrath	Peterson, D.L.	Spear	Willet
Chmielewski	Kronebusch	Peterson, R.W.	Stern	
Dahl	Lantry	Petty	Stokowski	

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1499: A bill for an act relating to motor vehicles; providing for special license plates for former prisoners of war; proposing new law coded in Minnesota Statutes, Chapter 168.

There has been appointed as such committee on the part of the House:

Osthoff, Hokanson and Peterson, D.

Senate File No. 1499 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1965: A bill for an act relating to the environment; amending various provisions of the waste management act; authorizing the commissioner of administration to acquire certain development rights; defining terms for purposes of the resource recovery program; prohibiting the waste management board from certifying the use of facilities for disposal of radioactive waste; stating various policies and requirements relating to solid and hazardous waste plans and facility permits; prescribing standards, procedures, approvals, and supervision relating to designations of resource recovery facilities; requiring the board to place its highest priority on alternatives to land disposal of hazardous waste; allowing the removal of the moratorium on development at certain sites; directing a study of solid waste utilization in the St. Cloud area; appropriating money; amending Minnesota Statutes 1980, Sections 115A.08, by adding a subdivision; 115A.15, Subdivisions 2, 6, and by adding a subdivision; 115A.42; 115A.46; 115A.62; 115A.69, Subdivision 10; 115A.70, Subdivisions 1, 2, and 3; 116.07, Subdivision 4b; 400.16; 400.162; 473.149, Subdivision 1; 473.153, by adding subdivisions; 473.802; 473.803, Subdivision 1, and by adding a subdivision; 473.811, Subdivision 7, and by adding a subdivision; 473.823, Subdivision 3; 473.827, Subdivision 1, and by adding a subdivision; 473.831, Subdivision 2; Minnesota Statutes 1981 Supplement, Sections 115A.06, Subdivisions 4 and 13; 115A.11, Subdivision 1; 115A.21, Subdivision 3; 115A.24, Subdivision 1, and by adding a subdivision; 473.803, Subdivision 1a; and 473.831, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 115A; repealing Minnesota Statutes 1980, Section 473.827, Subdivisions 2, 3, 4, 5, and 6.

There has been appointed as such committee on the part of the House:

Long, Dahlvang and Rees.

Senate File No. 1965 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H.F. No. 1550: A bill for an act relating to the city of Big Falls; authorizing the establishment of detached banking facilities.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Anderson, I.; Brinkman and Evans have been appointed as such committee on the part of the House.

House File No. 1550 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1982

Mr. Lessard moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1550, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

Pursuant to Joint Rule 3.02, the Conference Committee on H.F. No. 356 was discharged after adjournment May 18, 1981 and the bill was laid on the table.

H.F. No. 356: A bill for an act relating to crimes; specifying offenses relating to computers; providing penalties; proposing new law coded in Minnesota Statutes 1980, Chapter 609.

I have the honor to announce that on March 12, 1982, H.F. No. 356 was taken from the table and new House conferees were appointed.

Kahn, Vanasek and Laidig have been appointed as such committee on the part of the House.

House File No. 356 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1982

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 356, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H.F. No. 2190: A bill for an act relating to education; changing the requirements for membership on the higher education coordinating board; allowing the regional management information centers to be considered governmental units for purposes of the joint powers law; requiring the approval of a plan for spending federal education block grant funds for state administrative purposes; allowing the immigration history research center to use donated services or donated property to meet its matching requirements; broadening the planning

process relating to declining enrollments in higher education; repealing mandates; amending Minnesota Statutes 1980, Sections 136A.02, Subdivision 1; 471.59, by adding a subdivision; Laws 1981, Chapter 359, Section 2, Subdivision 8; and Section 9, Subdivision 12; Third Special Session Chapter 2, Article I, Section 6, Subdivision 1; repealing Minnesota Statutes, Sections 120.17, Subdivision 10; and 121.12.

And the House respectfully requests that a Conference Committee of five members be appointed thereon.

Sieben, M.; Samuelson; Kahn; Carlson, L. and Forsythe have been appointed as such committee on the part of the House.

House File No. 2190 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1982

Mr. Willet moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2190, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H.F. No. 1885: A bill for an act relating to public welfare; providing for approval of mental health clinics and centers pending promulgation of permanent rules.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Brandl, Wynia and Onnen have been appointed as such committee on the part of the House.

House File No. 1885 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1982

Mr. Moe, R.D., for Mr. Sikorski, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1885, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Knoll moved that the following members be excused for a Conference Committee on S.F. No. 1964:

Messrs. Knoll, Spear, Nelson, Pillsbury and Moe, D.M. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 588: A bill for an act proposing an amendment to the Minnesota Constitution, Article XIV, Section 11; revising certain restrictions on highway bonds.

Senate File No. 588 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Mr. Schmitz moved that the Senate concur in the amendments by the House to S.F. No. 588 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 588 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Kroening	Penny	Stokowski
Bang	Dicklich	Kronebusch	Peterson, C. C.	Stumpf
Belanger	Engler	Lantry	Peterson, D. L.	Taylor
Benson	Frank	Lessard	Petty	Tennessen
Berg	Frederick	Lindgren	Pillsbury	Ulland
Berglin	Frederickson	Luther	Ramstad	Vega
Bernhagen	Hughes	Merriam	Renneke	Waldorf
Bertram	Humphrey	Moe, R. D.	Schmitz	
Brataas	Kamrath	Nelson	Setzepfandt	
Chmielewski	Knoll	Olhoft	Sieloff	
Dahl	Knutson	Pehler	Solon	

Mr. Davies voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1765: A bill for an act relating to game and fish; removing the restriction upon issuance of wild turkey licenses; amending Minnesota Statutes 1980, Section 100.271, Subdivision 3a.

Senate File No. 1765 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Mr. Engler moved that the Senate concur in the amendments by the House to S.F. No. 1765 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1765: A bill for an act relating to game and fish; removing the restriction upon issuance of wild turkey licenses; amending Minnesota Statutes 1980, Section 100.271, Subdivision 3a; and Minnesota Statutes 1981 Supplement, Section 98.46, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 98.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Kroening	Olhoft	Sieloff
Bang	Engler	Kronebusch	Pehler	Solon
Belanger	Frank	Langseth	Penny	Stokowski
Benson	Frederick	Lantry	Peterson, C.C.	Stumpf
Berg	Frederickson	Lessard	Peterson, D.L.	Tennessee
Bernhagen	Hughes	Lindgren	Petty	Ulland
Bertram	Humphrey	Luther	Pillsbury	Vega
Chmielewski	Kamrath	Merriam	Purfeerst	Waldorf
Dahl	Knoll	Moe, D. M.	Ramstad	Willet
Davies	Knutson	Moe, R. D.	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1948: A bill for an act relating to the Hennepin County park reserve district and the city of Anoka; authorizing the district to participate in hydro-electric power generation with other local government units under certain conditions.

Senate File No. 1948 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

Mr. Luther moved that the Senate do not concur in the amendments by the House to S. F. No. 1948, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe,

R.D. moved that the Senate revert to the Order of Business of Reports of Committees. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D., from the Committee on Rules and Administration, to which was re-referred

H.F. No. 1220: A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harassment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE I

Section 1. Minnesota Statutes 1980, Section 62A.10, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than two employees nor less than ten members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any association having a constitution or bylaws and formed in good faith for purposes other than that of obtaining insurance under the provisions of this chapter, where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurer authorized to write accident and health insurance in this state shall have power to issue group accident and health policies.

If an employee and his dependents are insured under a group policy, as the result of employment eligibility for insurance, eligibility for coverage shall not be terminated if the employee ceases to be employed as a result of a personal injury as defined in section 176.011, subdivision 16.

Sec. 2. Minnesota Statutes 1980, Section 62C.14, is amended by adding a subdivision to read:

Subd. 16. No subscriber's individual contract or any group contract shall terminate an individual's or the individual's dependent's eligibility for coverage because the individual is no longer employed as the result of a personal injury as defined in section 176.011, subdivision 16.

Sec. 3. Minnesota Statutes 1980, Section 62D.10, is amended by adding a subdivision to read:

Subd. 5. No health plan shall terminate eligibility for coverage of an enrol-

lee or his dependents because the enrollee is no longer employed as the result of a personal injury as defined in section 176.011, subdivision 16.

Sec. 4. [79.212] [INSURERS TO OFFER DEDUCTIBLES.]

Each insurer licensed to transact workers compensation pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), shall offer workers' compensation policies which employers may purchase at a lower premium than the premium which would result from use of the schedule of rates approved by the commissioner. These policies shall contain a deductible which specifies the amount of benefits payable by the employer on each occurrence which results in personal injury.

These policies shall require the insurer to pay all benefits due under the policy. The employer shall deposit the amount of the deductible with the insurer at the inception of the policy period. The insurer shall pay all losses when due utilizing the amounts deposited as specified by the deductible in the policy. The insurer may require the employer to deposit additional funds if the deposited funds are depleted. Each policy shall clearly state the maximum total liability of the employer under the deductible for the policy period.

All interest income earned on the funds deposited with the insurer by the employer shall be credited to the employer. The policy shall provide that funds deposited by the employer, together with the credited interest income, which are not expected to be paid out by the insurer due to claims incurred during the policy period shall be returned to the employer or credited to the next policy period.

The minimum deductible that shall be required is \$1,000 per occurrence and \$5,000 total liability per year.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 79.25, Subdivision 1, is amended to read:

Subdivision 1. When any rejected risk is called to its attention and it appears that the risk is in good faith entitled to coverage the commissioner of insurance shall fix the initial premium therefor and may fix an additional charge to compensate the agent of record for his services and, upon its payment, the commissioner of insurance shall enter into a service contract with one or more qualified ~~members of the association~~ *insurance companies*, or qualified group self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2)(a), whose duty it shall be to issue a policy, or a group self-insurance administration contract, containing the usual and customary provisions found in such policies or contracts therefor, but for which undertaking all ~~members of the association~~ *insurers licensed pursuant to section 60A.06, subdivision 1, clause (5)(b)* shall be reinsurers as among themselves in the amount which the compensation insurance written in this state during the preceding calendar year by that ~~member insurer~~ bears to the total compensation insurance written in this state during the preceding year by all the ~~members of the association~~ *licensed insurers*. The assigned risk plan shall be treated as a group self-insurer member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2. A qualified ~~member insurer~~ or group self-insurance administrator shall possess sufficient financial, professional, administrative and personnel resources to serve the policies or

self-insurance contracts contemplated in the service contract.

Policies and contracts of coverage issued pursuant to this subdivision shall be deemed to meet the mandatory insurance requirements of section 176.181, subdivision 2.

Sec. 6. Minnesota Statutes 1980, Section 79.25, is amended by adding a subdivision to read:

Subd. 3. [ANNUAL ASSESSMENT.] The commissioner shall annually assess from each insurer licensed pursuant to section 60A.06, subdivision 1, clause (5)(b), an amount sufficient to fully fund the obligations of the assigned risk plan. The assessment of each insurer shall be in an amount that the compensation insurance written in this state by that insurer during the preceding calendar year bears to the total compensation insurance written in this state by all licensed insurers during the preceding calendar year.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 79.34, Subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be considered to be involved in a separate loss occurrence. ~~The lesser retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the greater retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Any increase in the retention limits which have occurred since October 1, 1979, is hereby revoked.~~ Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for

all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

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

Sec. 8. Minnesota Statutes 1981 Supplement, Section 79.63, Subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION.] The commissioner shall ~~appoint~~ *contract with* a licensed data service organization to ~~administer~~ *make assignments, gather data, collect assessments, and perform other services for* the assigned risk plan. ~~The appointed data service organization shall submit to the commissioner for approval a plan and rules for administering the assigned risk plan, including a method or formula by which the organization is to be paid for administrative services.~~

Sec. 9. Minnesota Statutes 1981 Supplement, Section 79.63, Subdivision 2, is amended to read:

Subd. 2. [REJECTION; NOTICE.] An insurer that refuses to write insurance for an applicant shall furnish the applicant a written notice of refusal and shall file a copy of the notice of refusal with the data service organization ~~appointed~~ *contracted with* pursuant to subdivision 1. ~~Servicing insurers designated pursuant to subdivision 3 shall accept and insure any applicant for workers' compensation insurance assigned pursuant to subdivision 3.~~

Sec. 10. Minnesota Statutes 1981 Supplement, Section 79.63, Subdivision 4, is amended to read:

Subd. 4. [PENALTY.] The commissioner may revoke the license of an insurer or agent for refusing or failing to provide an applicant with written refusal pursuant to subdivision 2 or for any other violation of this section or of the approved rules of a ~~data service organization~~ *concerning the assigned risk plan*.

Sec. 11. Minnesota Statutes 1980, Section 147.20, is amended to read:

147.20 [RESIDENT PHYSICIANS.]

No person shall act as a resident physician without first obtaining such temporary certificate for graduate training and any violation of this section shall be a gross misdemeanor; provided, however, that the provisions of this section shall not apply to a doctor of medicine or doctor of osteopathy duly licensed and registered in this state to practice medicine in all of its branches, nor to a doctor of medicine duly enrolled and regularly attending the graduate school *or post graduate program of the medical school* of the University of Minnesota including the Mayo foundation.

Sec. 12. Minnesota Statutes 1980, Section 176.011, Subdivision 3, is amended to read:

Subd. 3. [~~DAILY WEEKLY WAGE.~~] "~~Daily Weekly~~ wage" means the ~~daily weekly~~ wage of the employee in the employment in which he was engaged at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. *Occasional overtime is not to be considered, but if the overtime is regular or frequent throughout the year, it shall be taken into consideration.* If the amount of the ~~daily weekly~~ wage received or to be received by the employee in the employment in which he was engaged at the time of injury was irregular or difficult to determine, or if the employment was part time, the ~~daily weekly~~ wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of ~~days~~ *weeks* in which the employee actually performed any of the duties of such employment, provided further, that in the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, ~~the weekly wage shall not be less than five times the daily wage~~ *weeks where the employee worked less than the lesser of 40 hours or the normal number of hours worked in a week shall not be included in weeks worked.* Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of the wage contract they are deemed a part of his earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case

of emergency, then the normal working ~~day~~ week shall be considered and computed as ~~eight hours~~ five days, and in cases where ~~such the~~ services are performed gratis or without fixed compensation the ~~daily~~ weekly wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where ~~such the~~ services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of ~~daily~~ weekly wage.

Sec. 13. Minnesota Statutes 1981 Supplement, Section 176.011, Subdivision 9, is amended to read:

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

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

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

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

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

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

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

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

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

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

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

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

for similar services in institutions where the services are performed by paid employees;

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

(16) *those students enrolled in and regularly attending the medical school of the University of Minnesota, whether in the graduate school program or the post graduate program, as provided in section 147.20, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under chapter 176, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under chapter 176.*

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

Sec. 14. Minnesota Statutes 1980, Section 176.011, Subdivision 9a, is amended to read:

Subd. 9a. [EMPLOYEE.] For purposes of this chapter "employee" does not include farmers or members of their family who exchange work with other farmers in the same community, *nor does it include a person who elects not to be covered under section 176.012.*

Sec. 15. Minnesota Statutes 1980, Section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

(a) The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

~~(a)~~ (1) An owner or owners of a business or farm may elect coverage for themselves.

~~(b)~~ (2) A partnership owning a business or farm may elect coverage for any partner.

~~(c)~~ (3) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

~~(d)~~ (4) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(5) *The owner of a commercial vehicle as defined in clause (b), who elects not to be covered by this chapter pursuant to clause (b).*

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child

whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

(b) A person who is the owner of a commercial vehicle and leases that vehicle to a person, partnership, or corporation and who is hired by that person, partnership, or corporation to drive the vehicle may elect to be deemed an independent contractor, notwithstanding the provisions of section 176.205, subdivision 3, clause (c), and notwithstanding the fact that the owner of the vehicle works under another person's direction.

An election made pursuant to this clause shall be valid only if there is a signed written agreement between the person who elects not to be covered as an employee and the person, partnership, or corporation who hires that person.

For the purposes of this chapter, a person who elects not to be covered shall be deemed to be an independent contractor and shall be deemed not to be an employee, notwithstanding section 176.011, subdivision 9.

Nothing in this clause shall be construed to limit the application of the remainder of section 176.205.

For the purposes of this clause, "owner" and "commercial vehicle" have the meanings as defined in section 65B.43.

(c) Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 16. Minnesota Statutes 1981 Supplement, 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 non-periodic 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 subdivision 3a. If doubt exists as to the eventual permanent partial disability, payment, pursuant to subdivision 3a, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. At the time of any tender of the lump sum payment, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based, together with a statement by the

insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. Compensation for permanent partial disability is payable in addition to compensation for ~~temporary~~ total disability, *rehabilitation* and temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, as provided in subdivision 3a. ~~Compensation for permanent partial disability is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101, subdivision 5, as provided in subdivision 3a.~~ Compensation for permanent partial disability shall be withheld pending completion of payment for ~~temporary~~ total and temporary partial disability but shall not be withheld ~~pending payment of compensation for permanent total disability, and when it is determined by a qualified rehabilitation consultant pursuant to section 176.102 that the employee's condition precludes the development of a rehabilitation plan, except that after an employee has received total disability benefits for 104 weeks, not necessarily consecutive,~~ compensation for permanent partial disability shall be paid. No credit shall be taken for payment of permanent partial disability against liability for ~~temporary total or permanent~~ total disability. Liability on the part of an employer or his insurer for disability of a ~~temporary total, or temporary partial, and permanent total~~ nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and shall be payable accordingly, subject to subdivision 3a. Permanent partial disability is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to subdivision 3a. The right to receive ~~temporary total, temporary partial, or permanent partial or permanent total~~ disability payments shall vest in the injured employee or his dependents under this chapter or, if none, in his legal heirs at the time the disability can be ascertained and the right shall not be abrogated by the employee's death prior to the making of the payment.

Sec. 17. Minnesota Statutes 1981 Supplement, Section 176.021, Subdivision 3a, is amended to read:

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

- (a) If the employee returns to work, payment shall be made by lump sum;
- (b) If ~~temporary~~ total disability payments have ceased, but the employee has not returned to work, payment shall be made at the same intervals as ~~temporary~~ total disability payments were made;
- (c) If ~~temporary~~ total disability payments cease because the employee is receiving payments for permanent total disability or because have not ceased and the employee is retiring or has retired from the work force, then payment shall be made by lump sum;
- (d) If the employee completes a rehabilitation plan pursuant to section 176.102, but the employer does not furnish the employee with work he can do in his permanently partially disabled condition, and the employee is unable to procure such work with another employer, then payment shall be made by lump sum.

Sec. 18. Minnesota Statutes 1980, Section 176.021, is amended by adding a

subdivision to read:

Subd. 3b. [DISPUTE RESOLUTION.] When the examinations by the employee's physician and the employer's physician produce disability ratings that differ, the employer shall, when it is due, pay the benefit established by the examination conducted by the employer's physician. If there is no settlement and a hearing is held, the compensation judge shall accept one of the two original disability ratings as the appropriate basis for determining permanent partial benefits and shall not accept any other rating. Each dispute shall be resolved by accepting the rating that is closest to the one that would be obtained if an evaluation were conducted in accordance with the standards established in section 37.

Sec. 19. Minnesota Statutes 1980, Section 176.021, Subdivision 5, is amended to read:

Subd. 5. [ACCUMULATED CREDITS, ADDITIONAL PAYMENTS.] If employees of the state or a county, city or other political subdivision of the state who are entitled to the benefits of the workers' compensation law have, at the time of compensable injury, accumulated credits under a vacation, sick leave or overtime plan or system maintained by the governmental agency by which they are employed, the appointing authority may provide for the payment of additional benefits to such employees from their accumulated vacation, sick leave or overtime credits. Such additional payments to an employee may not exceed the amount of the total sick leave, vacation or overtime credits accumulated by the employee and shall not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. Such additional payments to any employee shall be charged against the sick leave, vacation and overtime credits accumulated by such employee. Employees of a county, city or other political subdivision entitled to the benefits of the workers' compensation law may receive additional benefits pursuant to a collective bargaining agreement or other plan entered into or in effect on or after January 1, 1980, providing payments by or on behalf of the employer and these additional benefits may be unrelated to any accumulated sick leave, holiday or overtime credits and need not be charged against any accumulation; provided that the additional payments shall not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. The commissioner of the department of labor and industry for the state or the governing body of any county, city or other political subdivision to which the provisions of this chapter apply, may adopt rules and regulations not inconsistent with this chapter for carrying out the provisions hereof relating to payment of additional benefits to employees from accumulated sick leave, vacation or overtime credits or other sources.

Sec. 20. Minnesota Statutes 1980, Section 176.041, Subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce, which persons are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for him; partners engaged in any farm operation or partners engaged in

a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; *nor does it include a person who elects not to be covered pursuant to section 176.012, clause (b);* or other farmers or members of their families exchanging work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or occupation of his employer; nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. Neither shall the chapter apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from his present employer in any three month period within the previous year shall be covered by this chapter regardless of whether or not he has in the present quarter earned \$500. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner of labor and industry to have those persons excluded from this chapter. This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 21. Minnesota Statutes 1980, Section 176.101, Subdivision 1, is amended to read:

Subdivision 1. [~~TEMPORARY TOTAL DISABILITY.~~] For injury producing temporary total disability, $66\frac{2}{3}$ percent of the ~~daily~~ 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,~~ the maximum weekly benefits payable shall be *100 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.*

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

This ~~compensation~~ benefit shall be ~~paid~~ payable during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be, *until the injured employee is:*

(1) *Medically recovered from the personal injury and able to substantially perform the duties of the preinjury job or a job utilizing similar skills. For the purposes of this clause "substantially perform the duties of the preinjury job" means that an employee is able to meet the minimum standards of output or productivity established for the preinjury job. The employer shall have the*

option of altering or reducing these standards to accommodate any temporary or permanent physical limitations of an employee as a means of establishing a job utilizing similar skills. If an employer is unable to offer employment to the employee after the employee has medically recovered and no other employer has offered a job meeting the requirements of this clause, total disability benefits shall be continued until all other workers performing the same job with the employer at the time of injury but who have less seniority than the injured employee have been laid off. If benefits are terminated due to the layoff and the employee is eligible for permanent partial benefits for at least 50 weeks, benefits shall be payable for an additional period of time until either an offer of employment is made to the employee which is consistent with the employee's work experience and which is within the employee's physical capabilities or the time established for the weeks of permanent partial disability shown below has elapsed.

Weeks of Permanent Partial Disability	Maximum Benefit Period
50 - 199 weeks	6 months
200 weeks or more	12 months;

(2) Receiving temporary partial disability benefits; or

(3) Receiving rehabilitation benefits.

Where an employee is totally disabled for part of a week, the benefit shall be equal to the same portion of the weekly benefit as the days of total disability are to the number of days in the employee's normal work week.

Sec. 22. Minnesota Statutes 1980, Section 176.101, Subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be $66\frac{2}{3}$ percent of the difference between the ~~daily~~ weekly wage of the worker at the time of injury and the wage he is able to earn in his partially disabled condition. This compensation shall be paid during the period of disability and upon the employee's return to work, 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 100 percent of the statewide average weekly wage. ~~If the employer does not furnish the worker with work which he can do in his temporary partially disabled condition and he is unable to procure such work with another employer, after reasonably diligent effort, the employee shall be paid at the full compensation rate for his or her temporary total disability.~~

Sec. 23. Minnesota Statutes 1981 Supplement, Section 176.101, Subdivision 3, is amended to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] For permanent partial disability compensation shall be ~~that~~ $66\frac{2}{3}$ percent of the weekly wage for the disability and for the weeks ~~named~~ listed in the following schedule, subject to a total maximum weekly compensation equal to the statewide weekly wage: \$267. The maximum period of compensation shall be 500 weeks.

(1) For the loss of a thumb, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 65 weeks;

(2) For the loss of a first finger, commonly called index finger, $66\frac{2}{3}$

percent of the daily wage at the time of injury during 40 weeks;

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

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

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

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

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

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

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

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

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

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

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

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

(15) Amputation of the arm below the elbow is considered the loss of a hand, including wrist movement, if enough of the forearm remains to permit the use of an effective artificial member, otherwise it is considered the loss of an arm;

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

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

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

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

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

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

(22) *For the loss of two eyes, 450 weeks;*

(22) (23) For the complete permanent loss of hearing in one ear, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 85 50 weeks;

(23) (24) For the complete permanent loss of hearing in both ears, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 170 200 weeks;

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

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

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

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

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

(29) For the loss of two hands, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

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

(31) For the loss of two feet, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

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

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

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

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

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

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

(38) (25) For loss of the voice mechanism, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

~~(39)~~ (26) For head injuries, $66 \frac{2}{3}$ percent of the ~~daily~~ weekly wage at the time of injury for that proportion of 500 weeks which is represented by its percentage of the permanent partial disability to the entire body as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal;

~~(40)~~ (27) For permanent partial disability resulting from injury to any internal organ until such time as the commissioner of labor and industry shall promulgate a schedule of internal organs and thereafter for internal organs covered by the schedule of internal organs established by the commissioner, $66 \frac{2}{3}$ percent of the ~~daily~~ weekly wage at time of injury for that proportion of 500 weeks, not to exceed 500 weeks, as determined by the commissioner, which is the proportionate amount of permanent partial disability caused to the entire body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals;

~~(41)~~ (28) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, $66 \frac{2}{3}$ percent of the ~~daily~~ weekly wage at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines, not exceeding 90 weeks;

~~(42)~~ (29) For permanent partial disability resulting from injury to the back, $66 \frac{2}{3}$ percent of the daily wage at the time of injury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

~~(43)~~ When an employee sustains concurrent injuries resulting in concurrent disabilities he shall receive compensation only for the injury which entitled him to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

~~(44)~~ (30) In all cases of permanent partial disability it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member, but the compensation in and by this schedule provided shall be in lieu of all other compensation in these cases, except as otherwise provided by this section;

In the event a worker has been awarded or is entitled to receive compensation for loss of use of a member under any workers' compensation law, and thereafter sustains loss of the member under circumstances entitling him to compensation therefor under this subdivision, the amount of compensation awarded, or that he is entitled to receive, for the loss of use, is to be deducted from the compensation due under the schedules of this section for the loss of the member, provided, that the amount of compensation due for the loss of the member caused by the subsequent accident is in no case less than 25 percent of the compensation payable under the schedule of this section for the loss of the member;

(45) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss;

(46) In cases of permanent partial disability caused by simultaneous injury to two or more members, the applicable schedules in this subdivision shall be increased by 15 percent. This clause shall not apply when the injuries are compensated under paragraphs 22 to 37 inclusive, of this subdivision. In cases of partial disability due to injury to both eyes resulting in less than total loss of vision in one or both eyes compensation shall be paid at the prescribed rate during that part of 450 weeks which the extent of the combined injury to both eyes bears to the complete loss of industrial vision;

(47) The commissioner may make or revise rules for the determination of the extent of the impairment of the industrial use of one or both eyes taking into account all primary coordinate factors of vision. These rules shall be made or revised after consultation with experts on industrial vision and after public notice to and hearing of interested parties;

(48) (31) For permanent partial disability resulting from injury to the body as a whole due to burns, 66 2/3 percent of the daily weekly wage at the time of injury, for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal, the compensation to be paid in addition to the compensation as employee would otherwise be entitled to for loss of use of a member in accordance with this section;

(49) (32) In all cases of permanent partial disability not enumerated in this schedule the compensation shall be 66 2/3 percent of the difference between the daily weekly wage of the worker at the time of the injury and the daily wage he is able to earn in his partially disabled condition, subject to a maximum equal to the statewide average weekly wage, and continue during disability, not to exceed 350 weeks; and if the employer does not furnish the worker with work which he can do in his permanently partially disabled condition and he is unable to secure such work with another employer after a reasonably diligent effort, the employee shall be paid at his or her maximum rate of compensation for total disability.

(33) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss.

Sec. 24. Minnesota Statutes 1980, Section 176.101, Subdivision 5, is amended to read:

Subd. 5. [TOTAL DISABILITY.] 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 any other injury which totally incapacitates the employee from working at ~~an~~ the same or

a similar occupation which brings ~~him~~ the employee an income constitutes total disability.

Sec. 25. Minnesota Statutes 1980, Section 176.101, is amended by adding subdivisions to read:

Subd. 7. [HEALTH INSURANCE COVERAGE.] If at the time of injury the employee or the employee and his or her dependents are covered under an accident and health insurance policy, or a contract issued pursuant to chapter 62C, 62D, or any plan defined in section 62E.02, subdivision 22, for which the employer paid premiums or contributions, the employee and applicable dependents shall be entitled to coverage under that plan or policy, during the period for which total disability benefits are paid pursuant to subdivisions 1 or 4, for up to one year after the time of injury, provided the employee continues to pay any share of the premium which was payable by the employee prior to the injury.

Subd. 8. [SOCIAL SECURITY OFFSET.] Benefits from any government disability program, or any old age benefits program for which the employee is eligible shall reduce benefits otherwise payable under subdivision 1 provided, however, that the offset shall be applied only to the extent that the government benefits will fully replace the amount of the reduction in the benefits payable under subdivision 1. If an employee may be eligible for these benefits but has not made application, then the employer shall notify the employee of the possible eligibility and if no application has been made within 30 days of the notice, the payment of benefits under this chapter shall be interrupted until application is made. These benefits shall be paid in full after the application has been made.

Sec. 26. Minnesota Statutes 1980, Section 176.102, Subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Vocational Rehabilitation shall train an is intended to restore the injured employee, through physical and vocational rehabilitation, so he may be returned return to a job related to his former employment or to a job in another work area which produces an economic status as close as possible to that he would have enjoyed without disability suitable gainful employment. 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.

"Suitable gainful employment" for the purposes of this section is employment that is reasonably obtainable and offers an opportunity to restore the injured employee as soon as possible and as nearly as possible to a job related to his former employment or to a job in another work field in which he could produce earnings as close as possible to those he received at the time of the personal injury.

Rehabilitation for employment which may produce earnings greater than those the employee received at the time of personal injury is permitted if it can be demonstrated that this rehabilitation is necessary for re-employment. Consideration shall be given to the employee's qualifications including but not limited to age, education, previous work history, interest, and transferable

skills.

Sec. 27. Minnesota Statutes 1980, Section 176.102, is amended by adding a subdivision to read:

Subd. 1b. [REHABILITATION PRIORITIES.] The following priorities are established for use in exploring alternative rehabilitation plans. No higher numbered priority shall be utilized unless all lower numbered priorities have been determined by the qualified rehabilitation consultant to be unlikely to result in returning the employee to suitable gainful employment; provided, if a lower numbered priority is clearly inappropriate for the employee, the next higher numbered priority shall be utilized. If the employer has indicated that no job will be available for the injured employee, priorities one and two shall not be utilized.

Priority 1 is modification of the previous job with the same employer, including a transitional return to work.

Priority 2 is a new job with the same employer in keeping with any limitations or restrictions of the employee.

Priority 3 is modification of the previous job with a new employer.

Priority 4 is a new job with a new employer as a result of direct job placement based upon transferable skills.

Priority 5 is a new job with a new employer involving on-the-job training.

Priority 6 is retraining and job placement consistent with the purposes of rehabilitation.

Sec. 28. Minnesota Statutes 1980, Section 176.102, Subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner of labor and industry shall hire a director of medical and rehabilitation services in the classified service. The commissioner of labor and industry is responsible for supervising medical and rehabilitation services, including the selection and delivery of services. The commissioner of labor and industry may hire qualified personnel to assist in his these duties under this section and may delegate his those duties and performance.

Sec. 29. Minnesota Statutes 1980, Section 176.102, Subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner of labor and industry or his a designee, who shall serve as an ex officio member and two members each from labor, employers, insurers, vocational rehabilitation, and medicine and one member representing chiropractors. The members shall be appointed by the governor and shall serve four year four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall (a) review and make a determination with respect to (a) appeals regarding rehabilitation plans and benefits; and (b) hold appeals regarding certification approval or revocation of certification approval hearings; (c). The panel shall continuously study medical and rehabilitation services and delivery; and (d) develop and recommend medical and rehabilitation rules as necessary to the commissioner of labor and industry. A majority vote

of those attending a panel hearing under subdivision 6 shall constitute the decision of the board.

Sec. 30. Minnesota Statutes 1980, Section 176.102, Subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) Within 30 15 days of the time an employer or his insurer has medical information that an employee is unable due to a personal injury or occupational disease to return to his preinjury occupation the employer shall provide rehabilitation consultation for the employee. The employee, however, has the final decision on which rehabilitation agency is to be utilized pursuant to the provisions of this section. The consultation shall be done by any person or public or private institution approved by the commissioner of labor and industry. If the consultant determines rehabilitation would significantly reduce or eliminate the decrease in employability, the employer or insurer in conjunction with the rehabilitation consultant shall submit a specific plan of rehabilitation to the commissioner. If the employer does not provide rehabilitation consultation, when required by this section, within the time specified by this subdivision, the commissioner of labor and industry shall notify the employer and insurer that should they fail to provide rehabilitation consultation within 15 days from the receipt of the commissioner's notice, the division of vocational rehabilitation shall be authorized to provide the rehabilitation consultation for the employee. If the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and the details of a plan of rehabilitation, the amount of compensation may be reduced or the right to compensation may be suspended by an order of the division or workers' compensation court of appeals in a matter before it. In developing a plan, consideration shall be given to the employee's age, education, previous work history, interests and skills. , or in any event, if within 90 days after the personal injury the employee has not returned to work, the employer shall refer the employee to a qualified rehabilitation consultant for a determination of whether rehabilitation is necessary to carry out the purposes of this section. If the employer knows, or in any case as soon as possible, the employer shall inform the employee, the insurer, the qualified rehabilitation consultant, and the division that no job will be available. If rehabilitation is determined to be necessary, the employee and employer shall enter into a program as prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the department of labor and industry. If, within 30 days of the first consultation with a qualified rehabilitation consultant, the employee objects to the employer's selection of that qualified rehabilitation consultant, the employee must notify the employer and the commissioner in writing of his objection.

Upon receipt of the notice of objection, the commissioner shall schedule an administrative conference for the purpose of determining which qualified rehabilitation counselor may be mutually acceptable. The employee, however, has the final decision on which qualified rehabilitation consultant is to be utilized.

(b) If the employer does not provide rehabilitation evaluation as required by this section within 75 days from the date of injury, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant within 15 days to conduct a rehabilitation evaluation, the commissioner shall appoint a qualified rehabilitation consultant to provide the

evaluation at the expense of the employer unless the commissioner determines the evaluation is not required. The commissioner may assess a penalty of up to \$5,000, to be paid to the special compensation fund by any employer if the commissioner has appointed a qualified rehabilitation consultant and return to work has not been accomplished within 180 days, subject to the limitations in clause (c) below.

(c) If the employee's condition does not permit determination of the employee's need for rehabilitation or a rehabilitation plan cannot be developed within 90 days after the injury, a further rehabilitation evaluation by a qualified rehabilitation consultant is required six months following the date of injury. If the employee's condition still precludes development of a rehabilitation plan at this time, a further evaluation by a qualified rehabilitation consultant shall be conducted in six months and then at yearly intervals as long as no rehabilitation plan has been developed. The commissioner may waive further mandatory evaluations after the second evaluation if he determines in a case that evaluations are not likely to accomplish the purposes of this subdivision. If after two years from the date of injury a rehabilitation plan has not been developed, the employer may determine the time of a subsequent evaluation. Those evaluations shall not occur more frequently than once per year and are not mandatory for the employee, unless directed by the commissioner.

Sec. 31. Minnesota Statutes 1980, Section 176.102, Subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] ~~On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. When a rehabilitation plan includes on the job training, the employee shall receive compensation while employed in an amount equal to the after tax wage the employee received at the time of the personal injury. This compensation shall be paid in whole or in part by the insurer liable for compensation for the employee's personal injury. The amount of compensation to be paid by this insurer shall be determined in the rehabilitation plan prepared pursuant to this section. Any difference between the amount of compensation the insurer is paying and the after tax wage the employee received at the time of the personal injury shall be paid by the on the job employer, but in no case shall this employer's amount exceed the prevailing wage for the job. After tax wage shall be determined by subtracting federal and state income tax from the employee's gross wage.~~

A rehabilitation plan which includes on the job training shall ~~attempt to~~ create an incentive for an ~~on the job training~~ employer to hire the employee for on the job training. This incentive ~~may~~ shall be in the form of reducing the ~~on the job training employer's~~ wages paid to the employee by the ~~on the job training employer~~ to a level which is 80 percent or less than the prevailing wage for the job, provided that the total compensation from the insurer, required by this section, and the wages paid by the on the job training employer is not less than the after tax wage received by the employee at the time of the personal injury. ~~The compensation from the insurer and the on the job training employer paid pursuant to this subdivision is in lieu of temporary total disability payments and the additional compensation provided in subdivision 11. The difference between the after tax wage from the preinjury job and the wage from the on the job training shall be paid by the employer liable for compensation for~~

the employee's injury but it shall not exceed 100 percent of the statewide average weekly wage at the time of injury. The compensation from the liable employer and the on the job training employer paid according to this subdivision is in lieu of other benefits required to be paid by subdivision 11.

Sec. 32. Minnesota Statutes 1980, Section 176.102, Subdivision 6, is amended to read:

Subd. 6. [PLAN, APPROVAL AND APPEAL.] The commissioner ~~of labor and industry~~ shall *review and approve, modify or reject* rehabilitation plans developed under subdivision 4. ~~Any persons aggrieved by~~ A decision of the commissioner may ~~appeal~~ *be appealed* to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals. ~~The panel may approve or reject the decision of the commissioner. If it rejects the commissioner's decision it may formulate its own rehabilitation plan.~~

Sec. 33. Minnesota Statutes 1980, Section 176.102, Subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, ~~insurer or employer, or qualified rehabilitation consultant,~~ *medical and rehabilitation reports of an employee's progress under a plan* shall be made by the provider of the *medical and* rehabilitation service to the commissioner ~~of labor and industry, insurer and employer of an employee's progress under a plan.~~

Sec. 34. Minnesota Statutes 1980, Section 176.102, Subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request ~~of to the commissioner~~ by the employer, ~~the insurer, or employee to the commissioner, or the qualified rehabilitation consultant,~~ the plan may be suspended, terminated or altered upon a showing of good cause ~~therefor~~, including:

(a) a physical impairment that does not allow the employee to pursue the ~~vocation being trained for rehabilitation plan;~~

(b) the employee's performance level indicates ~~he cannot complete~~ the plan *will not be successfully completed;* or

(c) an employee does not cooperate with a plan.

An employee may request a change in a rehabilitation plan once because he *or she* feels ~~he is not suited~~ *ill-suited* for the type of work for which ~~training~~ *rehabilitation* is being provided if the request is made within 90 days of the start of the plan. Any decision of the commissioner regarding a change in a plan may be appealed to the *rehabilitation review* panel within 15 days of the decision.

Sec. 35. Minnesota Statutes 1980, Section 176.102, Subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of ~~vocational~~ *rehabilitation diagnosis* evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board ~~and~~, lodging and custodial day care when rehabilitation requires residence away from the employee's customary residence; ~~and~~

(d) Reasonable costs of travel and daycare during the job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury; and

(f) Any other expense agreed to be paid.

Sec. 36. Minnesota Statutes 1980, Section 176.102, Subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules ~~promulgated~~ adopted by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, but may not be a vendor or the agent of a vendor of rehabilitation services except that any public or private nonprofit health care institution, licensed under section 144.50, or its wholly-owned subsidiary, which prior to the enactment of section 176.102 provided rehabilitation services as well as rehabilitation plan development and monitoring, may continue to provide rehabilitation services to injured workers as a qualified rehabilitation consultant and registered rehabilitation vendor simultaneously. The entities shall be known as qualified vendor/consultants and have all the rights and responsibilities of qualified rehabilitation consultants and registered rehabilitation vendors.

Sec. 37. Minnesota Statutes 1980, Section 176.102, Subdivision 11, is amended to read:

Subd. 11. [COMPENSATION DURING REHABILITATION.] The insurer or employer shall pay up to 156 weeks of compensation during rehabilitation under a plan in an amount equal to 125 percent of the employee's rate for temporary total disability. This payment is in lieu of payment for temporary total, temporary partial, or permanent total disability to which the employee might otherwise be entitled for this period under this chapter, but shall be considered to be the equivalent of temporary total disability for the purposes of section 176.132. If on the job training is part of the rehabilitation program, the weeks during which the insurer or employer pays compensation pursuant to subdivision 5 shall be subtracted from the 156 weeks of retraining compensation which has been paid, if any, pursuant to this subdivision. This subdivision shall not apply to retraining benefits for which liability has been established prior to July 1, 1979. The commissioner shall determine eligibility for rehabilitation services and rehabilitation benefits while the employee is participating in a rehabilitation plan. Rehabilitation benefits shall include payment in an amount equal to the employee's benefit for total or temporary partial disability, whichever is appropriate, and shall be in lieu of the compensation for those disabilities. All rehabilitation benefits payable under chapter 176 shall be

discontinued and forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan.

Sec. 38. Minnesota Statutes 1980, Section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [BENEFIT DURATION DURING REHABILITATION.] Unless the employee has returned to work, benefits during rehabilitation shall continue as provided in subdivision 11 until the sooner of the following:

(a) The rehabilitation plan has been completed and after 90 days the employer or another employer has offered the injured employee a job which is consistent with the employee's work experience or the skills developed in the rehabilitation plan and which is within the physical capabilities of the employee, at which time benefits shall cease or temporary partial disability benefits shall begin, whichever is appropriate; or

(b) The rehabilitation plan has been completed and 180 days have elapsed at which time benefits shall cease unless the employee is eligible for permanent partial benefits for at least 50 weeks. If the employee is eligible, benefits shall be payable for an additional period of time until either an offer of employment is made to the employee which is consistent with the employee's work experience or the skills developed in the rehabilitation plan and which is within the employee's physical capabilities or the time established for the weeks of permanent partial disability shown below has elapsed.

*Weeks of Permanent Partial
Disability After Completion
of Rehabilitation Plan*

*50 - 99 weeks
100 - 199 weeks
200 - 299 weeks
300 weeks or more*

*Maximum Benefit Period
After Completion of
Rehabilitation Plan*

*6 months
12 months
24 months
duration of the
disability*

Sec. 39. Minnesota Statutes 1980, Section 176.102, Subdivision 12, is amended to read:

Subd. 12. [RULES.] The commissioner shall ~~promulgate~~ adopt rules necessary to implement this section including rules relating to qualifications necessary to be an approved rehabilitation consultant and rules relating to the requirements to be an approved registered vendor of rehabilitation services.

Sec. 40. [176.1021] [REHABILITATION FUND.]

Subdivision 1. [CREATION.] The workers' compensation rehabilitation fund is created for the purposes provided in section 176.102.

Subd. 2. [PAYMENTS.] On and after July 1, 1983, when an employee is referred to a qualified rehabilitation consultant or to a registered vendor of rehabilitation services, as provided in section 176.102, all fees, costs and expenses for services rendered by a rehabilitation consultant or a vendor shall be paid from the workers' compensation rehabilitation fund.

Subd. 3. [FINANCING.] The commissioner shall assess each insurer, self-insurer and group self-insurer in the manner provided by section 176.131, subdivision 10, and in an amount as the commissioner determines is necessary according to the rules adopted pursuant to subdivision 4.

Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the workers' compensation rehabilitation fund and be used to make the payments required in subdivision 2. Any interest or profit accruing from the investment of these sums shall be credited to the workers' compensation rehabilitation fund.

Subd. 4. [RULES.] Prior to July 1, 1983, the commissioner shall by rule adopt a method for determining the amount of assessment to be made to assure that the fund retains a balance sufficient to meet the obligations imposed on it by this section.

The commissioner shall also adopt rules relating to the procedures required of qualified rehabilitation consultants and vendors of rehabilitation for claiming and obtaining reimbursement.

Subd. 5. [STATE TREASURER, CUSTODIAN.] The state treasurer shall be the custodian of the workers' compensation rehabilitation fund and the workers' compensation division, compensation judges, the workers' compensation court of appeals or district court in cases before them shall direct the distribution of the fund, including any refunds of any deposits made by mistake or under circumstances required by justice.

Sec. 41. [176.103] [ADDITIONAL DISABILITY BENEFIT.]

Subdivision 1. Any employee who, as a result of personal injury, has not returned to employment within two years following the date of the personal injury and is totally disabled shall be eligible to apply to the department of labor and industry for additional benefits if each of the following conditions exist:

(a) The employee has been evaluated for rehabilitation as provided by section 176.102 and the determination has been made and approved by the department that, as a result of the injury, it is highly improbable that the employee can be sufficiently rehabilitated to allow a return to work;

(b) The employee's weekly wage at the time of injury was at a level that did not represent the weekly wage that could be reasonably expected by the employee in the future due to substantial evidence supportive of a likelihood that the employee would not have remained in employment which provided a weekly wage similar to the weekly wage at the time of injury because of a demonstrated commitment to enter an occupation different from the one in which the employee was employed at the time of injury. The burden of proof for establishing this shall be with the employee; and

(c) The employee shall demonstrate substantial financial need.

Subd. 2. An application shall be considered by a workers' compensation judge who shall consider the evidence and determine the employee's eligibility for additional benefits based on the evidence. If the workers' compensation judge determines that the employee is eligible for additional benefits, the judge shall order that an amount shall be paid to the employee from the special compensation fund, subject to the following restrictions:

(a) Any additional benefit ordered shall be paid on a periodic basis so as to coincide with the ongoing benefit paid by the employer and shall commence at a date following the order; and

(b) The total workers' compensation benefit paid to the employee shall not exceed the statewide average weekly wage in effect at the time of injury, subject to the adjustment pursuant to section 176.645.

Sec. 42. Minnesota Statutes 1980, Section 176.105, is amended by adding a subdivision to read:

Subd. 4. The commissioner shall by rule adopt procedures to determine the percentage of a partial loss of function of a part of the body described in section 176.101, subdivision 3.

If permanent rules have not been adopted by January 1, 1984, the American Medical Association's Guides to the Evaluation of Permanent Impairment, published by the American Medical Association and copyrighted in 1977, shall serve as the rules for the percentage of partial loss of function of the scheduled part of the body and shall be effective until permanent rules are adopted.

The rules adopted pursuant to this subdivision shall:

(a) *Promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment;*

(b) *Establish relative values of the various partial disabilities with the maximum number of weeks for the total disability of a body part fixed in section 176.101, subdivision 3.*

(c) *Establish a procedure such that a discreet number of percentage ratings for a partial disability are possible between zero and one hundred, providing that the number of possible rating values shall not exceed 20.*

The commissioner shall consider the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(a) *The workability and simplicity of the procedures with respect to the evaluation of functional disability;*

(b) *The consistency of the procedures with accepted medical standards;*

(c) *Rules, guidelines, and schedules that exist in other states or that have been developed by professional associations or organizations and are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability;*

(d) *The effect the rules may have on reducing litigation;*

(e) *The treatment of pre-existing conditions with respect to the evaluation of permanent functional disability provided that any pre-existing conditions must be objectively determined by medical evidence.*

If an employee suffers permanent functional disability of more than one scheduled body part due to personal injury incurred in a single occurrence, the total number of weeks of benefit to which the employee is entitled shall be determined by the following formula so as to ensure that the maximum number

of weeks payable for all functional disability combined shall not exceed 500 weeks:

$$A + [1.0 - (A/500)]B$$

where:

A = the number of weeks awardable for the permanent partial disability to the first body part, and

B = the number of weeks otherwise awardable for the second body part.

Sec. 43. Minnesota Statutes 1980, Section 176.111, Subdivision 1, is amended to read:

Subdivision 1. [PERSONS WHOLLY DEPENDENT, PRESUMPTION.] For the purposes of this chapter the following persons are conclusively presumed to be wholly dependent:

(a) spouse, unless it ~~be~~ is shown that the spouse and decedent were voluntarily living apart at the time of the injury or death; or unless it is shown that the deceased employee's average weekly wage at the time of personal injury was less than 35 percent of the sum of the average weekly wages of the employee and spouse at the time of personal injury, in which case the benefit due under this section shall be the benefit otherwise payable multiplied by the percentage established below in column 2:

Column 1 Percent Earned by the Deceased Employee of the Sum of the Average Weekly Wages of the Injured Employee and Spouse at the Time of Injury	Column 2 Percent of Benefits Otherwise Payable
30-34	95
25-29	90
20-24	80
15-19	70
10-14	50
9 or less	25

(b) children under 18 years of age, or a child under the age of 25 22 years who is regularly attending as a full time student at a high school, college, or university, or regularly attending as a full time student in a course of vocational or technical training.

Sec. 44. Minnesota Statutes 1980, Section 176.111, is amended by adding a subdivision to read:

Subd. 1a. [SURVIVING SPOUSE; REHABILITATION.] Upon the request of a qualified dependent surviving spouse, rehabilitation services shall be provided by the employer. For the purposes of this subdivision a qualified dependent surviving spouse is a dependent surviving spouse who is in need of rehabilitation assistance to become self-supporting. The rehabilitation services shall be limited to those in section 176.102, subdivision 9. Rehabilitation services need not be provided if the request for the service is not received within two years of the employee's death or the youngest dependent child becoming 18 years of age, whichever is later.

Sec. 45. Minnesota Statutes 1980, Section 176.111, is amended by adding a subdivision to read:

Subd. 9. [BENEFIT PERIOD; COMMENCEMENT.] The ten year periods enumerated in subdivisions 7 and 8 shall begin to be counted upon the 18th birthday of the youngest surviving dependent child.

Sec. 46. Minnesota Statutes 1980, Section 176.111, Subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$1,000~~ \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, such reasonable value shall be determined and approved by the commissioner of the department of labor and industry, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after such reasonable notice to interested parties as is required by the commissioner of the department of labor and industry. If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 47. Minnesota Statutes 1980, Section 176.111, is amended by adding a subdivision to read:

Subd. 22. [HEALTH INSURANCE COVERAGE.] In any case where a dependent is eligible to receive benefits under this section and was also covered under an accident and health insurance policy or under a contract issued under chapter 62C or 62D or any plan defined in section 62E.02, subdivision 22, at the time of the employee's death, and where the cost of that coverage was partially or totally paid by the employer, the employer shall continue to pay the same proportion of the cost of maintaining coverage under that contract or plan for a period of one year, provided the dependent pays any proportion of the premium which was payable by the employee.

Sec. 48. Minnesota Statutes 1980, Section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation shall be allowed for the three days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If such disability continues for ~~40~~ seven days or longer, such compensation shall be computed from the commencement of the disability.

Sec. 49. Minnesota Statutes 1980, Section 176.131, Subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but he shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:

If the personal injury alone results in permanent partial disability to a scheduled member under section 176.101, the monetary and medical expense limitations shall not apply and the employer shall be liable for such compensa-

tion, medical expense, and ~~retraining~~ *rehabilitation* attributable to the permanent partial disability, and he may be reimbursed from the compensation fund only for compensation paid in excess of ~~such~~ *the* disability.

Sec. 50. Minnesota Statutes 1980, Section 176.131, Subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job ~~retraining~~ *training* program pursuant to 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 ~~retraining~~ *training* program, the on the job training employer shall pay the medical expenses and ~~compensation~~ *benefits* required by this chapter, but shall be reimbursed from the special compensation fund for the ~~compensation~~ *benefits* and medical expense that ~~is~~ *are* attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for ~~retraining~~ *rehabilitation*, is liable for the portion of the disability that is attributable to that injury.

Sec. 51. Minnesota Statutes 1980, 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 provided that, physical impairment as used herein is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,
- (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) Any other physical impairment for which at least 50 weeks or more of weekly benefits would be payable as permanent partial disability if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

(p) Any other physical impairments of a permanent nature which the workers' compensation court of appeals 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 ~~retraining~~ rehabilitation.

Sec. 52. Minnesota Statutes 1981 Supplement, Section 176.131, Subdivision 10, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 20, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of ~~\$5,000~~ \$25,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least ~~\$5,000~~ \$25,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and ~~\$5,000~~ \$25,000; but in no event shall the employer pay the commissioner less than \$1,000;

(2) ~~When an employee suffers a personal injury which results in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability or death and which entitles him or his dependents to compensation under sections 176.101 or 176.111, the employer~~ Each insurer, self-insurer and group self-insurer shall, in addition to compensation provided ~~therein,~~ annually pay to the commissioner for the benefit of the special compensation fund a lump sum without interest deduction equal to a percent of the total compensation determined as provided in this subdivision as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties; and the amount is approved by the commissioner.

The provisions of clauses (1) and (2) shall apply to all workers' compensation payments, exclusive of medical costs, paid under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence percentage of its standard earned premium as determined by the commissioner of insurance for the prior year. The commissioner of insurance shall provide the commissioner with the standard earned premium of each insurer, self-insurer and group self-insurer by April 15. The commissioner shall inform each insurer, self-insurer and group self-insurer of the amount due by June 1.

In determining the percentage of the total compensation standard earned premium required to be paid by the employer to the commissioner for the benefit of the special compensation fund as provided in clause (2) beginning September 30, 1981 and each September 30 thereafter, the commissioner of

insurance shall use the following schedule:

Balance in the Fund	Permissible Range of Rate Adjustment
Less than \$2,000,000	± 1 percent to ± 7 percent
At least \$2,000,000 but less than \$3,000,000	0 percent to ± 6 percent
At least \$3,000,000 but less than \$4,000,000	-2 percent to ± 4 percent
At least \$4,000,000 but less than \$5,000,000	-5 percent to ± 3 percent
At least \$5,000,000 but less than \$6,000,000	-6 percent to ± 2 percent
\$6,000,000 or more	-7 percent to ± 2 percent

In determining the actual adjustment, the commissioner shall take into account his estimate of the likely amount of expenditures to be made from the fund in the next calendar year estimate the total claims expected to be made against the special fund for the period beginning July 1 and shall divide that number by the total standard earned premium reported to the commissioner of insurance. The percentage due July 1, 1982, and July 1, 1983, shall be six and one-half percent. The assessment due July 1, 1982, shall be in lieu of any other assessment authorized for 1982 by this section and any other assessment is void and shall be of no effect. The maximum increase in any year shall be two percent.

Sums paid to the commissioner pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division, compensation judges, the workers' compensation court of appeals or district court in cases before them shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division, a compensation judge, the workers' compensation court of appeals or a district court. There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

The attorney general shall be the attorney for the special compensation fund and shall be its legal advisor and shall represent the fund in actions by it or against it before the division, a compensation judge, the workers' compensation court of appeals or district court or the supreme court.

The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Sec. 53. Minnesota Statutes 1980, Section 176.132, Subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] An employee who has suffered personal injury *prior to December 31, 1980* 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 hereinafter prescribed after 104 weeks have elapsed and for the remainder of his total disablement *except, that an employee who was injured after October 1, 1975, and who is not eligible to receive supplementary benefits on January 1, 1983, shall not receive supplementary benefits.* Regardless of the number of weeks of total disability, no totally disabled person shall be ineligible for supplementary benefits after four years have elapsed since the first date of his total disability, provided that all periods of disability are caused by the same injury.

Sec. 54. Minnesota Statutes 1981 Supplement, Section 176.132, Subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under this section *as of January 1, 1983*, shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or subdivision 4, and ~~65 percent of the statewide average weekly wage as computed annually~~ \$184. *The figure \$184 shall be adjusted pursuant to section 176.645.*

(b) In the event an eligible recipient is currently receiving no ~~compensation~~ benefits or is receiving a reduced level of ~~compensation~~ benefits 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~~ *pay the difference between the reduced level of benefits and \$184. The figure \$184 shall be adjusted pursuant to section 176.645.*

(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~~ \$184. *The figure \$184 shall be adjusted pursuant to section 176.645.*

(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 individ-

ual does not receive the maximum benefits for which he is eligible under other governmental disability programs due to the provisions of 42 U.S.C. 424a (d), this reduction shall not apply.

Sec. 55. Minnesota Statutes 1981 Supplement, Section 176.133, is amended to read:

176.133 [ATTORNEY'S FEES, SUPPLEMENTARY BENEFITS.]

~~Attorney's~~ No attorney fees ~~may~~ shall be permitted or approved by a compensation judge or by the workers' compensation court of appeals from the supplementary workers' compensation benefits provided by section 176.132 ~~if~~ unless the case solely involves the obtaining of supplementary workers' compensation benefits. When ~~such~~ attorney fees are allowed an amount equal to 25 percent of that portion of the fee which is in excess of \$250 shall be added to the employee's benefit as provided in section 176.081 rather than deducted as a portion ~~thereof~~ of the benefit. The fees shall be determined according to section 176.081.

Sec. 56. Minnesota Statutes 1980, Section 176.135, Subdivision 1a, is amended to read:

Subd. 1a. [NON-EMERGENCY SURGERY; SECOND SURGICAL OPINION.] The employer is required to furnish surgical treatment pursuant to subdivision 1 only after the employee has obtained two surgical opinions concerning whether the surgery is reasonably required to cure and relieve the effects of the personal injury or occupational disease. If at least one of the opinions affirms that the surgery is reasonably required, the employee may choose to undergo the surgery at the employer's expense. A second surgical opinion is not required in cases of emergency surgery ~~or when the employer and employee agree that the opinion is not necessary.~~

Sec. 57. Minnesota Statutes 1981 Supplement, Section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner of insurance shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner of insurance shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner of insurance shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the ~~75th~~ 60th 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. 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. If the commissioner

of insurance, a compensation judge, the workers' compensation court of appeals or a district court determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner of insurance shall by rule establish procedures allowing for a provider to appeal such determination. The commissioner of insurance shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The commissioner of insurance shall also establish by rule standards and a procedure for determining whether a provider of health care services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care.

If it is determined by the commissioner of insurance that the level or frequency of procedures or services of a provider is excessive according to the standards established by the rules, the provider shall not be paid for any excessive procedures or services by an insurer, self-insurer or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedures or services from any other source, including the employee, another insurer, the special compensation fund or any government program.

A provider who is determined by the commissioner of insurance to be consistently performing procedures or providing services at an excessive level shall be prohibited from receiving any further reimbursement for procedures or services provided pursuant to chapter 176. A prohibition imposed on a provider pursuant to this clause shall be grounds for revocation of the provider's license or certificate of registration to provide health care in Minnesota by the commissioner of health or other appropriate licensing body.

The rules adopted pursuant to this section shall require insurers, self-insurers and group self-insurers to report a reasonable amount of medical data necessary to implement the procedures required by this section.

The commissioner of insurance shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest.

The commissioner of insurance shall adopt temporary rules in order to implement the provisions of this ~~subdivision~~ section. Notwithstanding the provisions of section 15.0412, subdivision 4, and any amendments, the temporary rules adopted by the commissioner of insurance pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to section 15.0412, subdivisions 4 to 4g, or 4h, and other provisions of the administrative procedure act related to final agency action and

rule adoption have not been concluded.

Sec. 58. [176.146] [NOTICE TO INSURERS; PENALTY.]

The employer of any employee who suffers a personal injury shall inform the insurer of the occurrence of the injury within three days of notice of the injury. Notice shall be made on forms provided by the insurer. Consistent failure by the employer to provide notice shall entitle the insurer to cancel, upon 15 days notice to the employer, any effective policy insuring the employer's liability under chapter 176, at which time any unearned premium paid by the employer to the insurer shall be returned to the employer.

Sec. 59. Minnesota Statutes 1981 Supplement, Section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state ~~or local~~ licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract *for the doing of any public work* before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 60. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 2, is amended to read:

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days after the date on which the first payment was due, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days. *No grant of an extension of time by the commissioner shall relieve the employer of the obligation to commence the payment of benefits within 14 days as required by subdivision 1.*

Sec. 61. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 3, is amended to read:

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or ~~retraining~~ *rehabilitation* expenses under 176.102, subdivision 9, or to file a denial of liability, or to request an extension of time within 30 days after the date on which the first payment was due, he shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is

entitled.

Sec. 62. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 7, is amended to read:

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 not made when due shall bear interest at the *greater of the rate of eight 18* percent per annum *or the rate set by section 549.09, subdivision 1*, from the due date to the date the payment is made.

Sec. 63. Minnesota Statutes 1980, Section 176.225, Subdivision 1, is amended to read:

Subdivision 1. [GROUND.] Upon reasonable notice and hearing or opportunity to be heard, the division or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

(a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,

(b) unreasonably or vexatiously delayed payment; or,

(c) neglected or refused to pay compensation; or,

(d) intentionally underpaid compensation.

In any case of an award made pursuant to this subdivision, there shall be added to the compensation award an amount equal to 18 percent per annum interest computed from the date of injury.

Sec. 64. Minnesota Statutes 1981 Supplement, Section 176.225, Subdivision 5, is amended to read:

Subd. 5. [PENALTY.] Where the employer is guilty of inexcusable delay in making payments, *including but not limited to the grounds listed in clauses (a) to (d) of subdivision 1*, the payments which are found to be delayed shall be increased by 10 percent. Withholding amounts unquestionably due because the injured employee refuses to execute a release of his right to claim further benefits will be regarded as inexcusable delay in the making of compensation payments. If any sum ordered by the department to be paid is not paid when due, and no appeal of the order is made, the sum shall bear interest at the rate of ~~42~~ 18 percent per annum. Any penalties paid pursuant to this section shall not be considered as a loss or expense item for purposes of a petition for a rate increase made pursuant to chapter 79.

Sec. 65. Minnesota Statutes 1980, Section 176.231, Subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] Where an employer, physician, ~~or~~ surgeon *or health provider* has failed to file with the commissioner of the department of labor and industry any report required by this section in the manner and within the time limitations prescribed, he shall forfeit to the state ~~\$50~~ \$200 for each such failure.

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner of the department of labor and

industry. The commissioner of the department of labor and industry shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the state treasury.

Sec. 66. Minnesota Statutes 1980, Section 176.235, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO EMPLOYEE OF RIGHTS AND DUTIES.] Upon notice that an employee has suffered a personal injury, the employer shall provide the employee with a brochure or letter, which shall be prepared and provided by the insurer or group self insurer, if any, explaining the rights and obligations of the employee and employer, the assistance available to the employee, and the operation of the workers' compensation system. The brochure shall meet the readability standards of chapter 72C.

In addition, the brochure or letter shall include the names of persons the employee may contact if questions or problems arise regarding the employee's rights or obligations under chapter 176. This brochure or letter shall be provided to the employee within seven days after the employer becomes aware of the personal injury. Any brochure shall be approved by the commissioner of insurance prior to use. The workers' compensation advisory council shall prepare a prototype brochure. The workers' compensation insurance rating association of Minnesota may prepare and submit brochures for approval on behalf of its members.

Sec. 67. [176.236] [EMPLOYER REEMPLOYMENT RESPONSIBILITY.]

Subdivision 1. [TARGET DATE.] Each employer who employs a worker who becomes disabled due to a personal injury shall be responsible for the reemployment of that employee as required by this section. The employer shall, as soon as possible following the personal injury, establish in conjunction with the injured employee a target date upon which the injured worker will return to work.

Subd. 2. [JOB ASSISTANCE.] The employer shall, if possible, provide a job to the employee on or before the return to work target date which is consistent with any physical limitations of the employee. The employer shall not refuse to offer employment for any reason which is based on the employee's conduct prior to the personal injury.

Subd. 3. [ASSISTANCE PLAN.] If the employer is unable to provide a job, the employer shall, as soon as possible, but at least four weeks prior to the return to work target date, inform the employee that no job will be available, but if the employee has entered upon a rehabilitation plan, the employer shall, as soon as possible, but no later than four weeks after commencing the plan, inform the employee, insurer, and the division that no job will be available. The employer shall also provide assistance to the employee in finding another job which is consistent with the employee's skills and which is within the physical capabilities of the employee. A plan for assistance shall be filed with the commissioner at the time the employer informs the employee that no offer of employment can be made. A plan for approval filed pursuant to section 176.102 shall be sufficient.

Subd. 4. [PENALTY.] An employer failing to provide reemployment or to provide assistance as required in subdivision 3 shall be required to pay to the special compensation fund an amount equal to all of the benefits paid as required in section 176.101 for the first year following the date of injury. This amount shall not be reimbursed by an insurer or group self-insurer unless the failure of the employer to provide assistance results from the failure of the insurer or group self-insurer to carry out its responsibilities under its contract with the employer.

Subd. 5. [RULES.] The commissioner shall, by rule, establish the minimum provisions of the plan required in subdivision 3.

Sec. 68. Minnesota Statutes 1980, Section 176.241, Subdivision 4, is amended to read:

*Subd. 4. [ORDER.] When the hearing has been held, and ~~he~~ the evidence has been duly considered ~~the evidence~~, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. Where the order confirms a termination of compensation, the commissioner of labor and industry shall notify the employer of the action. This notification relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the division to set aside the order at any time prior to the review and grant a new hearing pursuant to this chapter. *Where the order directs the payment of further compensation, the order shall provide that the amount of compensation shall bear interest at the rate of 18 percent per annum computed from the date of the termination of benefits.**

Sec. 69. Minnesota Statutes 1981 Supplement, Section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

Where an adverse party has failed to file and serve an answer, if the petitioner presents proof of such fact, the compensation judge shall enter whatever award or order to which petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires such proof, he shall request the chief hearing examiner to assign the matter to a compensation judge to summarily hear and determine the same and to promptly make an award or order.

Where in such a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or his attorney written notice of this deficiency. The petitioner may thereupon file another petition as in the case of an original petition.

If an award is made pursuant to this subdivision, the amount of the award shall include interest on the award at the rate of 18 percent per annum computed from the date compensation was due but not paid.

Sec. 70. Minnesota Statutes 1981 Supplement, Section 176.391, Subdivision 3, is amended to read:

Subd. 3. [REPORTS.] The report of a physician, surgeon, or other expert shall be filed with the commissioner and the compensation judge assigned to the matter if any. The report shall be made a part of the record of the case and be open to inspection ~~as such~~.

Unless otherwise ordered by a compensation judge medical expert testimony shall be offered by report only.

Sec. 71. Minnesota Statutes 1981 Supplement, 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, *except that for injuries occurring on or after January 1, 1983, the initial adjustment shall be deferred until the second anniversary of the date of injury.*

Sec. 72. Minnesota Statutes 1981 Supplement, Section 352E.04, is amended to read:

352E.04 [DISBURSEMENTS.]

Upon certification to the governor by the administrator of any state or governmental subdivision employing peace officers that a peace officer employed by that state or governmental subdivision within this state has been killed in the line of duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall, subject to the approval of the workers' compensation court of appeals, pay \$50,000 as follows:

- (a) If there is no dependent child, to the spouse;
- (b) If there is no spouse, to the dependent child or children in equal shares;
- (c) If there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;
- (d) If there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares;
- (e) If there is no surviving spouse or dependent child, children or parent, then there shall be no payment made from the peace officers benefit fund.

The benefit provided by this section is in addition to any other benefit that a spouse or dependent child is entitled to receive under another state or federal law and notwithstanding any law to the contrary shall not be offset by or against the other benefits.

Sec. 73. [RATE REDUCTION.]

Within ten days following final enactment the commissioner of insurance shall order a hearing pursuant to section 79.071, subdivision 1a. Upon completion of this hearing the commissioner shall order a reduction in the schedule of rates of at least 16 percent due to the changes made in this bill. The change shall be effective January 1, 1983. An additional reduction of ten percent shall be applied to the schedule of rates due to the repeal of section 79.211, subdivision 1.

Any percentage reduction in the schedule of rates shall include an equal percentage reduction in the profits and expenses available to insurers.

Any pending requests for a change in the schedule of rates shall result in a rate increase of no more than two and three-tenths percent, as a reflection of the change in the method of assessments for the special compensation fund and because the pending request for a rate increase has shown no consideration in

its calculations for the increase in premiums collected as a result of the increase in the wage base upon which the rates are based.

Sec. 74. [STUDY COMMISSION.]

Subdivision 1. [CREATION.] A study commission is hereby created to study and report on:

(a) the organization and operation of the department of labor and industry, workers' compensation division, including but not limited to:

(1) the procedures for handling reports of injuries, claims for compensation, notices of discontinuance petitions for hearings related to disputes in connection with claims for compensation, and other matters connected with the department's administration of the law; and

(2) the procedures followed for settlement conferences pursuant to section 176.305; and

(3) the progress and effect of the computerization of the records and information system of the division;

(b) the financial condition of the special compensation fund including any outstanding liabilities of the fund. The study shall reflect a calculation of the ultimate liability and the present value of the ultimate liability based on the following three alternate assumptions of an annual inflation rate: (1) two percent; (2) four percent; and (3) six percent. The cost of the study shall be paid from the assets of the special compensation fund;

(c) occupational disease, cumulative trauma and the apportionment of liability for benefits payable under chapter 176 when the personal injury does not arise solely out of and in the course of employment as these issues are related to workers' compensation in Minnesota; and

(d) the rehabilitation services of the workers' compensation division, including:

(1) the procedures followed with respect to the licensing, qualifications, and background of rehabilitation consultants and rehabilitation vendors utilized in the rehabilitation of injured employees;

(2) the administrative conference and settlement conference procedures followed by the division; and

(3) the role and effectiveness of the rehabilitation review panel.

Subd. 2. [MEMBERS.] The commission shall consist of six members of the house of representatives appointed by the speaker and six members of the senate appointed by the subcommittee on committees.

Subd. 3. [REPORT.] The commission shall report its findings and recommendations to the governor and legislature not later than December 15, 1983. The report shall recommend any necessary changes in laws in order to improve the administration of the workers' compensation laws and the delivery of fair, efficient, and effective rehabilitation services to injured employees within the state.

Subd. 4. [HEARINGS.] The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this

section. It shall select a chairman and other officers from its membership as it deems necessary.

Subd. 5. [STAFF AND SERVICES.] The commission shall make use of existing legislative facilities and staff of the house and senate research departments and senate counsel but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section.

Sec. 75. Laws 1981, Chapter 346, Section 145, is amended to read:

Minnesota Statutes 1980, Sections 79.071, Subdivision 1; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; ~~79.25~~; 79.26; 79.27; 79.28; 79.29; 79.30; 79.32; and 79.33 are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections 79.071, Subdivisions 2, 3, 4, 5, 6, and 7; 79.072; and 79.073 are repealed effective January 1, 1986. Minnesota Statutes 1980, Sections 176.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 76. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes is instructed to substitute the words "weekly wage" in place of the words "daily wage" wherever the words "daily wage" appear in chapter 176 and in any other sections of Minnesota Statutes where the words "daily wage" are used in reference to workers' compensation benefits granted pursuant to chapter 176.

Sec. 77. [REPEALER.]

Minnesota Statutes 1980, Sections 79.211, Subdivision 1; 79.63, Subdivision 3; 176.011, Subdivisions 14 and 18; 176.095; 176.101, Subdivision 4; and 176.105, Subdivisions 2 and 3; Minnesota Statutes 1981 Supplement, Sections 176.102, Subdivision 1a; 176.105, Subdivision 1; and 176.152; are repealed.

That part of Section 176.101, Subdivision 3, which is numbered as clause (33) in section 23, is repealed effective January 1, 1984.

Sec. 78. [EFFECTIVE DATE.]

Sections 1 to 10, 12, 13, 16 to 39, 41, 43 to 51, and 53 to 72 are effective January 1, 1983. Sections 11, 14, 15, 40, 42 and 73 to 77 are effective the day after final enactment. Section 52 is effective retroactive to January 1, 1982.

ARTICLE II

Section 1. Minnesota Statutes 1980, Section 268.04, Subdivision 9, is amended to read:

Subd. 9. "Employing unit" means any individual or type of organization, including any partnership, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor of any of the foregoing, or the legal

representative of a deceased person, which has or subsequent to January 1, 1936, had in its employ one or more individuals performing services for it. All individuals performing services within this state for any employing unit which maintains two or more separate establishments within this state shall be deemed to be employed by a single employing unit for all the purposes of sections 268.03 to 268.24. Each individual employed to perform or assist in performing the work of any agent or individual employed by an employing unit shall be deemed to be employed by such employing unit for all the purposes of sections 268.03 to 268.24 whether such individual was hired or paid directly by such employing unit or by such agent or individual, provided the employing unit had actual or constructive knowledge of such work. *For the purposes of sections 268.03 to 268.24 any agency providing or authorizing the hiring of homeworkers, personal care attendants, or other individuals performing similar services in the private home of an individual is the employing unit of the homemaker, attendant or similar worker whether the agency pays the employee directly or provides funds to the recipient of the services to pay for the services.*

Sec. 2. Minnesota Statutes 1980, Section 268.04, Subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(1) (a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds \$7,000 during the calendar year of 1977, \$7,500 during the calendar year of 1978 and \$8,000 during the calendar year of years 1979, 1980 and 1981 and for all subsequent calendar years that part of the remuneration which exceeds 66 2/3 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f) of this subdivision, paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(2) (b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the

employee ~~(i)~~ has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and ~~(ii)~~ has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

~~(3)~~ (c) The payment by an employer (without deduction from the remuneration of the employee) ~~(a)~~ (1) of the tax imposed upon an employee under section 3101 of the federal internal revenue code, or ~~(b)~~ (2) of any payment required from an employee under a state unemployment compensation law; *with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;*

~~(4)~~ (d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

~~(5)~~ (e) Any payment made to, or on behalf of, an employee or his beneficiary ~~(a)~~ (1) from or to a trust described in section 401(a) of the federal internal revenue code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or ~~(b)~~ (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal internal revenue code, or (c) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal internal revenue code- ;

(f) *On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:*

(1) *The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;*

(2) *The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.*

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 3. Minnesota Statutes 1980, Section 268.04, Subdivision 29, is amended to read:

Subd. 29. "Credit week" ~~with respect to any claim for benefits which establishes a benefit year subsequent to July 2, 1977,~~ is any week for which the wages which have been paid and wages which are due and payable but not paid ~~of \$50 or more~~ by or from one or more employers to an employee for insured work- *equal or exceed 30 percent of the average weekly wage computed to the nearest whole dollar. On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections*

268.03 to 268.24 in the following manner:

(a) *The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;*

(b) *The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage; and*

(c) *The average annual wage shall be divided by 52 to determine the average weekly wage.*

The average weekly wage as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to December 31 of the year of the computation.

Sec. 4. Minnesota Statutes 1980, Section 268.05, Subdivision 6, is amended to read:

Subd. 6. [ADVANCE ON FEDERAL FUNDS.] (1) The governor is hereby authorized to make application as may be necessary to secure any advance of funds by the secretary of the treasury of the United States in accordance with the authority extended under section 1201 of the social security act, as amended.

(2) Any amount transferred to the Minnesota unemployment compensation fund by the secretary of the treasury of the United States under the terms of any application made pursuant to this subdivision shall be repayable, ~~without interest,~~ in the manner provided in sections 901(d) 1, 903(b) 2 and 1202 of the social security act, as amended.

Sec. 5. Minnesota Statutes 1980, Section 268.06, Subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer *who has an experience ratio of one-tenth of one percent or more as computed in subdivision 6* shall pay contributions equal to two and seven-tenths percent of wages paid and wages overdue and delayed beyond the usual time of payment from him with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions ~~3~~ 3a and 4. *Each employer who has an experience ratio of less than one-tenth of one percent shall pay contributions on only the first \$8,000 in wages paid and wages overdue and delayed beyond the usual time of payment to each employee with respect to employment occurring during each calendar year.*

Sec. 6. Minnesota Statutes 1980, Section 268.06, Subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] Notwithstanding the provisions of subdivision 2, each employer, ~~subsequent to December 31, 1971,~~ who becomes subject to this law, shall pay contributions at a rate, :

(a) Not exceeding two and seven-tenths percent, that is the higher of ~~(a)~~ (1) one percent and ~~(b)~~ (2) the state's three-year benefit cost rate for the 36 consecutive month period immediately preceding July 1 of each year for each employer who becomes subject to this law prior to January 1, 1983. For purposes of this ~~subdivision~~ clause, the state's three-year benefit cost rate shall

be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 36 consecutive calendar months immediately preceding July 1 of each year by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

(b) Not exceeding two and seven-tenths percent, that is the higher of (1) one percent and (2) the state's four-year benefit cost rate for the 48 consecutive month period immediately preceding July 1 of each year for each employer, except employers in the construction industry principally employing laborers and construction tradesmen, who becomes subject to this law subsequent to December 31, 1982 and prior to January 1, 1984. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants under this law during the 48 consecutive calendar months immediately preceding July 1 of 1982 by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year 1983.

Each construction employer described above who becomes subject to chapter 268 shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's four-year benefit cost rate for construction employers for the 48 consecutive month period immediately preceding July 1 of 1982. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants of construction employers during the 48 consecutive calendar months immediately preceding July 1 of 1982 by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year 1983.

(c) Not exceeding two and seven-tenths percent, that is the higher of (1) one percent and (2) the state's five-year benefit cost rate for the 60 consecutive month period immediately preceding July 1 of 1983 and each year thereafter for each employer, except employers in the construction industry principally employing laborers and construction tradesmen, who becomes subject to this law on January 1, 1984 and thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 60 consecutive calendar months immediately preceding July 1 of 1983 and each year thereafter by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Each construction employer described above who becomes subject to chapter 268 shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's five-year benefit cost rate for construction employers for the 60 consecutive month period immediately preceding July 1 of 1983 and each year thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants of construction employers during the 60 consecutive calendar months immedi-

ately preceding July 1 of 1983 and each year thereafter by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Sec. 7. Minnesota Statutes 1980, Section 268.06, Subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF EACH EMPLOYER'S EXPERIENCE RATIO.] The commissioner shall, for the calendar year 1966, and for each calendar year thereafter, compute an experience ratio for each employer whose account has been chargeable with benefits;

(a) During the 36 consecutive calendar months immediately preceding July 1 of the preceding calendar year for calendar years up to December 31, 1982; except that, for any employer who has not been subject to the Minnesota employment services law for a period of time sufficient to meet the 36 consecutive months requirement, the commissioner shall compute an experience ratio if his account has been chargeable with benefits during at least the 12 consecutive calendar months immediately preceding July 1 of the preceding calendar year. Such experience ratio shall be the quotient obtained by dividing $1\frac{1}{4}$ times the total benefits charged to the employer's account during the period his account has been chargeable but not less than the 12 or more than the 36 consecutive calendar months ending on June 30 of the preceding calendar year, by his total taxable payroll for the same period on which all contributions due have been paid to the department of economic security on or before July 31 of the preceding calendar year. Such experience ratio shall be computed to the nearest one-tenth of a percent.

(b) During the 48 consecutive calendar months immediately preceding July 1, 1982 for the calendar year for 1983; except that, for any employer who has not been subject to the Minnesota employment services law for a period of time sufficient to meet the 48 consecutive months requirement, the commissioner shall compute an experience ratio if his account has been chargeable with benefits during at least the 12 consecutive calendar months immediately preceding July 1 of 1982. Such experience ratio shall be the quotient obtained by dividing $1\frac{1}{4}$ times the total benefits charged to the employer's account during the period his account has been chargeable but not less than the 12 or more than the 48 consecutive calendar months ending on June 30 of 1982, by his total taxable payroll for the same period on which all contributions due have been paid to the department of economic security on or before July 31 of 1982. Such experience ratio shall be computed to the nearest one-tenth of a percent.

(c) During the 60 consecutive calendar months immediately preceding July 1 of the preceding calendar year for 1984 and each year thereafter; except that, for any employer who has not been subject to the Minnesota employment services law for a period of time sufficient to meet the 60 consecutive months requirement, the commissioner shall compute an experience ratio if his account has been chargeable with benefits during at least the 12 consecutive calendar months immediately preceding July 1 of the preceding calendar year. Such experience ratio shall be the quotient obtained by dividing $1\frac{1}{4}$ times the total benefits charged to the employer's account during the period his account has been chargeable but not less than the 12 or more than the 60 consecutive calendar months ending on June 30 of the preceding calendar year for 1984

and each year thereafter, by his total taxable payroll for the same period on which all contributions due have been paid to the department of economic security on or before July 31 of the preceding calendar year. Such experience ratio shall be computed to the nearest one-tenth of a percent.

Sec. 8. Minnesota Statutes 1980, Section 268.06, Subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.] For each calendar year the commissioner shall determine the contribution rate of each employer by adding the minimum rate to the experience ratio, except that if the ratio for the current calendar year exceeds *or falls short of* the experience ratio for the preceding calendar year by more than one and one-half percentage points for 1982; two percentage points for 1983; two and one-half percentage points for 1984; and three percentage points for 1985 and each year thereafter, the increase for the current year shall be limited to one and one-half percentage points for 1982; two percentage points for 1983; two and one-half percentage points for 1984; and three percentage points for 1985 and each year thereafter.

The minimum rate for all employers shall be one percent if the amount in the unemployment compensation fund is less than \$80,000,000 on June 30 of the preceding calendar year; or nine-tenths of one percent if the fund is more than \$80,000,000 but less than \$90,000,000; or eight-tenths of one percent if the fund is more than \$90,000,000 but less than \$110,000,000; or seven-tenths of one percent if the fund is more than \$110,000,000 but less than \$130,000,000; or six-tenths of one percent if the fund is more than \$130,000,000 but less than \$150,000,000; or five-tenths of one percent if the fund is more than \$150,000,000 but less than \$170,000,000; or three-tenths of one percent if the fund is more than \$170,000,000 but less than \$200,000,000; or one-tenth of one percent if the fund is \$200,000,000 or more; provided that no employer shall have a contribution rate of more than 7.5 percent.

For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended. No employer first assigned an experience ratio in accordance with subdivision 6, shall have his contribution rate increased *or decreased* by more than one and one-half percentage points for 1982; two percentage points for 1983; two and one-half percentage points for 1984; and three percentage points for 1985 and each year thereafter over the contribution rate assigned for the preceding calendar year in accordance with subdivision 3a.

Sec. 9. Minnesota Statutes 1980, Section 268.06, Subdivision 19, is amended to read:

Subd. 19. [NOTICE OF RATE.] The commissioner shall mail to each employer notice of his rate of contributions as determined for any calendar year pursuant to this section. Such notice shall contain the contribution rate, factors used in determining the individual employer's experience rating, and such other information as the commissioner may prescribe. Unless reviewed in the manner hereinafter provided, the rate as determined or as modified by a re-determination, a decision of a referee, or the commissioner shall be final except for fraud and shall be the rate upon which contributions shall be computed for the calendar year for which such rate was determined, and shall not be subject

to collateral attack for any errors, clerical or otherwise, whether by way of claim for adjustment or refund, or otherwise. *If the legislature changes any of the factors used to determine the contribution rate of any employer for any year subsequent to the original mailing of such notice for the year, the earlier notice shall be void. The notice based on the new factors shall be deemed to be the only notice of rate of contributions for that year and shall be subject to the same finality, redetermination and review procedures as provided above.*

Sec. 10. Minnesota Statutes 1980, Section 268.06, Subdivision 22, is amended to read:

Subd. 22. [EMPLOYMENT EXPERIENCE RECORD TRANSFER.] (a) When an employing unit succeeds to or acquires the organization, trade or business or substantially all the assets of another employing unit which at the time of the acquisition was an employer subject to this law, and continues such organization, trade or business, the experience rating record of the predecessor employer shall be transferred as of the date of acquisition to the successor employer for the purpose of rate determination.

(b) When an employing unit succeeds to or acquires a distinct severable portion of the organization, trade, business or assets which is less than substantially all of the employing enterprises of another employing unit, the successor employing unit shall acquire the experience rating record attributable to the portion to which it has succeeded, and the predecessor employing unit shall retain the experience rating record attributable to the portion which it has retained, if (1) the successor continues the organization, trade or business of the portion acquired, (2) the successor within 90 days of acquisition makes a written request to file an application as prescribed by the commissioner for the transfer of the experience rating record for the severable portion acquired from the predecessor (3) and within 90 days from the date the application is mailed to the successor the successor and predecessor employing units sign the application that furnishes the commissioner with sufficient information to substantiate the severable portion and to assign the total and taxable wages and benefit charges to the successor for experience rating purposes.

(c) An employing unit which succeeds to or acquires the organization, trade or business or substantially all of the assets of an employer shall notify the department ~~by certified mail~~ *in writing* of the acquisition not later than ~~ten~~ 30 days after the acquisition. Failure to give notice shall render the predecessor and successor employing unit jointly and severally liable for contributions due and unpaid by the predecessor.

(d) ~~Credits due to a predecessor as a result of overpayment of contributions under this subdivision may be granted to the successor upon assignment thereof by such predecessor in such form and in accordance with such regulations as may be prescribed by the commissioner.~~ Employment with a predecessor employer shall not be deemed to have been terminated if similar employment is offered by the successor employer and accepted by the employee.

(e) *An official, designated by the commissioner, upon his own motion or upon application of an employing unit shall determine if an employing unit is a successor within the meaning of this subdivision and shall notify the employing unit of the determination. The determination shall be final unless the employing unit shall within 30 days after mailing of notice of determination to the employing unit's last known address file a written appeal. Proceedings on the*

appeal shall be in accordance with section 268.12, subdivision 13.

(f) Notwithstanding subdivision 19, the commissioner may, after any determination of succession, recompute the rate of the employer for any prior year affected by the transfer of part or all of the experience rating record under this subdivision.

Sec. 11. Minnesota Statutes 1980, Section 268.06, Subdivision 25, is amended to read:

Subd. 25. [PAYMENTS TO FUND BY STATE AND POLITICAL SUBDIVISIONS IN LIEU OF CONTRIBUTIONS.] In lieu of contributions required of employers under this law, the state of Minnesota or its political subdivisions governed by this law shall pay into the unemployment compensation fund an amount equivalent to the amount of benefits ~~paid and one-half charged~~, and as to weeks of unemployment beginning after January 1, 1979, all of the extended benefits ~~paid to individuals~~ based on wages paid by the state of Minnesota or such political subdivisions. If benefits paid an individual are based on wages paid by both the state of Minnesota or such political subdivisions and one or more other employers, the amount payable by the state of Minnesota or such political subdivisions to the fund shall bear the same ratio to total benefits paid to the individual as the base-period wages paid to the individual by the state of Minnesota or such political subdivisions bear to the total amount of base-period wages paid to the individual by all his base-period employers. The amount of payment required under this subdivision shall be ascertained by the commissioner at least four times per year. Payments shall be made and become due on the last day of the month next following the month in which the notice of benefits charged is mailed to the employer. Past due payments of amounts determined due under this subdivision shall be subject to the same interest charges and collection procedures that apply to past due contributions under ~~section~~ sections 268.16 and 268.161.

Sec. 12. Minnesota Statutes 1980, Section 268.06, Subdivision 28, is amended to read:

Subd. 28. [PAYMENT TO FUND BY NONPROFIT CORPORATION AND ALLOCATION OF BENEFIT COSTS BY BASE PERIOD REIMBURSERS.] (1) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subdivision. For the purpose of this subdivision, a nonprofit organization is an organization (or group of organizations) described in section 501(c) (3) of the United States internal revenue code which is exempt from income tax under section 501(a) of such code. Any nonprofit organization which, pursuant to section 268.04, subdivision 10, clause (9) is, or becomes, subject to this law on or after January 1, 1972, shall pay contributions under the provisions of section 268.06, subdivision 1, unless it elects, in accordance with this paragraph, to pay to the commissioner for the unemployment fund an amount equal to the amount of regular benefits and ~~of one-half of the state share of the extended benefits paid charged~~, that is attributable to service in the employ of such nonprofit organization, to individuals for weeks of unemployment which begin during the effective period of such election.

(a) Any nonprofit organization which is, or becomes, subject to this law on January 1, 1972, may elect to become liable for payments in lieu of contributions for a period of not less than two calendar years beginning with January 1,

1972; provided it files with the commissioner a written notice of its election within the 30 day period immediately following such date.

(b) Any nonprofit organization which becomes subject to this law after January 1, 1972, may elect to become liable for payments in lieu of contributions for a period of not less than two calendar years beginning with the date on which such subjectivity begins by filing a written notice of its election with the commissioner not later than 30 days immediately following the date of the determination of such subjectivity.

(c) Any nonprofit organization which makes an election in accordance with clause (a) or clause (b) will continue to be liable for payments in lieu of contributions until it files with the commissioner a written notice terminating its election not later than 30 days prior to the beginning of the calendar year for which such termination shall first be effective.

(d) Any nonprofit organization which has been paying contributions under this law for a period subsequent to January 1, 1972, may change to a reimbursable basis by filing with the commissioner not later than 30 days prior to the beginning of any calendar year a written notice of election to become liable for payments in lieu of contributions. Such election shall not be terminable by the organization for that and the next year.

(e) The commissioner may for good cause extend the period within which a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive but not any earlier than with respect to benefits paid after December 31, 1971.

(f) The commissioner, in accordance with such regulations as he may prescribe, shall notify each nonprofit organization of any determination which he may make of its status as an employer and of the effective date of any election which it makes and of any termination of such election. Such determinations shall be final unless reviewed in accordance with the provisions of section 268.12, subdivision 13.

(2) Payments in lieu of contributions shall be made at the end of each calendar quarter, or at the end of any other period as determined by the commissioner and become due on the last day of the month next following the month in which the notice of benefits charged is mailed to the employer. The commissioner shall bill each nonprofit organization (or group of such organizations) which has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one-half of the amount of extended benefits ~~paid~~ charged during such quarter or other prescribed period that is attributable to service in the employ of such organization.

(3) Past due payments of amounts in lieu of contributions shall be subject to the same interest charges and collection procedures that apply to past due contributions under ~~section~~ sections 268.16 and 268.161.

(4) If any nonprofit organization is delinquent in making payments in lieu of contributions as required under this subdivision, the commissioner may terminate such organization's election to make payments in lieu of contributions as of the beginning of the next taxable year, and such termination shall be effective for that and the following taxable year.

(5) Any nonprofit organization which elects or has elected to make payments

in lieu of contributions into the unemployment compensation fund as provided in this subdivision shall not be liable to make such payments with respect to benefits paid any individual whose base period wage credits include wages for previously uncovered services as defined in section 268.07, subdivision 7 to the extent that the unemployment compensation fund is reimbursed for such benefits pursuant to section 121 of United States Public Law 94-566.

Sec. 13. Minnesota Statutes 1980, Section 268.07, Subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 15, or more, credit weeks; ~~and \$750 or more in wage credits;~~ within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual, computed to the nearest whole dollar; ~~subject to a maximum of 62 percent of the average weekly wage paid to individuals by employers subject to the provisions of sections 268.03 to 268.24 as to claims for benefits which establish a benefit year subsequent to June 30, 1977 and prior to July 1, 1978. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to June 30, 1978 and prior to July 1, 1979 shall be 64 percent of said average weekly wage. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be 66 2/3 percent of said the average weekly wage, except as provided in clause (d).~~

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) *The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1983, shall be \$184.*

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

(2) An individual's maximum amount of regular benefits payable in a ben-

efit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25. Such benefit, if not a multiple of \$1, shall be computed to the next higher multiple of \$1.

(4) The provisions of this subdivision shall apply to claims for benefits which establish a benefit year subsequent to June 30, ~~1975~~ 1982.

Sec. 14. Minnesota Statutes 1980, Section 268.07, Subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) No individual may receive benefits in a benefit year unless, subsequent to the beginning of the next preceding benefit year during which he received benefits, he performed service in insured work as defined in section 268.04, subdivision 17, and earned remuneration for such service in an amount equal to not less than the minimum wage credits required to qualify for benefits.

(2) No employer who provided 90 percent or more of the wage credits in a claimant's base period shall be charged for benefits based upon earnings of such claimant during a subsequent base period unless he has employed such claimant in any part of such subsequent base period.

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

This clause shall be effective when the individual has been paid four times the individual's weekly benefit amount in the current benefit year.

(4) Wages paid by an employing unit may not be used for benefit purposes during the benefit year if the total amount of wage credits in the base period equal or exceed three times the average annual wage, as determined in subdivision 2, in the second year preceding the calendar year in which the individual's valid claim was established.

Sec. 15. Minnesota Statutes 1980, Section 268.071, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, unless the context clearly requires otherwise:

(1) [EXTENDED BENEFIT PERIOD.] "Extended benefit period" means a period which

(a) Begins with the third week after ~~whichever of the following weeks occurs first: A week for which there is a national "on" indicator, or a week for which there is a state "on" indicator; and~~

(b) Ends with either of the following weeks, whichever occurs later: The

third week after the first week for which there is ~~both a national "off" indicator and a state "off" indicator~~; or the 13th consecutive week of ~~such~~ the period;

Provided, that no extended benefit period may begin by reason of a state ~~"on" indicator~~ before the 14th week following the end of a prior extended benefit period which was in effect with respect to this state.

(2) ~~[NATIONAL "ON" INDICATOR.]~~ There is a "national 'on' indicator" for a week if for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment (seasonally adjusted) for all states equaled or exceeded four and one-half percent. The rate of insured unemployment, for the purposes of this clause, shall be determined by the secretary of labor by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of the period.

(3) ~~[NATIONAL "OFF" INDICATOR.]~~ There is a "national 'off' indicator" for a week if for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment (seasonally adjusted) for all states was less than four and one-half percent. The rate of insured unemployment for the purposes of this clause, shall be determined by the secretary of labor by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of such period.

(4) (2) ~~[STATE "ON" INDICATOR.]~~ There is a "state 'on' indicator" for this state for a week if the commissioner determines, in accordance with the regulations of the United States secretary of labor, that for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment (not seasonally adjusted) under this law

(a) equaled or exceeded 120 percent of the average of such rates for the corresponding 13 week period ending in each of the preceding two calendar years, and

(b) equaled or exceeded ~~four~~ five percent.

With respect to benefits for weeks of unemployment beginning after March 30, 1977 The determination of whether there has been a state "on" or "off" indicator beginning any extended benefit period may be made as provided in clauses (a) and (b) above or a "state 'on' indicator" shall exist if the rate described in clause (b) equaled or exceeded ~~five~~ six percent irrespective of whether the percentage requirement provided by clause (a) is met or exceeded.

(5) (3) ~~[STATE "OFF" INDICATOR.]~~ There is a "state 'off' indicator" for this state for a week if, for the period consisting of such week and the immediately preceding 12 weeks, *the rate of insured unemployment is less than six percent and* the requirements for a "state 'on' indicator" under clause (4) (2) of this subdivision are not satisfied.

(6) (4) ~~[RATE OF INSURED UNEMPLOYMENT.]~~ "Rate of insured unemployment," for purposes of clauses (4) (2) and (5) (3), means the percentage derived by dividing the average weekly number of individuals filing claims for regular benefits in this state for weeks of unemployment with respect to the most recent 13 consecutive week period, as determined by the commissioner on the basis of his reports to the United States secretary of labor, by the average

monthly employment covered under this law for the first four of the most recent six completed calendar quarters ending before the end of such 13 week period.

~~(7)~~ (5) [REGULAR BENEFITS.] "Regular benefits" means benefits payable to an individual under this law or under any other state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits and additional benefits.

~~(8)~~ (6) [EXTENDED BENEFITS.] "Extended benefits" means benefits (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) payable to an individual under the provisions of this section for weeks of unemployment in his eligibility period.

~~(9)~~ (7) [ADDITIONAL BENEFITS.] "Additional benefits" means benefits payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors under the provisions of any state law.

~~(10)~~ (8) [ELIGIBILITY PERIOD.] "Eligibility period" of an individual means the period consisting of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

~~(11)~~ (9) [EXHAUSTEE.] "Exhaustee" means an individual who, with respect to any week of unemployment in his eligibility period:

(a) Has received, prior to such week, all of the regular benefits that were available to him under this law or any other state law (including dependents' allowances and benefits payable to federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his current benefit year that includes such week;

Provided, that, for the purposes of this paragraph, an individual shall be deemed to have received all of the regular benefits that were available to him although as a result of a pending appeal with respect to wage credits or credit weeks that were not considered in the original monetary determination in his benefit year, he may subsequently be determined to be entitled to added regular benefits; or

(b) His benefit year having expired prior to such week, has no, or insufficient, wages and/or employment on the basis of which he could establish a new benefit year that would include such week or having established a benefit year that includes such week, he is precluded from receiving regular compensation by reason of: (i) a state law provision which meets the requirements of section 3304 (a) (7) of the Internal Revenue Code of 1954, or (ii) a disqualification determination which cancelled wage credits or totally reduced his benefit rights, or (iii) benefits are not payable by reason of a seasonal limitation in a state unemployment insurance law; and

(c) Has no right to unemployment benefits or allowances, as the case may be, under the railroad unemployment insurance act, the trade expansion act of 1962, the automotive products act of 1965 and such other federal laws as are specified in regulations issued by the United States secretary of labor; and has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada ~~or the Virgin Islands, prior to the day after the day on which the United States secretary of labor approves the Virgin~~

~~Islands law~~; but if he is seeking such benefits and the appropriate agency finally determines that he is not entitled to benefits under such law he is considered an exhaustee.

(42) (10) [STATE LAW.] "State law" means the unemployment insurance law of any state, approved by the United States secretary of labor under section 3304 of the Internal Revenue Code of 1954.

Sec. 16. Minnesota Statutes 1980, Section 268.071, Subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS FOR EXTENDED BENEFITS.] An individual shall be eligible to receive extended benefits with respect to any week of unemployment in his eligibility period only if the commissioner finds that with respect to such week:

(1) He is an "exhaustee" as defined in subdivision 1, clause (44) (9);

(2) He has satisfied the requirements of this law for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits; and

(3) *He has, during his base period earned wage credits available for benefit purposes of not less than 40 times his weekly benefit amount as determined pursuant to section 268.07, subdivision 2.*

Sec. 17. Minnesota Statutes 1980, Section 268.071, Subdivision 5, is amended to read:

Subd. 5. [TOTAL EXTENDED BENEFIT AMOUNT.] The total extended benefit amount payable to any eligible individual with respect to his applicable benefit year shall be 50 percent of the total amount of regular benefits which were payable to him under this law in his applicable benefit year, *provided that at the expiration of his benefit year, his remaining balance of extended benefits shall be reduced, but not below zero, by the product arrived at by multiplying his weekly extended benefit amount by the number of weeks in his expired benefit year for which any trade readjustment allowance was paid him pursuant to sections 231 to 234 of the trade act of 1974, as amended.*

Sec. 18. Minnesota Statutes 1980, Section 268.071, Subdivision 6, is amended to read:

Subd. 6. [BEGINNING AND TERMINATION OF EXTENDED BENEFIT PERIOD.] (1) Whenever an extended benefit period is to become effective in this state (~~or in all states~~) as a result of a state ~~or a national~~ "on" indicator, or an extended benefit period is to be terminated in this state as a result of a state "off" indicator ~~and/or state and national "off" indicators~~, the commissioner shall make an appropriate public announcement.

(2) Computations required by the provisions of subdivision 1, clause (6) (4) shall be made by the commissioner, in accordance with regulations prescribed by the United States secretary of labor.

(3) Except as otherwise provided, *the state share of the benefits paid to an individual under this section shall not be charged to the employment experience record of ~~an~~ the base period employer of the individual to the extent regular benefits were charged to the base period employer under sections 268.06, subdivision 5, and 268.09, subdivision 1, clause (4).*

(4) With respect to an employer which has elected to be a contributing employer under the provisions of section 268.06, subdivision 31, all benefits paid under this section which are based upon services for such contributing employer shall be charged to such contributing employer's account as to weeks of unemployment beginning after January 1, 1979.

Sec. 19. Minnesota Statutes 1980, Section 268.071, is amended by adding a subdivision to read:

Subd. 8. [INTERSTATE CLAIMS.] An individual shall not be eligible for extended benefits for any week if:

(a) Extended benefits are payable for that week pursuant to an interstate claim filed in any state under the interstate benefit payment plan; and

(b) No extended benefit period is in effect for the week in that state. This subdivision shall not apply to the first two weeks for which extended benefits are payable pursuant to an interstate claim filed under the interstate benefit payment plan to the individual from the extended benefit account established for the individual with respect to the benefit year.

Sec. 20. Minnesota Statutes 1980, Section 268.071, is amended by adding a subdivision to read:

Subd. 9. [ELIGIBILITY REQUIREMENTS.] Notwithstanding the provisions of subdivision 2, an individual shall be ineligible for the payment of extended benefits for any week of unemployment in his eligibility period if the commissioner finds that during that week he failed to accept any offer of suitable work, failed to apply for any suitable work to which he was referred by the commissioner or failed to actively engage in seeking work.

Any individual who has been found ineligible for extended benefits for any week by reason of this subdivision shall also be denied benefits for the week following the week in which the failure occurred and until he has been employed in each of four subsequent weeks, whether or not consecutive, and has earned remuneration of not less than four times his extended weekly benefit amount.

For the purpose of this subdivision "suitable work" means, with respect to any individual, any work which is within that individual's capabilities and which has a gross average weekly remuneration payable which exceeds the sum of the individual's weekly benefit amount as determined under subdivision 4 plus the amount, if any, of supplemental unemployment benefits, as defined in section 501(c) (17) (D) of the Internal Revenue Code of 1954, as amended, payable to the individual for that week. The work must pay wages not less than the higher of the minimum wage provided by section 6(a) (1) of the Fair Labor Standards Act of 1938, as amended, without regard to any exemption, or the applicable state or local minimum wage.

No individual shall be denied extended benefits for failure to accept an offer of or apply for any suitable work if: (a) the position was not offered to the individual in writing or was not listed with employment service; (b) the failure could not result in a denial of benefits under the definition of suitable work for regular benefit claimants in section 268.09, subdivision 2 to the extent that the criteria of suitability therein are not inconsistent with this subdivision; or (c) the individual furnishes satisfactory evidence to the commissioner that his

prospects for obtaining work in his customary occupation within a reasonably short period are good. If the evidence furnished is found to be satisfactory for this purpose, the determination of whether any work is suitable for the individual shall be made in accordance with the definition of suitable work for regular benefit claimants in section 268.09, subdivision 2, clause (a) without regard to the definition or special disqualification specified in this subdivision.

No work shall be found to be suitable work for an individual which does not accord with the labor standard provisions required by section 3304(a) (5) of the Internal Revenue Code of 1954, as amended, and set forth in section 268.09, subdivision 2, clauses (b) (1) (2) and (3).

For the purpose of this subdivision an individual is "actively seeking work" during any week if the individual has engaged in a systematic and sustained effort to obtain work during the week, and the individual furnishes tangible evidence that he has engaged in that effort during the week.

The employment service shall refer any claimant entitled to extended benefits under section 268.071 to any work which is suitable work for that individual under this subdivision.

Sec. 21. [268.072] [CHILD SUPPORT INTERCEPT OF UNEMPLOYMENT BENEFITS.]

Subdivision 1. [DEFINITIONS.] As used in this section unless the context clearly requires otherwise:

(a) "Unemployment compensation" means any compensation payable under chapter 268 including amounts payable by the commissioner pursuant to an agreement under any federal law providing for compensation, assistance, or allowance with respect to unemployment;

(b) "Child support obligations" means obligations which are being enforced by the public agency responsible for child support enforcement pursuant to a plan described in section 454 of the social security act which has been approved by the secretary of health and human services under part D of title IV of the social security act;

(c) "Child support agency" means the public agency responsible for child support enforcement pursuant to a plan described in section 454 of the social security act.

Subd. 2. [NOTICE OF CLAIM.] An individual filing a new claim for unemployment compensation shall, at the time of filing the claim, disclose whether or not the individual owes child support obligations. If any individual discloses that he or she owes child support obligations, and is determined to be eligible for unemployment compensation, the commissioner shall notify the child support agency that the individual has been determined to be eligible for unemployment compensation.

Subd. 3. [WITHHOLDING OF BENEFITS.] The commissioner shall deduct and withhold from any unemployment compensation payable to an individual that owes child support obligations:

(a) The amount specified by the individual to the commissioner to be deducted and withheld under this section, if neither clause (b) or (c) is applicable; or

(b) *The amount determined pursuant to an agreement submitted to the commissioner under section 454 (20) (B) (i) of the social security act by the child support agency, unless (c) is applicable; or*

(c) *Any amount otherwise required to be so deducted and withheld from the unemployment compensation pursuant to "legal process" as defined in section 462(e) of the social security act, properly served upon the commissioner.*

Subd. 4. [PAYMENT BY THE COMMISSIONER.] Any amount deducted and withheld under subdivision 3 shall be paid by the commissioner to the public agency responsible for child support enforcement.

Subd. 5. [EFFECT OF PAYMENTS.] Any amount deducted and withheld under subdivision 3 shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by the individual to the public agency responsible for child support enforcement in satisfaction of the individual's child support obligations.

Subd. 6. [REIMBURSEMENT OF COSTS.] Appropriate arrangements shall be made for reimbursement by the child support agency for the administrative costs incurred by the commissioner under this subdivision and sections 256.872 to 256.878 and 518.551 and 518.611 which are attributable to child support obligations being enforced by the public agency responsible for child support enforcement.

Sec. 22. Minnesota Statutes 1980, Section 268.08, Subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that:

(1) He has registered for work at and thereafter has continued to report to an employment office, or agent of such office, in accordance with such regulations as the commissioner may prescribe; except that the commissioner may by regulation waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which he finds that compliance with such requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) He has made a claim for benefits in accordance with such regulations as the commissioner may prescribe; and

(3) He was able to work and was available for work, and was actively seeking work, provided that individual's weekly benefit amount shall be reduced one-fifth for each day such individual is unable to work or unavailable for work; provided further that benefits ~~after December 31, 1971,~~ shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner *or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;*

An individual shall be deemed unavailable for work with respect to any week which occurs in a period when ~~his principal occupation is that of a~~ *he is a* full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the credit weeks earned in his base period were for services performed during weeks in which he was attending school *as a full-time student.*

(4) He has been unemployed for a waiting period of one week during which he is otherwise eligible for benefits under sections 268.03 to 268.24, provided, however, payment for the waiting week shall be made to such individual after he has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of such individual's return to employment. No individual shall be required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which such valid claim was filed.

Sec. 23. Minnesota Statutes 1980, Section 268.08, Subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shut-down; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer; or

(4) *50 percent of the pension payments from any fund, annuity or insurance provided maintained or contributed to by or through a base period employer who contributed at least 50 percent of the premiums or contributions during the claimant's base period employment with the employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or*

(5) *50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state, except that these benefits shall not be treated as deductible remuneration if the claimant has established a valid claim based on employment subsequent to the first receipt of these benefits; or*

(6) *that part of a pension in excess of \$700 per month received as a consequence of service in the armed forces of the United States.*

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such

other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 24. Minnesota Statutes 1980, Section 268.08, Subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] Effective January 1, 1978 benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), shall be payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) With respect to weeks of unemployment after December 31, 1977, benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school or the Minnesota school for the deaf or Minnesota braille and sight saving school *or in a public or nonpublic school*, for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, state deaf and sight saving schools, an educational cooperative service unit, other educational service agency, or developmental achievement center in the second of the academic years or terms, and

(b) With respect to service performed after December 31, 1977 in any capacity, other than those capacities described in clause (a) of this subdivision, for a public school or nonpublic school, or the Minnesota school for the deaf or Minnesota braille and sight saving school *or in a public or nonpublic school*, or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms, and

(c) With respect to any services described in clause (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

Sec. 25. Minnesota Statutes 1980, Section 268.09, Subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual *separated from employment under clauses (1), (2) and (3)* shall be disqualified for waiting week credit and benefits ~~for the duration of his unemployment and until 4 calendar weeks have elapsed following his separation and he has earned four times his weekly benefit amount in insured work if he is separated from employment under any of the following conditions; unless the clause provides otherwise.~~

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of ~~its temporary nature or the expiration of a written employment agreement providing for the termination of the employment relationship within 15 weeks of its commencement shall be deemed voluntary, provided that the wages earned during the course of the employment relationship do not exceed \$2,500, and provided that employment of 15 weeks duration or less has been the norm for most employment by that employer in that facility in the three years previous to the enactment of this section and provided further that separation for this reason shall disqualify the individual from being able to requalify for waiting week credit and benefits until he qualifies under section 268.07.~~ But a separation from employment for inability to pass a test or for inability to meet performance standards necessary for continuation of employment shall not be deemed voluntary.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older; ~~or~~

(e) The individual is terminated by his employer because he gave notice of

intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment and provided further that the commissioner is empowered to impose a total disqualification for the benefit year and to cancel part or all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.

For the purpose of this clause "gross misconduct" shall be defined as misconduct involving assault and battery or the malicious destruction of property or the theft of money or property of a value of \$100 or more or arson or sabotage or embezzlement. ~~However, no person shall be deemed to have been discharged for gross misconduct for purposes of this chapter unless (1) the person makes an admission to the conduct in writing or under oath, or (2) the person is found to have engaged in such conduct by an appeals tribunal established pursuant to section 268.10, or (3) the person has been convicted by a court of competent jurisdiction of acts constituting gross misconduct or any other act the commission of which amounts to a felony or gross misdemeanor.~~

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clauses (2)(c) ~~and~~, (2)(e), ~~and~~ 2(g), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

(6) [DISCIPLINARY SUSPENSIONS.] *An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from his own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.*

Sec. 26. Minnesota Statutes 1980, Section 268.09, Subdivision 2, is amended to read:

Subd. 2. [FAILURE TO APPLY FOR OR ACCEPT SUITABLE WORK

OR RE-EMPLOYMENT.] An individual shall be disqualified for waiting week credit and benefits during the week of occurrence and until *4 calendar weeks have elapsed following his refusal or failure* and he has earned four times his weekly benefit amount in insured work if the commissioner finds that he has failed, without good cause, either to apply for available, suitable work of which he was advised by the employment office, or the commissioner or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the commissioner, or to accept suitable re-employment offered by a base period employer.

(a) In determining whether or not any work is suitable for an individual, the commissioner shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience, his length of unemployment and prospects of securing local work in his customary occupation, and the distance of the available work from his residence.

(b) Notwithstanding any other provisions of sections 268.03 to 268.24, no work shall be deemed suitable, and benefits shall not be denied thereunder to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) if as a condition of being employed the individual would be required to join a union or to resign from or refrain from joining any bona fide labor organization;

(4) if the individual is in training with the approval of the commissioner.

Sec. 27. Minnesota Statutes 1980, Section 268.09, is amended by adding a subdivision to read:

Subd. 8. [TRAINING APPROVED UNDER TRADE ACT OF 1974.] An individual shall not be disqualified for benefits under subdivision 1, clause (1) of this section if he left work which was not suitable employment to enter approved training or disqualified under subdivision 2, if he is in approved training. For the purposes of this subdivision "suitable employment" is defined in and the criteria for approval of training are set forth in section 236 of the Trade Act of 1974, as amended.

Sec. 28. Minnesota Statutes 1980, Section 268.10, Subdivision 1, is amended to read:

Subdivision 1. [FILING.] Claims for benefits shall be made in accordance with such regulations as the commissioner may prescribe. Each employer shall post and maintain printed statements of such regulations in places readily accessible to individuals in his service and shall make available to each such individual at the time he becomes unemployed, a printed statement of such regulations. Such printed statements shall be supplied by the commissioner to each employer without cost to him.

(1) Any employer upon separation of an employee from his employment for

any reason which may result in disqualification for benefits under section 268.09, shall furnish to such employee a separation notice which shall provide the employer's name, address, and employer account number as registered with the department, the employee's name and social security account number, the inclusive dates of his employment, and the reason for the separation. A copy of such separation notice shall be filed with the commissioner within ~~three~~ *seven* days of such separation. The commissioner shall require each individual filing a claim for benefits to establish a benefit year to furnish ~~such separation notices which he has received from all employers from whom such individual earned wage credits in the base period the reason for separation from all employers in his base period.~~

(2) Upon the filing, by an individual, of a claim for benefits, the commissioner shall give notice to all such base period employers of the filing of such claim and request each such base period employer, within seven days after the mailing of such notice, to furnish the following information:

(a) The total wage credits earned in the base period;

(b) The number of credit weeks which end within the base period;

(c) The week ending dates for each calendar week within the base period in which the individual earned less than the amount required to make a credit week and the amount of earnings in each such week;

(d) The reason for the separation or separations of such individual from the employ of the employer in the base period; and

(e) Such employer's protest, if any, relating to the ineligibility or disqualification of such individual.

(3) If any base period employer, after the notice of filing of a claim and the request for wage and separation information has been duly mailed to his last known address, fails to file information as provided by items (a) through (e) of clause 2 of this subdivision within seven days, the commissioner shall:

(a) Determine the validity of an individual's claim based on the claimant's statements or any other available information. ~~Any~~ *An* employer shall be liable for a late filing fee of not less than \$5 nor more than \$25, as the commissioner may determine, to be paid to the department of economic security and credited to the contingent fund if he has failed without good cause to submit the wage and separation information as required in clause 2 of this subdivision within seven days after the request has been duly mailed to his last known address. In the absence of fraud, if a redetermination of validity of claim based on an employer's late report subsequently cancels or reduces the amount of benefits to which a claimant was entitled under the initial determination, the claimant shall not be required to make repayment to the fund of any benefits paid to him prior to such redetermination. ~~The commissioner shall not consider any issue of disqualification raised under clause (1) or (2) unless a protest was filed within the time limits specified in clause (2); and~~

(b) *Determine any issue of disqualification raised by clause (1) of this subdivision or by an employer's late report. If an employer fails to file a separation notice within the time limits prescribed in clause (1), any relief from benefit charges provided by section 268.09, subdivision 1, clause (4), shall apply to weeks of unemployment beginning after the filing of the late report.*

Sec. 29. Minnesota Statutes 1980, Section 268.10, Subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.]

(1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. *If within the time limits for filing a protest an interested party notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages while employed by the interested party, the weekly benefit amount shall be the lesser of the amount derived by dividing the total base period wages earned in all credit weeks by the number of base period credit weeks computed to the nearest whole dollar or the amount as computed under section 268.07.* If within the time specified for the filing of wage and separation information as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an appeal tribunal decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an appeal tribunal decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an appeal decision awarding benefits, any benefits paid under the award of such initial determination or appeal tribunal decision shall be deemed erroneous payments.

(2) ~~If within the benefit year~~ *At any time within 15 months from the date of the filing of a claim for benefits by an individual,* an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer.

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for

an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within ~~one year~~ *15 months* from the date of the filing of a claim for benefits by an individual, the commissioner on his own motion may reconsider a determination *of validity* made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact.

(5) However, the commissioner may in his discretion refer any disputed claims directly to the appeal tribunal for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal from an initial determination.

(6) If an appeal tribunal decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal decision awarding benefits, the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 30. Minnesota Statutes 1980, Section 268.12, Subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, ~~information obtained~~ *data gathered* from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be ~~held confidential and shall not be disclosed or be open to public inspection in any manner revealing the individual's or employing unit's identity. Any claimant or other interested party (or his legal representative) shall be supplied with information from the records of the department of economic security; to the extent necessary for the proper presentation of his claim, contention or refutation of any claim in which he is an interested party in any proceeding under these sections with respect thereto. Subject to such restrictions as the commissioner may by regulation prescribe, such information may be made available to any agency of this or any other state, or any federal agency charged with the administration of an employment and security law or the maintenance of a system of public employment offices; any agency of this state which is required by law to provide statistical information to the bureau of labor statistics of the United States department of labor, any local human rights department within the state which has enforcement powers, or the Bureau of Internal Revenue of the United States Department of the Treasury, and information obtained in connection with administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service. Upon request therefor, the commissioner shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment, and may furnish to any state agency similarly charged, or any local human rights department within the state which has enforcement powers, the name, address, ordinary occupation, and employment status of each recipient of benefits and such recipient's rights to further benefits under these sections. The commissioner may request the Comptroller of the Currency of the United States to cause an examination of the correctness of any return or report of any national banking association rendered pursuant to the provisions of these sections, and may in connection with such request, transmit any such report or return to the Comptroller of the Currency~~

of the United States as provided in section 3305(c) of the federal internal revenue code.

All letters, reports, communications, or any other matters, either oral or written, from an employer or his workers to each other or to the commissioner or any of his agents, representatives, or employees, which shall have been written or made in connection with the requirements and administration of sections 268.03 to 268.24 or the regulations thereunder, shall be absolutely privileged and shall not be made subject matter or basis for any suit for slander or libel in any court of this state private data on individuals or nonpublic data not on individuals as defined in section 15.162, subdivisions 5a and 5c and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(a) State and federal agencies specifically authorized access to the data by state or federal law;

(b) Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;

(c) Local human rights groups within the state which have enforcement powers;

(d) The Minnesota department of revenue on an interchangeable basis with the department of economic security subject to the following restrictions and notwithstanding any law to the contrary:

(1) The department of revenue may have access to department of economic security data on individuals and employing units only to the extent necessary for proper enforcement of tax laws; and

(2) The department of economic security may have access to department of revenue data pertaining only to individuals who have claimed benefits under sections 268.03 to 268.24 and only if the individuals are the subject of investigations based on other information available to the department of economic security. This clause shall not be construed to be a restriction on the exchange of information pertaining to corporations;

(e) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(g) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs; and

(h) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 15.162, subdivisions 2a and 5d as to

nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to nonindividual employers and employing units as defined in section 15.162, subdivisions 2a and 5d and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are nonpublic data as defined in section 15.162, subdivision 5c if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the non-verbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 15.163, subdivision 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 31. Minnesota Statutes 1980, Section 268.12, Subdivision 13, is amended to read:

Subd. 13. [DETERMINATIONS.] (1) An official, designated by the commissioner, upon his own motion or upon application of an employing unit shall determine if an employing unit is an employer within the meaning of this chapter or as to whether services performed for it constitute employment within the meaning of this chapter, and shall notify the employing unit of such determination. Such determination shall be final unless the employing unit shall within 30 days after the mailing of notice of the determination to the employing unit's last known address file written appeal therefrom.

(2) The commissioner shall designate one or more representatives, herein referred to as referees, to conduct hearings on appeals. The employing unit and any claimant whose filed claim for benefits may be affected by a determination issued under clause (1) shall be interested parties to an appeal. The referee shall fix a time and place within this state for such hearing and shall give interested parties written notice thereof, by mail, not less than ten days prior to the time of such hearing. In the discharge of the duties imposed by this subdivision, the referee shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with the subject matter of such hearing. The written report of any employee of the department

of economic security, made in the regular course of the performance of such employee's duties, shall be competent evidence of the facts therein contained and shall be prima facie correct, unless refuted by other credible evidence.

(3) Upon the conclusion of such hearing, the referee shall serve upon the interested parties by mail findings of fact and decision in respect thereto. The decision of the referee, together with his findings of fact and reasons in support thereof, shall be final unless an interested party shall within 30 days after the mailing of a copy thereof to the interested parties' last known addresses, file an appeal with the commissioner, or unless the commissioner, within 30 days after mailing of such decision, on his own motion orders the matter certified to him for review. Appeal from and review by the commissioner of the decision of the referee shall be had in the manner provided by regulation. The commissioner may without further hearing affirm, modify, or set aside the findings of fact or decision, or both, of the referee on the basis of the evidence previously submitted in the case, or direct the taking of additional evidence. The commissioner may disregard the findings of fact of the referee and examine the testimony taken and make such findings of fact as the evidence taken before the referee may, in the judgment of the commissioner, require, and make such decision as the facts so found by him may require. The commissioner shall notify the employing unit of his findings and decision by mail, mailed to the interested parties' last known addresses, and notice of such decision shall contain a statement setting forth the cost of certification of the record in the matter. The decision of the commissioner shall become final unless judicial review thereof is sought as provided by this subdivision. Any interested party to a proceeding before a referee or the commissioner may obtain a transcript of the testimony taken before the referee upon payment to the commissioner of the cost of such transcript to be computed at the rate of ten cents per 100 words.

(4) The district court of the county wherein the hearing before the referee was held shall, by writ of certiorari to the commissioner, have power to review all questions of law and fact presented by the record. The court shall not accept any new or additional evidence and shall not try the matter de novo. Such action shall be commenced within 30 days of the mailing of notice of the findings and decision of the commissioner to the interested parties affected thereby mailed to their last known addresses. The commissioner shall not be required to certify the record to the district court unless the party commencing such proceedings for review, as provided above, shall pay to the commissioner the cost of certification of the record computed at the rate of ten cents per 100 words less such amount as may have been previously paid by such party for a transcript. It shall be the duty of the commissioner upon receipt of such payment to prepare and certify to the court a true and correct typewritten copy of all matters contained in such record. The costs so collected by the commissioner shall be deposited by him in the employment services administration fund provided for in section 268.15.

The party commencing proceedings for review shall file his brief with the court and serve it upon the commissioner within 60 days of commencing proceedings. The commissioner shall file his brief with the court and serve it upon the party within 45 days of the service of the party's brief upon the commissioner. The party may file a reply brief with the court and serve it upon the commissioner within 15 days of the service of the commissioner's brief upon him. The proceedings shall be given precedence over all other civil cases

before the court.

The court may confirm or set aside the decision and determination of the commissioner. If the decision and determination is set aside and the facts found in the proceedings before the referee are sufficient, the court may enter such decision as is justified by law, or may remand the cause to the commissioner for further proceedings and may state the questions requiring further hearing, and give such other instructions as may be proper.

Any decision of the district court may be reviewed on certiorari by the supreme court provided the writ is issued and served upon the adverse party or parties within 30 days after the mailing of the notice of the decision.

(5) A final decision of the commissioner or referee, in the absence of appeal therefrom, shall be conclusive for all the purposes of sections 268.03 to 268.24 except as herein otherwise provided, and, together with the records therein made, shall be admissible in any subsequent judicial proceeding involving liability for contributions. A final decision of the commissioner or referee may be introduced in any proceeding involving a claim for benefits.

(6) In the event a final decision of the commissioner or referee determines the amount of contributions due under sections 268.03 to 268.24, then, if such amount, together with interest and penalties, is not paid within 30 days after such decision, the provisions of section ~~268.16, subdivision 3, 19~~ shall apply; and the commissioner shall proceed thereunder, substituting a certified copy of the final decision in place of the contribution report therein provided.

Sec. 32. Minnesota Statutes 1980, Section 268.15, Subdivision 3, is amended to read:

Subd. 3. [CONTINGENT ACCOUNT.] There is hereby created in the state treasury a special account, to be known as the employment services contingent account, which shall not lapse nor revert to any other fund. Such account shall consist of all moneys appropriated therefor by the legislature, all moneys in the form of interest and penalties collected pursuant to section 268.16 and all moneys received in the form of voluntary contributions to this account and interest thereon. All moneys in such account shall be supplemental to all federal moneys that would be available to the commissioner but for the existence of this account. Moneys in this account are hereby appropriated to the commissioner and shall be expended in accordance with the provisions of section 3.30, in connection with the administration of sections 268.03 to 268.24. Whenever the commissioner expends moneys from said contingent account for the proper and efficient administration of the Minnesota employment services law for which funds have not yet been made available by the federal government, such moneys so withdrawn from the contingent account shall be replaced as hereinafter provided. Upon the deposit in the employment services administration fund of moneys which are received in reimbursement of payments made as above provided for said contingent account, the commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the employment services administration fund to said contingent account. All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. The state treasurer shall be liable on his official bond for the faithful performance of his duties in connection

with the employment services contingent account provided for herein. Notwithstanding anything to the contrary contained herein, on June 30 of each year, *except 1982*, all amounts in excess of \$300,000 in this account shall be paid over to the unemployment compensation fund established under section 268.05 and administered in accordance with the provisions set forth therein.

Sec. 33. Minnesota Statutes 1980, Section 268.16, Subdivision 1, is amended to read:

Subdivision 1. [INTEREST ON PAST DUE CONTRIBUTIONS.] If contributions or reimbursements to the unemployment fund are not paid on the date on which they are due the unpaid balance thereof shall bear interest at the rate of one *and one-half* percent per month or any part thereof. Contributions or reimbursements received by mail postmarked on a day following the date on which the law requires contributions to be paid shall be deemed to have been paid on the due date if there is substantial evidence tending to prove that the contribution was actually deposited in the United States mails properly addressed to the department with postage prepaid thereon on or before the due date. Interest collected pursuant to this subdivision shall be paid into the contingent account. Interest on contributions due under this subdivision may be waived in accordance with rules as the commissioner may adopt.

Sec. 34. Minnesota Statutes 1980, Section 268.16, Subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.] (1) Any employer who knowingly fails to make and submit to the department of economic security any report of wages paid by or due from him for insured work in the manner and at the time such report is required by regulations prescribed by the commissioner shall pay to the department of economic security for the contingent account a penalty in the amount of one *and one-half* percent of contributions accrued during the period for which such report is required, for each month from and after such date until such report is properly made and submitted to the department of economic security. In no case shall the amount of the penalty imposed hereby be less than \$5 per month. The maximum penalty imposed hereby shall be \$25 or the amount determined at the rate of one *and one-half* percent per month, whichever is greater. Any employing unit which fails to make and submit to the commissioner any report, other than one of wages paid or payable for insured work, as and when required by the regulations of the commissioner, shall be subject to a penalty in the sum of \$10 payable to the department of economic security for the contingent account. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected by civil action as hereinafter provided.

(2) If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so within the time prescribed by these sections or by regulations under the authority thereof, or shall make, wilfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make for him a

report, or corrected report, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, if he finds it substantially correct, substitute it for the commissioner's report. If an employer has failed to submit any report of wages paid, or has filed an incorrect report, and the commissioner finds that such noncompliance with the terms of sections 268.03 to 268.24 was not wilful and that such employer was free from fraudulent intent, the commissioner shall limit the charge against such employer to the period of the year in which such condition has been found to exist and for the preceding calendar year.

(3) Any report required to be made by an employer under this subdivision or a rule or regulation promulgated pursuant thereto shall identify the employer name as it appears on all payroll checks issued by the employer in this state.

Sec. 35. [268.161] [CONTRIBUTION AND REIMBURSEMENT LIEN.]

Subdivision 1. [LIEN.] Any contributions or reimbursements due under sections 268.03 to 268.24 and interest and penalties imposed with respect thereto, shall become a lien upon all the property, both real and personal, of the person liable therefor, within this state, except his homestead, from and after the filing by the commissioner of a notice of lien in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state.

The lien created under this section shall become effective with respect to personal property from and after the date of filing by the commissioner of a notice of the lien describing the property to which the lien attaches in the office of the county recorder of the county in which the commissioner believes the property is located at the time the lien is filed, and with the secretary of state.

The lien imposed on personal property by this section, even though properly filed, shall not be valid as against a purchaser with respect to tangible personal property purchased at retail or as against the personal property listed as exempt in sections 550.37, 550.38 and 550.39.

Subd. 2. [INJUNCTION FORBIDDEN.] No suit shall lie to enjoin the assessment or collection of any contribution or reimbursement imposed by this chapter, or the interest and penalties imposed thereby.

Subd. 3. [LEGAL ACTION.] If after due notice any employer defaults in any payment of contributions, reimbursements, and interest due thereon or penalties for failure to file returns and other reports as required by the provisions of sections 268.03 to 268.24 or by any rule of the commissioner, the commissioner shall, unless he proceeds under one of the other subdivisions of

this section, bring against the person liable for payment thereof an action at law, in the name of the state, for the recovery of the contribution, reimbursement, interest and penalties due in respect thereof under this chapter. The action shall be brought in the district court of the county of the residence or principal place of business within this state of the employer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named in the report, if any, made by the employer shall be conclusive against the employer. If no place is named in the report, the action may be commenced in Ramsey county. The action shall be commenced by filing with the clerk of court a statement showing the name and address of the employer, if known, an itemized summary of the taxable wages on the basis of which the contribution has been computed, the contribution due and unpaid thereon, and the interest and penalties due with respect thereto under this chapter, and shall contain a prayer that the court adjudge the employer to be indebted on account of the contribution, interest, and penalties in the amount thereof specified in the statement. The clerk shall mail a copy of the statement by certified mail to the employer at the address given in the report, if any, and, if no address is given, then at his last known address, within five days after the same is filed, except that, if the employer's address is not known, notice to him shall be made by posting a copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. The employer shall, if he desires to litigate the claim, or any part thereof, file a verified answer with the clerk setting forth his objections to the claim, or any part thereof. The answer shall be filed on or before the lapse of the 20th day after the date of mailing the statement. If notice has been given by posting, the answer shall be filed on or before the 20th day after the expiration of the period during which the notice was required to be posted. If no answer is filed within the specified time, the clerk, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of \$10. If an answer be filed, the issues raised shall stand for trial as soon as possible after the filing of the answer, and the court shall determine the issues and direct judgment accordingly and, if the contribution, interest, or penalties are sustained to any extent over the amount rendered by the employer, shall assess \$10 costs against the employer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon a county attorney or the attorney general to conduct the proceedings on behalf of the state. Execution shall be issued upon the judgment at the request of the commissioner, and the execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon the execution.

Subd. 4. [COLLECTION BY CIVIL ACTION.] (1) In addition to all other collection methods authorized, if, after due notice, any employer defaults in any payment of contributions or interest due thereon or penalties for failure to file returns and other reports as required by sections 268.03 to 268.24 or by any rule of the commissioner, the amount due shall be collected by civil action in the name of the state of Minnesota, and any money recovered shall be credited to the funds provided for under those sections. Any employer adjudged in default shall pay the costs of the action. Civil actions brought under this section to collect contributions, interest due thereon, or penalties from an employer shall be heard by the court at the earliest possible date. No action for the collection of contributions or interest thereon shall be commenced more than four years after the contributions have been reported by the employer or determined by the commissioner to be due and payable. In any action, judgment shall be entered against any defendant in default for the relief demanded

in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

(2) Any employing unit which is not a resident of this state and which exercises the privilege of having one or more individuals perform service for it within this state, and any resident employing unit which exercises that privilege and thereafter removes from this state, shall be deemed thereby to appoint the secretary of state as its agent and attorney for the acceptance of process in any civil action under this subdivision. In instituting an action against any employing unit, the commissioner shall cause process or notice to be filed with the secretary of state, together with a payment of a fee of \$15 and that service shall be sufficient service upon the employing unit, and shall be of the same force and validity as if served upon it personally within this state. The commissioner shall forthwith send notice of the service of process or notice, together with a copy thereof, by certified mail, return receipt requested, to the employing unit at its last known address. The return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a copy of the notice of service shall be appended to the original of the process filed in the court in which the civil action is pending.

Subd. 5. [RIGHT OF SETOFF.] Upon certification by the commissioner to the commissioner of finance that an employer has an uncontested delinquent contribution or reimbursement liability owed to the department, and that the state has purchased personal services, supplies, contract services, or property from said employer, the commissioner of finance shall apply to the delinquent contribution or reimbursement liability funds sufficient to satisfy the unpaid liability from funds appropriated for payment of said obligation of the state or any of its agencies that are due and owing the employer. The credit shall not be made against any funds exempt under section 550.37 or owed the employer under chapter 256 or 256B.

All funds, whether general or dedicated, shall be subject to setoff in the manner provided in this subdivision. Transfer of funds in payment of the obligations of the state or any of its agencies to an employer and any actions for the funds shall be had against the commissioner on the issue of the contribution or reimbursement liability. Nothing in this section shall be construed to limit the previously existing right of the state or any of its agencies to setoff.

Subd. 6. [CONTRIBUTION OR REIMBURSEMENT PRESUMED VALID.] The contribution and reimbursement, as assessed by the commissioner, including any penalties, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the employer to show its incorrectness or invalidity. The statement filed by the commissioner with the clerk of court, as provided in subdivision 3, or any other certificate by the commissioner of the amount of the contribution, reimbursement, interest and penalties as determined or assessed by him, shall be admissible in evidence and shall establish prima facie the facts set forth therein.

Subd. 7. [CONFESSION OF JUDGMENT.] (a) Any contribution report or form that is required to be filed with the commissioner concerning contributions or reimbursements due, shall contain a written declaration that it is made under the penalties of section 268.18, subdivision 3 for wilfully making a false report and shall contain a confession of judgment for the amount of the contribution or reimbursement shown due thereon to the extent not timely paid

together with any interest and penalty due under chapter 268.

(b) The commissioner may, within four years after a report is filed, notwithstanding section 541.09, enter judgment after 20 days notice served upon the employer by mail at the address shown in the employer's report. The judgment shall be entered by the clerk of court of any county upon the filing of a photocopy or similar reproduction of that part of the contribution report or form containing the confession of judgment along with a statement of the commissioner or his agent that the contribution or reimbursement has not been paid.

Subd. 8. [LEVY.] (a) If any contribution or reimbursement payable to the department is not paid when due, the amount may be collected by the commissioner, his duly authorized representative, or by the sheriff of any county to whom the commissioner has issued his warrant, who may levy upon all property and rights of property of the person liable for the contribution or reimbursement, except that which is exempt from execution pursuant to section 550.37. The terms "contribution or reimbursement" shall include any penalty, interest, and costs. The term "levy" includes the power of distraint and seizure by any means. Before a levy is made or warrant issued, notice and demand for payment of the amount due shall be given to the person liable for the contribution or reimbursement at least ten days prior to the levy or issuing of a warrant.

(b) Upon the commissioner issuing a warrant, the sheriff shall proceed within 60 days to levy upon the rights to property of the employer within his county, except the homestead and household goods of the employer and property of the employer not liable to attachment, garnishment, or sale on any final process issued from any court under the provisions of section 550.37, and shall sell so much thereof as is required to satisfy the contribution, reimbursement, interest, and penalties, together with his costs. The sales shall, as to their manner, be governed by the law applicable to sales of like property on execution issued against property upon a judgment of a court of record. The proceeds of the sales, less the sheriff's costs, shall be turned over to the commissioner, who shall retain a part thereof as is required to satisfy the contribution, reimbursement, interest, penalties, and costs, and pay over any balance to the employer.

(c) If the commissioner has reason to believe that collection of the contribution or reimbursement is in jeopardy, notice and demand for immediate payment of the amount may be made by the commissioner. If the contribution or reimbursement is not paid, the commissioner may proceed to collect by levy or issue his warrant without regard to the ten day period provided herein.

(d) In making the execution of the levy and in collecting the contribution or reimbursement due, the commissioner shall have all of the powers provided in chapter 550 and in any other law for purposes of effecting an execution against property in this state. The sale of property levied upon and the time and manner of redemption therefrom shall be as provided in chapter 550. The seal of the court, subscribed by the clerk, as provided in section 550.04, shall not be required. The levy for collection of contributions or reimbursements may be made whether or not the commissioner has commenced a legal action for collection of the amount.

(e) Where a jeopardy assessment or any other assessment has been made by

the commissioner, the property seized for collection of the contribution or reimbursement shall not be sold until any determination of liability, rate or benefit charges has become final. No sale shall be made unless the contribution or reimbursement remain unpaid for a period of more than 30 days after the determination becomes final. Seized property may be sold at any time if:

(1) the employer consents in writing to the sale; or

(2) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

(f) Where a levy has been made to collect contributions or reimbursements pursuant to this subdivision and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property shall not be sold until the probate proceedings are completed or until the court so orders.

(g) The property seized shall be returned by the commissioner if the owner gives a surety bond equal to the appraised value of his interest in the property, as determined by the commissioner, or deposits with the commissioner security in a form and amount as he deems necessary to insure payment of the liability, but not more than twice the liability.

(h) Notwithstanding any other law to the contrary, if a levy or sale pursuant to this section would irreparably injure rights in property which the court determines to be superior to rights of the state in the property, the district court may grant an injunction to prohibit the enforcement of the levy or to prohibit the sale.

(i) Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy upon demand by the commissioner shall be personally liable to the department in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount of contribution or reimbursement for the collection of which the levy has been made. Any amount recovered under this subdivision shall be credited against the contribution or reimbursement liability for the collection of which the levy was made. The term "person" includes an officer or employee of a corporation or a member or employee of a partnership who, as an officer, employee, or member is under a duty to surrender the property or rights to property or to discharge the obligation.

(j) Any action taken by the commissioner pursuant to this subdivision shall not constitute an election by the department to pursue a remedy to the exclusion of any other remedy.

(k) After the commissioner has seized the property of any person, that person may, upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable relief before the district court for the release of the property to the employer upon terms and conditions as the court may deem equitable.

Subd. 9. [PERSONAL LIABILITY.] Any officer or any employee having 20 percent ownership interest of a corporation which is an employer under sections 268.03 to 268.24 who has control of or supervision over the filing of and responsibility for filing contribution reports or of making payment of contributions under these sections, and who wilfully fails to file the reports or to

make payments as required, shall be personally liable for contributions or reimbursement, including interest, penalties, and costs in the event the corporation does not pay to the department those amounts for which the employer is liable.

Any personal representative of the estate of a decedent or fiduciary who voluntarily distributes the assets filed therein without reserving a sufficient amount to pay the contributions, interest, and penalties due pursuant to chapter 268 shall be personally liable for the deficiency.

The personal liability of any person as provided herein shall survive dissolution, reorganization, bankruptcy, receivership, or assignment for the benefit of creditors.

An official designated by the commissioner shall make an initial determination as to the personal liability under this section. The determination shall be final unless the person found to be personally liable shall within 30 days after mailing of notice of determination to his last known address files a written appeal. Proceedings on the appeal shall be conducted in the same manner as an appeal from a determination of employer liability under section 268.12, subdivision 13.

Sec. 36. Minnesota Statutes 1980, Section 268.18, Subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of his own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24, has received any sum as benefits to which he was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of economic security. If such claimant fails to return such benefits, the department of economic security shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same; ~~within a period of 20 days from the date of such notification.~~ Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before an appeal tribunal of the department and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. ~~In the event that the claimant fails to return to the department within 20 days after the notification to do so, the benefits he received unlawfully.~~ The commissioner of the department of economic security is hereby authorized to deduct from any future benefits payable to ~~such~~ the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to ~~such erroneous payment~~ the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment

determined by that state.

Sec. 37. Minnesota Statutes 1980, Section 268.18, Subdivision 2, is amended to read:

Subd. 2. [FRAUD.] Any claimant who files a claim for or receives benefits by knowingly and wilfully misrepresenting or misstating any material fact or by knowingly and wilfully failing to disclose any material fact which would make him ineligible for benefits under sections 268.03 to 268.24 is guilty of fraud. After the discovery of facts by the commissioner indicating fraud in claiming or obtaining benefits under sections 268.03 to 268.24, he is hereby authorized to make a determination that the claimant was ineligible for each week with reference to which benefits were claimed or obtained by fraud for the amount as was in excess of what the claimant would have been entitled to had he not made the fraudulent statements or failed to disclose any material facts. The commissioner also may disqualify an individual from benefits for one to 52 weeks in which the claimant is otherwise eligible for benefits following the week in which the fraud was determined. A disqualification imposed for fraud shall not be removed by subsequent insured work or the expiration of a benefit year but shall not apply to any week more than 104 weeks after the week in which the fraud was determined. Said claimant shall within 20 days from the date of mailing the notice of said determination to him repay in cash to the department of economic security any benefits so fraudulently obtained. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice. The determination shall become final. If the claimant shall appeal from such determination within the time above specified said matter shall be referred to an appeal tribunal for a hearing as in other benefit cases and thereafter the procedure for review shall be the same as set forth in section 268.10. ~~If the benefits so fraudulently obtained are not repaid to the department in cash within 20 days from the date of mailing the notice to the claimant of the determination,~~ The commissioner is hereby authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined ~~or the overpayment may be collected without interest by civil action in the name of the commissioner.~~ *If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state.*

Sec. 38. Minnesota Statutes 1980, Section 268.18, Subdivision 4, is amended to read:

Subd. 4. [CANCELLATION OF BENEFITS PAID THROUGH ERROR OR FRAUD.] When benefits paid through error or fraud are not repaid or deducted from subsequent benefit amounts as provided for in subdivisions 1 and 2 within six years after the date of the determination that benefits were paid through error or fraud *irrespective of subsequent partial recovery dates*, the commissioner may, in a manner he prescribes by regulation, cancel as uncollectible the ~~benefit payments~~ *overpayment balance*, and no administrative or legal proceedings shall be instituted under the Minnesota employment ser-

vices law to enforce collection of those amounts.

Sec. 39. Minnesota Statutes 1980, Section 268.18, is amended by adding subdivisions to read:

Subd. 5. [ERRONEOUS PAYMENTS; CHARGING.] The amount of benefits paid and subsequently determined to have been paid: (a) erroneously by the claimant's own mistake; (b) through error by any individual engaged in the administration of sections 268.03 to 268.24; or (c) based upon the claimant's fraudulent statements or his failure to disclose any material facts, shall not be charged to or will be removed from an employer's experience rating account for all subsequent rate computations which have not become final under section 268.06, and shall not be charged to employers electing to reimburse the unemployment fund in accordance with section 268.06, for all benefits paid, based upon wages for services performed with the employer.

Subd. 6. [EMPLOYER MISCONDUCT; PENALTY.] If the commissioner finds that any employing unit or any employee, officer, or agent of any employing unit, is in collusion with any employee for the purpose of assisting the claimant to receive benefits illegally, the employing unit shall be penalized \$500 or an amount equal to the amount of benefits determined to be overpaid, whichever is greater.

If the commissioner finds that any part of any employer's contribution deficiency is due to fraud with intent to avoid payment of contributions to the fund, 50 percent of the total amount of the deficiency or \$500, whichever is greater, shall be assessed as a penalty against the employer and collected in addition to the deficiency.

Penalties assessed under this section shall be in addition to any other penalties provided for by sections 268.03 to 268.24 and be subject to the same collection procedures that apply to past due contributions under this chapter. Penalties under this section shall be paid to the department and credited to the contingent fund.

The assessment of the penalty shall be final unless the employer files a written appeal with the department within 15 days after the notice of determination to his last known address. If the employer shall appeal from the determination within the time above specified, the matter shall be referred for a hearing as set forth in section 268.10.

Sec. 40. [INTEREST PAYMENTS.]

It is the policy of the state that interest payments due as a result of securing an advance of federal funds under section 268.05, subdivision 6, are a legal obligation of the state.

If the governor finds it necessary to make application to secure an advance of federal funds which result in interest charges due to be paid on October 1, 1982, the governor is authorized to incur the additional interest which will be charged if the initial interest charges cannot be paid in full when due.

It also is the policy of the state to avoid a special assessment on employers or a special appropriation of general funds in calendar year 1982 for payment of interest on advances of federal funds authorized under section 268.05, subdivision 6.

Moneys available in the employment services contingent account established

under section 268.15 may be expended, notwithstanding anything to the contrary in that section, for payment of either:

(a) All or part of the interest which may be due and which is payable on October 1, 1982; or

(b) All or part of additional interest which will be charged if the interest payment referred to in clause (a) cannot be paid in full when due.

For purposes of this section, the commissioner of finance shall approve payment of the amounts certified by the commissioner of economic security to be due for the interest charges, notwithstanding anything to the contrary in section 3.30.

Any moneys in excess of \$300,000 in the employment services contingent account on June 30, 1982, shall not be paid over to the unemployment compensation fund, notwithstanding the provisions of section 268.15, subdivision 3, but shall remain in the contingent account solely for the purposes of this section until June 30, 1983.

Sec. 41. [REPEALER.]

Minnesota Statutes 1980, Section 268.07, Subdivision 4, is repealed. Minnesota Statutes 1980, Section 268.16, Subdivision 3, as amended by Laws 1981, Third Special Session Chapter 2, Article 1, Section 33, is repealed.

Sec. 42. [EFFECTIVE DATE.]

Sections 1, 4, 7, 10, 11, 13, 21, 24, 29 to 32, and 35 to 41 are effective on the day following final enactment. Sections 2, 5, 6, 8, and 9 are effective retroactive to January 1, 1982. Section 12 is effective retroactive to March 5, 1982. Section 3 is effective on January 1, 1983. Sections 23, 25, 26, and 28 are effective July 4, 1982. Sections 14, 33, and 34 are effective October 1, 1982. Section 4 is effective January 1, 1983. Sections 15 and 18, except for those portions of section 15 that amend and renumber existing clauses (4) and (5) of section 268.071, subdivision 1, which are effective September 25, 1982, are effective retroactive to August 13, 1981. Section 16 is effective September 25, 1982. Section 19 is effective retroactive to June 1, 1981. Section 20 is effective retroactive to March 31, 1981. Sections 17, 22, and 27 are effective retroactive to September 30, 1981."

Correct internal cross references

Delete the title and insert:

"A bill for an act relating to workers' compensation; changing benefits; providing an election not to be covered for certain persons; requiring notices of injury; providing for rules related to excessive health care services; regulating supplemental benefits; providing for benefit adjustments; providing for interest on delayed benefit payments; providing for a legislative commission to study various aspects of workers' compensation; defining terms; providing for certain collective bargaining rights of public employees; providing for continuance of certain insurance coverages; providing for deductible workers' compensation insurance policies; providing for no increase in the retention limits of the reinsurance association; clarifying the responsibilities of governmental licensing and contracting agencies regarding workers' compensation insurance; establishing a credit week as a percentage of average weekly wages; defining

the employing unit for certain homeworkers and personal care attendants; defining wages; altering provisions as to advance of federal funds; altering "triggers" related to extended benefits; altering eligibility requirements for extended benefits; altering eligibility and disqualifying provisions for individuals whose training is approved under the Federal Trade Act of 1974; providing for the interception of unemployment benefits to satisfy child support obligations; providing for rate notices; regulating eligibility for compensation; providing for determination of claims; providing for collection of contributions, reimbursements, and overpayments; modifying employer contribution provisions; providing maximums and minimums; altering tax rates; regulating the data practices of the department of economic security; modifying the deduction of military retirement payments and secondary social security benefits; providing increased penalties for individuals who quit employment or who are discharged for misconduct; providing for the charging of extended benefits, in part, to base period employers; providing penalties; amending Minnesota Statutes 1980, Sections 62A.10, Subdivision 1; 62C.14, by adding a subdivision; 62D.10, by adding a subdivision; 79.25, by adding a subdivision; 147.20; 176.011, Subdivisions 3 and 9a, and by adding subdivisions; 176.012; 176.021, Subdivision 5, and by adding a subdivision; 176.041, Subdivision 1; 176.101, Subdivisions 1, 2, 5 and by adding subdivisions; 176.102, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, Subdivisions 1 and 18, and by adding subdivisions; 176.121; 176.131, Subdivisions 1, 1a, and 8; 176.132, Subdivision 1; 176.135, Subdivision 1a; 176.225, Subdivision 1; 176.231, Subdivision 10; 176.235, by adding a subdivision; 176.241, Subdivision 4; 176.641; 268.04, Subdivisions 9, 25, and 29; 268.05, Subdivision 6; 268.06, Subdivisions 2, 3a, 6, 8, 19, 22, 25, and 28; 268.07, Subdivisions 2 and 3; 268.071, Subdivisions 1, 5, 6, and by adding subdivisions; 268.08, Subdivisions 1 and 6; 268.09, Subdivisions 1, 2, and by adding a subdivision; 268.10, Subdivisions 1 and 2; 268.12, Subdivisions 12 and 13; 268.15, Subdivision 3; 268.16, Subdivisions 1 and 2; 268.18, Subdivisions 1, 2, 4, and by adding a subdivision; Minnesota Statutes 1981 Supplement, Sections 79.25, Subdivision 1; 79.34, Subdivision 2; 79.63, Subdivisions 1, 2, and 4; 176.011, Subdivision 9; 176.021, Subdivisions 3 and 3a; 176.101, Subdivision 3; 176.111, Subdivision 21; 176.131, Subdivision 10, as amended; 176.132, Subdivision 2; 176.133; 176.136; 176.182; 176.221, Subdivisions 2, 3, and 7; 176.225, Subdivision 5; 176.331; 176.391, Subdivision 3; 176.645, Subdivision 2; and 352E.04; proposing new law coded in Minnesota Statutes, Chapters 79; 176; and 268; repealing Minnesota Statutes 1980, Sections 79.211, Subdivision 1; 79.63, Subdivision 3; 176.011, Subdivisions 14 and 18; 176.095; 176.101, Subdivisions 4 and 5; 176.105, Subdivisions 2 and 3; 268.07, Subdivision 4; 268.16, Subdivision 3, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 33; and Minnesota Statutes 1981 Supplement, Sections 176.102, Subdivision 1a; 176.105, Subdivision 1; 176.152."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1025 for comparison with companion Senate File, reports the

following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1025	1460				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1025 be amended as follows:

Page 1, line 13, delete "1981 Supplement" and insert "1980"

Page 1, line 20, delete "a special" and insert "the"

Page 1, line 20, delete "account in the trunk" and insert "fund which is hereby created; provided that any fee receipts in excess of \$300,000 in a fiscal year shall be credited 90 percent to the trunk highway fund and ten percent to the general fund, as provided in section 171.26."

Page 1, delete line 21

Page 1, line 25, delete "to be deposited in" and insert "dedicated to"

Page 1, line 25, delete "account" and insert "fund"

Page 1, before line 26, insert:

"Sec. 2. Minnesota Statutes 1980, Section 297B.035, is amended by adding a subdivision to read:

Subd. 4. Motorized bicycles, as defined in section 168.011, subdivision 27, purchased for resale in the ordinary course of business shall be exempt from the provisions of this chapter if the person purchasing the motorized bicycles has a permanent enclosed commercial building or structure either owned in fee or leased and is engaged in the business of selling motorized bicycles, either exclusively or in addition to any other occupation."

Delete page 1, line 27 to page 2, line 5

Page 2, line 6, delete "Subd. 2." and insert "Subdivision 1."

Page 2, line 9, delete everything before the period

Page 2, delete lines 14 and 15

Page 2, line 16, delete "3" and insert "2"

Page 2, line 20, after "available" insert a comma

Delete page 2, line 25 to page 3, line 3 and insert:

"Subd. 3. [APPROPRIATION.] All funds in the motorcycle safety fund created by section 1 of this act are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2. The commissioner of public safety may make grants from the fund to the commissioner of education at such times and in such amounts as he deems necessary to carry out the purposes of subdivisions 1 and 2. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2, and not more than 50 percent of the money so appropriated shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organi-

zations.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert “exempting from the motor vehicle excise tax certain purchasers of motorized bicycles for resale;”

Page 1, line 6, delete “commissioner” and insert “the commissioners”

Page 1, line 6, before the first semicolon insert “and education”

Page 1, line 6, delete “an account” and insert “a fund”

Page 1, line 7, delete “1981” and insert “1980”

Page 1, line 8, delete “Supplement, Section” and insert “Sections”

Page 1, line 8, after the semicolon insert “297B.035, by adding a subdivision;”

And when so amended H.F. No. 1025 will be identical to S.F. No. 1460, and further recommends that H.F. No. 1025 be given its second reading and substituted for S.F. No. 1460, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1704 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1704	1556				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1704 be amended as follows:

Page 1, line 8, after “BULLETS” insert “PROHIBITED”

Page 1, line 10, delete “performing their official duties”

Page 1, line 13, after “defense,” insert “recreational,”

Delete page 1, line 17 to page 2, line 11 and insert: “.32, .357, .38, .41, or .44, which (1) can be loaded in a handgun that is auto-loading or has a revolving cylinder, (2) is comprised of any hard metal or hard metal alloy, or soft metal jacket with a hardened core comprised of any hard metal or hard metal alloy, which purposely reduces the normal expansion or mushrooming of the bullet's shape upon impact, and (3) penetrates a vest consisting of 18 layers of kevlar of type 29, 1000 denier, with a 31 by 31 linear thread count or equivalent, when fired from a handgun with a barrel length of not more than 5-1/2 inches in a test conducted by the bureau of criminal apprehension in accordance with the test procedures promulgated by the United States Department of Justice for determining the NILECJ standard for the ballistic resistance

of police body armor as specified in NILECJ-STD-0101.01 (December 1978). "Metal-penetrating bullet" excludes any bullet composed of copper or brass jackets with lead or lead alloy cores and any bullet composed of lead or lead alloys.

Subd. 3. [SALE PROHIBITED.] It is unlawful for any person to sell any metal-penetrating bullet of the arcane, KTW, or Winchester/Western AP brand name or manufacture. A violation of this subdivision is a gross misdemeanor.

Subd. 4. [USE OR POSSESSION IN COMMISSION OF A CRIME.] Any person who uses or possesses a metal-penetrating bullet during the commission of another felony is guilty of a separate felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$3000, or both. Any sentence imposed under this subdivision shall not be served concurrently with the sentence for the other felony.

Subd. 5. [EXCEPTIONS.] The provisions of subdivision 3 do not apply to sales by any munitions manufacturer or its employees to agencies of the federal government or law enforcement agencies."

Amend the title as follows:

Page 1, line 2, delete "making it a felony to use"

Page 1, line 3, delete everything before "the" and insert "prohibiting the sale of certain metal-penetrating bullets; prohibiting the possession or use of metal-penetrating bullets during"

And when so amended H.F. No. 1704 will be identical to S.F. No. 1556, and further recommends that H.F. No. 1704 be given its second reading and substituted for S.F. No. 1556, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1727 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1727	1669				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1727 be amended as follows:

Page 1, line 22, after "appeals," insert "if established by the legislature,"

Page 2, delete lines 5 to 9, and insert:

"The legislature may establish a court of appeals and provide by law for the number of its judges, who shall not be judges of any other court, and its organization and for the manner of review of its decisions by the supreme court. The court of appeals shall have appellate jurisdiction over all courts, except the supreme court, and other appellate jurisdiction as prescribed by

law.”

Page 2, line 13, delete everything after “temporarily” and insert “by the supreme court to act as judges of the court of appeals”

Page 2, line 14, delete everything before the period

Page 2, before line 36, insert:

“Subd. 5. If the amendment is adopted, Article VIII, Section 2, of the Minnesota Constitution will read:

Sec. 2. The governor, secretary of state, treasurer, auditor, attorney general and the judges of the supreme court, court of appeals and district courts may be impeached for corrupt conduct in office or for crimes and misdemeanors; but judgment shall not extend further than to removal from office and disqualification to hold and enjoy any office of honor, trust or profit in this state. The party convicted shall also be subject to indictment, trial, judgment and punishment according to law.”

Page 3, line 4, after “to” insert “permit the Legislature to”

Page 4, line 6, before “One” insert “By January 1, 1984,”

Page 5, line 9, delete “chief”

Page 5, line 10, delete “justice of the supreme court” and insert “governor”

Page 5, delete line 17

Page 7, line 26, delete “such” and insert “a” and after “as” insert “designated by”

Page 7, line 27, delete everything before the period

Page 8, line 35, before “The” insert “(a)”

Page 9, before line 11, insert:

“(b) Upon its own motion or upon the certification of the court of appeals, the supreme court may provide for accelerated review of any case if (i) the question presented is an important one upon which the court has not, but should rule, (ii) the lower courts have held a statute to be unconstitutional, (iii) the lower courts have so far departed from the accepted and usual course of justice as to call for an exercise of the court’s supervisory powers, or (iv) the court of appeals has a backlog of cases.”

Page 13, line 2, after “of” insert “the”

Page 13, line 12, delete “such time as” and “or she”

Page 13, line 13, after the period insert “If a justice who was serving on August 1, 1983, is defeated for reelection by another person, that other person shall be deemed to have been in office as of August 1, 1983, for the purposes of this section.”

Page 13, line 17, delete “Minnesota Statutes,”

Page 13, line 20, delete “Minnesota Statutes,”

Page 13, line 21, delete “such” and insert “that”

Page 13, line 30, delete "*Minnesota Statutes*,"

Page 13, line 32, delete "*or subsequent editions*" and insert "*edition*"

Page 14, line 3, delete "*or subsequent editions*" and insert "*edition*"

Page 14, line 6, delete "*or subsequent editions*" and insert "*edition*"

Page 14, line 10, after "*punctuation*," insert "*or to reflect subsequent amendments*,"

Page 17, delete lines 13 to 18

Amend the title as follows:

Page 1, line 4, after "6;" insert "and Article VIII, Section 2;"

Page 1, line 11, delete the semicolon after "480A"

And when so amended H.F. No. 1727 will be identical to S.F. No. 1669, and further recommends that H.F. No. 1727 be given its second reading and substituted for S.F. No. 1669, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1220, 1025, 1704 and 1727 were read the second time.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H.F. No. 1176: A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury and economic loss resulting from releases of hazardous substances; authorizing rewards for information on violations; providing for pipeline testing; imposing taxes, fees, and penalties; appropriating money; amending Minnesota Statutes 1980, Sections 116.03, Subdivision 3; 466.01, by adding a subdivision; and 466.04, Subdivision 1; proposing new law coded as Minnesota Statutes, Chapter 115B; proposing new law coded in Minnesota Statutes, Chapter 116.

And the House respectfully requests that a Conference Committee of five members be appointed thereon.

Long; Rothenberg; Harens; Anderson, I. and Johnson, D. have been appointed as such committee on the part of the House.

House File No. 1176 is herewith transmitted to the Senate with the request

that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1982

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1176, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1550: Messrs. Lessard, Kroening and Benson.

H.F. No. 2190: Messrs. Willet, Sikorski, Luther, Penny and Engler.

H.F. No. 1885: Messrs. Sikorski, Solon and Benson.

H.F. No. 356: Messrs. Luther, Davies and Ramstad.

S.F. No. 1948: Messrs. Luther, Merriam, and Peterson, R.W.

H.F. No. 1176: Messrs. Merriam; Davies; Pehler; Peterson, R.W. and Benson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Renneke moved that the name of Mr. Benson be added as a co-author to S.F. No. 2230. The motion prevailed.

SPECIAL ORDER

H.F. No. 942: A bill for an act relating to welfare; clarifying certain provisions for determination of cost of care at state hospitals; directing the commissioner of public welfare to promulgate rules; changing the responsibility of relatives under certain circumstances; altering the method of charging for outpatient care; giving claims against estates of deceased patients or responsible relatives preferred status; amending Minnesota Statutes 1980, Sections 246.50, Subdivision 5; 246.51; 246.53; and 487.39, Subdivision 1.

Mr. Waldorf moved to amend H. F. No. 942, as amended by the Committee on Health, Welfare and Corrections, adopted by the Senate March 6, 1982 as follows:

Page 2, line 18, strike “, Education, and Welfare” and insert “*and Human Services*”

Page 3, lines 30 to 31, delete “*OR RELATIVE*”

In the committee amendment, delete the amendment to page 4, after line 4, and to page 4, line 5 and page 4, line 16

Page 4, line 5, delete “*either*”

Page 4, line 6, delete “*or 2*” and delete everything after “*be*”

Page 4, delete line 7 and insert “*considered an expense of the last illness for purposes of*”

Page 4, line 8, delete everything after “524.3-805”

Page 4, line 9, delete everything before the period

In the committee amendment, delete the amendment to page 4, line 11, and insert:

“Page 4, line 11, strike “*such*”, strike “*to*”, and after “*than*” insert “*needed to*””

In the committee amendment, delete the amendment to page 4, line 13, and insert:

“Page 4, line 13, strike “*such*” and insert “*a*” and strike “*he shall have*” and insert “*the commissioner has*” ”

Page 5, after line 16, insert:

“Sec. 7. Minnesota Statutes 1981 Supplement, Section 510.05, is amended to read:

510.05 [LIMITATIONS.]

Such homestead exemption shall not extend to any mortgage lawfully obtained thereon, to any valid lien for taxes or assessments, *to a claim filed pursuant to section 256B.15 or section 246.53* or to any charge arising under the laws relating to laborers or materialmen’s liens.

Sec. 8. Minnesota Statutes 1980, Section 524.3-805, is amended to read:

524.3-805 [CLASSIFICATION OF CLAIMS.]

(a) If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in the following order:

- (1) costs and expenses of administration;
 - (2) reasonable funeral expenses;
 - (3) debts and taxes with preference under federal law;
 - (4) reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending him;
 - (5) debts and taxes with preference under other laws of this state;
 - (6) all other claims.
- (b) No preference shall be given in the payment of any claim over any other

claim of the same class, and a claim due and payable shall not be entitled to a preference over claims not due, *except that if claims for expenses of the last illness involve only claims filed under section 246.53 for costs of state hospital care and claims filed under section 256B.15, claims filed under section 246.53 have preference over claims filed under section 256B.15.*

Sec. 9. Minnesota Statutes 1981 Supplement, Section 525.145, is amended to read:

525.145 [DESCENT OF HOMESTEAD.]

(1) Where there is a surviving spouse the homestead, including a mobile home which is the family residence, shall descend free from any testamentary or other disposition thereof to which the spouse has not consented in writing or by election to take under the will as provided by law, as follows:

(a) If there be no surviving child or issue of any deceased child, to the spouse;

(b) If there be children or issue of deceased children surviving, then to the spouse for the term of the spouse's natural life and the remainder in equal shares to the children and the issue of deceased children by right of representation.

(2) Where there is no surviving spouse and the homestead has not been disposed of by will it shall descend as other real estate.

(3) Where the homestead passes by descent or will to the spouse or children or issue of deceased children, it shall be exempt from all debts which were not valid charges thereon at the time of decedent's death; ~~in all other cases except that the homestead shall be subject to a claim filed pursuant to section 246.53 for state hospital care or 256B.15.~~ *If the homestead passes to a person other than a spouse or child or issue of a deceased child, it shall be subject to the payment of the items mentioned in section 525.16. No lien or other charge against any homestead which is so exempted shall be enforced in the probate court, but the claimant may enforce the lien or charge by an appropriate action in the district court.*

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before "altering"

Page 1, line 8, delete "or responsible"

Page 1, line 9, delete "relatives" and after "status" insert "; allowing certain claims against estates for medical assistance in some instances"

In the committee amendment, delete the title amendment to page 1, line 11, and insert:

"Page 1, line 11, delete "and" and before the period insert "; 524.3-805; Minnesota Statutes 1981 Supplement, Sections 246.511; 510.05; and 525.145""

The motion prevailed. So the amendment was adopted.

H.F. No. 942 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Lantry	Petty	Stumpf
Belanger	Frank	Lessard	Pillsbury	Taylor
Benson	Frederick	Lindgren	Purfeerst	Tennessen
Berg	Frederickson	Luther	Ramstad	Ulland
Bernhagen	Hughes	Merriam	Renneke	Vega
Bertram	Johnson	Moe, D.M.	Rued	Waldorf
Brataas	Kamrath	Moe, R.D.	Schmitz	Willet
Chmielewski	Knutson	Nelson	Setzepfandt	
Davies	Kroening	Olhoft	Solon	
Davis	Kronebusch	Peterson, D.L.	Stokowski	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 776: A bill for an act relating to insurance; requiring private passenger vehicle insurers to disclose surcharge plans; prohibiting payment of certain claims unless notice is given to the insured; proposing new law coded in Minnesota Statutes, Chapter 65B.

Mr. Davies moved to amend the amendment placed on H.F. No. 776 by the Committee on Commerce, adopted by the Senate March 3, 1982, as follows:

Delete the second amendment to page 2, line 14

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

H. F. No. 776 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kronebusch	Penny	Stokowski
Belanger	Frank	Langseth	Peterson, D.L.	Stumpf
Benson	Frederick	Lantry	Petty	Tennessen
Berg	Frederickson	Lessard	Purfeerst	Vega
Bernhagen	Hanson	Lindgren	Ramstad	Waldorf
Bertram	Hughes	Luther	Renneke	Willet
Brataas	Humphrey	Merriam	Rued	
Davies	Kamrath	Moe, D. M.	Schmitz	
Davis	Knutson	Moe, R. D.	Setzepfandt	
Dicklich	Kroening	Olhoft	Sieloff	

So the bill, as amended, passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Hanson moved that the following members be excused for a Conference Committee on S.F. No. 1758:

Messrs. Hanson, Merriam, Davies, Knutson and Peterson, R.W. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Solon moved that the following members be

excused for a Conference Committee on H.F. No. 1799:

Messrs. Solon, Waldorf and Lindgren. The motion prevailed.

SPECIAL ORDER

H.F. No. 1852: A bill for an act relating to waters; making the water well contractors and exploratory borers advisory council permanent; amending Minnesota Statutes 1980, Section 156A.06, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Langseth	Peterson, C.C.	Stokowski
Belanger	Frank	Lantry	Peterson, D.L.	Stumpf
Berg	Frederick	Lessard	Petty	Taylor
Bernhagen	Frederickson	Lindgren	Purfeerst	Tennessen
Bertram	Hanson	Luther	Renneke	Ulland
Brataas	Hughes	Merriam	Rued	Vega
Chmielewski	Humphrey	Moe, D. M.	Schmitz	Waldorf
Davies	Knutson	Moe, R. D.	Setzepfandt	Willet
Davis	Kroening	Olhoft	Sieloff	
Dicklich	Kronebusch	Penny	Solon	

Messrs. Benson and Kamrath voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1867: A bill for an act relating to insurance; authorizing the commissioner to enjoin violations of chapter 60A; eliminating certain mandatory filings with the commissioner of insurance; providing certain exceptions to variable contract license requirements; amending Minnesota Statutes 1981 Supplement, Section 60A.17, Subdivisions 6c and 13; repealing Minnesota Statutes 1980, Section 72A.062.

Mr. Davies moved to amend H.F. No. 1867, as amended pursuant to Rule 49, adopted by the Senate March 10, 1982, as follows:

(The text of the amended House File is identical to S.F. No. 1855.)

Page 1, after line 11, insert:

“Section 1. Minnesota Statutes 1981 Supplement, Section 60A.11, Subdivision 17, is amended to read:

Subd. 17. [CORPORATE AND BUSINESS TRUST OBLIGATIONS.] Obligations issued, assumed or guaranteed by a corporation or business trust organized under the laws of the United States or any state of the United States, or the laws of Canada or any province of Canada, or obligations traded on a national securities exchange on the following conditions:

(a) A company may invest in any obligations traded on a national securities exchange;

(b) A company may also invest in any obligations which are secured by

adequate security located in the United States or Canada;

(c) A company may also invest in previously outstanding or newly issued obligations not qualifying for investment under paragraphs (a) or (b) if the corporation or business trust has qualified net earnings. If the obligations are not newly issued, neither principal nor interest payments on the obligations shall have been in arrears (1) for an aggregate of 90 days during the three year period preceding the date of investment, or (2) where the obligations have been outstanding for less than 90 days, during the period the obligations have been outstanding;

(d) A company may invest in federal farm loan bonds and may invest up to 20 percent of its total admitted assets in the obligations of farm mortgage debenture companies; and

(e) A company may not invest more than five percent of its admitted assets in the obligations of any one corporation or business trust; *provided, however, that a company may invest in the obligations of a corporation without regard to this paragraph if: (1) the company is wholly owned by the issuer and affiliates of the issuer of the obligations; (2) the company insures solely the issuer of the obligations and its affiliates; (3) the issuer has a net worth, determined on a consolidated basis, which equals or exceeds \$100,000,000; and (4) the issuer and its affiliates forego any and all claims they may have against the Minnesota Insurance Guaranty Association pursuant to chapter 60C in the event of the insolvency of the company. This does not affect the rights of any unaffiliated third party claimant under section 60C.09, subdivision 1.*"

Page 5, line 8, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "exempting captive insurers from certain investment limitations;"

Page 1, line 7, delete "Section" and insert "Sections 60A.11, Subdivision 17;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1867 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Benson	Engler	Kronebusch	Pehler	Setzepfandt
Berg	Frank	Langseth	Penny	Sieloff
Berglin	Frederick	Lantry	Peterson, C. C.	Solon
Bernhagen	Frederickson	Lessard	Peterson, D. L.	Stern
Bertram	Hanson	Lindgren	Peterson, R. W.	Stokowski
Brataas	Hughes	Luther	Petty	Stumpf
Chmielewski	Humphrey	Merriam	Purfeerst	Taylor
Dahl	Johnson	Moe, D. M.	Ramstad	Ulland
Davies	Kamrath	Moe, R. D.	Renneke	Waldorf
Davis	Kroening	Olhoft	Schmitz	Willet

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1018: A bill for an act relating to agriculture; consolidating existing laws; providing for agricultural commodity research and promotion councils; establishing procedures; providing penalties; amending Minnesota Statutes 1980, Sections 17.53; 17.54; 17.56; 17.57; 17.58; 17.59, Subdivisions 1, and 2; 17.60; 17.62; 17.63; 17.64; and 17.67; amending Minnesota Statutes 1981 Supplement, Section 17.59, Subdivision 4; repealing Minnesota Statutes 1980, Sections 17.55; 17.601; 17.65; 17.68; 21A.01 to 21A.19, as amended; 29.14 to 29.16; 29.18; 29.19; 30.461 to 30.468, as amended; 30.472 to 30.479; 32B.01 to 32B.06; 32B.08 to 32B.11; 32B.13; Minnesota Statutes 1981 Supplement, Sections 29.17; 30.469; 30.47; 32B.07; and 32B.12.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Kroening	Olhoft	Schmitz
Belanger	Engler	Kronebusch	Pehler	Setzepfandt
Benson	Frank	Langseth	Penny	Solon
Berg	Frederick	Lantry	Peterson, C. C.	Stern
Berglin	Frederickson	Lessard	Peterson, D. L.	Stokowski
Bernhagen	Hughes	Lindgren	Peterson, R. W.	Stumpf
Bertram	Humphrey	Luther	Petty	Taylor
Chmielewski	Johnson	Merriam	Ramstad	Ulland
Dahl	Kamrath	Moe, D. M.	Renneke	Waldorf
Davies	Knutson	Moe, R. D.	Rued	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1719: A bill for an act relating to courts; authorizing the chief judge of the judicial district to fill vacancies in the office of judicial officer in St. Louis, Steele, Goodhue and Carlton counties; amending Minnesota Statutes 1981 Supplement, Section 487.08, Subdivision 2.

Mr. Chmielewski moved to amend the amendment placed on H.F. No. 1719 by the Committee on Judiciary, adopted by the Senate March 8, 1982, as follows:

Delete the committee amendment to page 1, line 17

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

H.F. No. 1719 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Davis	Knutson	Olhoft	Sieloff
Benson	Engler	Kroening	Pehler	Solon
Berglin	Frank	Kronebusch	Penny	Stern
Bernhagen	Frederickson	Langseth	Peterson, C. C.	Stokowski
Bertram	Hanson	Lantry	Peterson, R. W.	Tennessen
Brataas	Hughes	Luther	Petty	Ulland
Chmielewski	Humphrey	Merriam	Renneke	Waldorf
Dahl	Johnson	Moe, D. M.	Rued	Willet
Davies	Kamrath	Moe, R. D.	Setzepfandt	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1975: A bill for an act relating to local government; permitting towns to issue off-sale liquor licenses; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Langseth	Pehler	Sieloff
Belanger	Frank	Lantry	Penny	Stern
Benson	Frederick	Lessard	Peterson, C. C.	Stokowski
Berglin	Frederickson	Lindgren	Peterson, R. W.	Taylor
Bernhagen	Hughes	Luther	Petty	Tennessen
Bertram	Humphrey	Merriam	Ramstad	Ulland
Brataas	Johnson	Moe, D. M.	Renneke	Waldorf
Chmielewski	Kamrath	Moe, R. D.	Rued	Wegener
Dahl	Kroening	Nelson	Schmitz	Willet
Davis	Kronebusch	Olhoft	Setzepfandt	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 1947, No. 15 on Special Orders, be stricken and returned to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 1288, No. 33 on Special Orders, be stricken and returned to the Committee on Agriculture and Natural Resources. The motion prevailed.

SPECIAL ORDER

H.F. No. 1477: A bill for an act relating to snowmobiles; increasing the registration fee and appropriating the proceeds thereof for stated purposes; registration of collectors' snowmobiles; requiring a study; creating a snowmobile trails and enforcement account in the state treasury; appropriating money; amending Minnesota Statutes 1980, Sections 84.82, Subdivision 3, and by adding a subdivision; and 84.83.

Mr. Luther moved that the amendment made to H.F. No. 1477 by the Committee on Rules and Administration in the report adopted March 11, 1982,

pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Luther moved to amend H.F. No. 1477 as follows:

Page 3, line 6, delete "and"

Page 3, after line 6, insert:

"(3) For snowmobile safety programs;"

Page 6, line 7, delete "(3)" and insert "(4)"

Page 3, after line 14, insert:

"Sec. 5. [PLAN.]

The department of natural resources shall propose a plan and recommendations to the legislature by January 1, 1983, on methods of collecting fees from users of state trails, including but not limited to cross-country skiers, horseback riders, and hikers. For purposes of this section, "state trails" means those trails established pursuant to section 86A.05, subdivision 4, and grant-in-aid trails."

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

H.F. No. 1477 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kroening	Penny	Stokowski
Belanger	Engler	Kronebusch	Peterson, C. C.	Stumpf
Benson	Frank	Lantry	Peterson, D. L.	Taylor
Berglin	Frederick	Lessard	Petty	Tennessee
Bernhagen	Frederickson	Luther	Ramstad	Ulland
Bertram	Hughes	Moe, D. M.	Rued	Willet
Brataas	Humphrey	Moe, R. D.	Schmitz	
Dahl	Johnson	Olhoft	Sieloff	
Davis	Kamrath	Pehler	Stern	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2058: A bill for an act relating to public welfare; providing for classification, access, and destruction of certain child abuse report records; clarifying the classification of reports regarding vulnerable adults; amending Minnesota Statutes 1980, Sections 626.556, Subdivisions 3, 7, and by adding a subdivision; 626.557, by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 626.556, Subdivision 11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dahl	Humphrey	Olhoft	Sieloff
Bang	Davis	Johnson	Pehler	Stern
Belanger	Dieterich	Kamrath	Penny	Stokowski
Benson	Engler	Kroening	Peterson, C.C.	Stumpf
Berg	Frank	Kronebusch	Peterson, D.L.	Taylor
Berglin	Frederick	Lantry	Petty	Tennessen
Bernhagen	Frederickson	Lessard	Ramstad	Ulland
Brataas	Hughes	Moe, R. D.	Rued	Willet

Mr. Bertram voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1961: A bill for an act relating to agriculture; providing for the licensing and regulation of certain grain buyers; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 223; repealing Minnesota Statutes 1980, Chapter 223, as amended; and Sections 232.01; 232.02, as amended; 232.04; and 232.06, Subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Knoll	Penny	Stern
Bang	Dieterich	Kroening	Peterson, C.C.	Stokowski
Belanger	Engler	Kronebusch	Peterson, D.L.	Taylor
Benson	Frank	Langseth	Petty	Tennessen
Berg	Frederick	Lantry	Pillsbury	Ulland
Berglin	Frederickson	Lessard	Ramstad	Willet
Bernhagen	Hughes	Luther	Rued	
Bertram	Humphrey	Moe, R. D.	Schmitz	
Brataas	Johnson	Olhoft	Setzepfandt	
Dahl	Kamrath	Pehler	Spear	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1962: A bill for an act relating to agriculture; providing for the regulation of grain storage warehouse operators; changing certain fee provisions; providing penalties; appropriating money; amending Minnesota Statutes 1980, Section 236.02; Minnesota Statutes 1981 Supplement, Sections 231.16; and 233.08; proposing new law coded in Minnesota Statutes, Chapter 232; repealing Minnesota Statutes 1980, Sections 232.06, Subdivisions 2, 3, 4, 6 and 7; 232.07 to 232.19; Minnesota Statutes 1981 Supplement, Section 232.06, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Kroening	Penny	Sieloff
Bang	Dieterich	Kronebusch	Peterson, C.C.	Spear
Belanger	Engler	Langseth	Peterson, D.L.	Stern
Benson	Frank	Lantry	Petty	Stokowski
Berg	Frederick	Lessard	Pillsbury	Taylor
Berglin	Frederickson	Luther	Ramstad	Tennessen
Bernhagen	Hughes	Moe, D. M.	Renneke	Ulland
Bertram	Humphrey	Moe, R. D.	Rued	Willet
Brataas	Johnson	Olhoft	Schmitz	
Dahl	Kamrath	Pehler	Setzepfandt	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1532: A bill for an act relating to tort actions; prohibiting the causes of action for wrongful life and wrongful birth; prohibiting a defense, an award of damages, or a penalty based on the failure or refusal to prevent a live birth; proposing new law coded in Minnesota Statutes, Chapter 145.

Mr. Kroening moved to amend H.F. No. 1532 by striking the amendment placed on H.F. No. 1532 by the Committee on Judiciary, adopted by the Senate March 11, 1982.

CALL OF THE SENATE

Mr. Kroening imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Kroening amendment.

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

The roll was called, and there were yeas 36 and nays 21, as follows:

Those who voted in the affirmative were:

Belanger	Frank	Langseth	Purfeerst	Taylor
Benson	Frederickson	Lantry	Renneke	Vega
Berg	Humphrey	Lessard	Rued	Waldorf
Bernhagen	Johnson	Menning	Schmitz	Willet
Bertram	Kamrath	Merriam	Sieloff	
Dahl	Knoll	Pehler	Solon	
Davis	Kroening	Penny	Stokowski	
Engler	Kronebusch	Peterson, D.L.	Stumpf	

Those who voted in the negative were:

Ashbach	Dicklich	Luther	Pillsbury	Ulland
Bang	Dieterich	Moe, D. M.	Ramstad	
Berglin	Frederick	Moe, R. D.	Spear	
Brataas	Hanson	Peterson, R.W.	Stern	
Davies	Knutson	Petty	Tennessen	

The motion prevailed. So the amendment was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:45 p.m. The motion prevailed.

The hour of 7:45 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Peterson, R.W. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MEMBERS EXCUSED

Mr. Humphrey was excused from this evening's Session. Mr. Spear was excused from this evening's Session until 10:00 p.m. Mr. Stern was excused from the Session of today from 7:45 to 8:45 p.m.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Purfeerst moved that the following members be excused for a Conference Committee on S.F. No. 303:

Messrs. Purfeerst, Dicklich, Vega, Ramstad and Nelson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H.F. No. 1176:

Messrs. Merriam; Benson; Davies; Peterson, R.W. and Pehler. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1894:

Messrs. Waldorf, Bernhagen and Dahl. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on H.F. No. 2190:

Messrs. Willet, Luther, Penny, Sikorski and Engler. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1538, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1538: A bill for an act relating to peace officers; providing for appointment of peace officers, constables and deputy constables in towns; requiring towns to notify the peace officers standards and training board before employing law enforcement officers; amending Minnesota Statutes 1980, Sections 367.03, Subdivisions 1, 2, and 3; 367.22; 367.40, Subdivisions 3 and 4; 367.41; Minnesota Statutes 1981 Supplement, Section 367.42, Subdivision 1; repealing Minnesota Statutes 1981 Supplement, Section 382.28.

Senate File No. 1538 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1982

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1894: A bill for an act relating to energy; changing the duties of the commissioner of the department of energy, planning and development; expanding the scope of certain energy education programs; changing certain residential energy sales programs; providing for wind energy conversion systems in county and municipal zoning law; creating wind easements; amending Minnesota Statutes 1980, Sections 116H.02, by adding a subdivision; 116H.15, Subdivisions 1 and 3; 394.25, Subdivision 3; 462.357, Subdivision 1; 500.30; Minnesota Statutes 1981 Supplement, Sections 116H.07; 116H.088, Subdivision 1; 116H.095, Subdivisions 4 and 5; 116H.10, Subdivision 4; 116H.11, Subdivision 1; 116H.128; 116H.15, Subdivision 2; 116H.18; proposing new law coded in Minnesota Statutes, Chapter 325E; repealing Minnesota Statutes 1980, Sections 116H.088, Subdivision 2; 116H.12, Subdivision 8; and Minnesota Statutes 1981 Supplement, Section 120.78, Subdivision 1.

There has been appointed as such committee on the part of the House:

Nelson, K.; Evans and Wynia

Senate File No. 1894 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1611:

H.F. No. 1611: A bill for an act relating to garnishment; authorizing an employer to recover expenses incurred for administering garnishment of an employee's wages; amending Minnesota Statutes 1980, Section 571.57.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Forsythe, Dempsey and Jude have been appointed as such committee on the part of the House.

House File No. 1611 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1982

Mr. Ashbach, for Mr. Bang, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1611, and that a Conference Committee of 3 members be appointed by the Subcommittee on Com-

mittees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1809: A bill for an act relating to crimes; providing for the protection of the victims of criminal sexual conduct, intrafamilial sexual abuse, or use of a minor to prepare an obscene work; amending Minnesota Statutes 1981 Supplement, Section 15.791, Subdivision 9; proposing new law coded in Minnesota Statutes, Chapter 631.

Senate File No. 1809 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 1809 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1809: A bill for an act relating to crimes; providing for the protection of the victims of criminal sexual conduct and intrafamilial sexual abuse; classifying data; specifying the competency of witnesses; amending Minnesota Statutes 1981 Supplement, Sections 15.791, Subdivision 9; and 595.02; proposing new law coded in Minnesota Statutes, Chapters 15 and 631.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kronebusch	Peterson, C. C.	Sikorski
Bang	Dieterich	Langseth	Peterson, D. L.	Solon
Belanger	Engler	Lantry	Petty	Stokowski
Berg	Frank	Lessard	Pillsbury	Stumpf
Berglin	Frederickson	Luther	Purfeerst	Taylor
Bernhagen	Hanson	Menning	Ramstad	Tennessee
Bertram	Johnson	Moe, D. M.	Renneke	Ulland
Brataas	Kamrath	Moe, R. D.	Rued	Vega
Chmielewski	Knoll	Nelson	Schmitz	Waldorf
Dahl	Knutson	Olhoft	Setzepfandt	Wegener
Davis	Kroening	Penny	Sieloff	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concur-

rence of the Senate is respectfully requested:

S.F. No. 639: A bill for an act relating to metropolitan government; requiring that metropolitan council boundaries be redrawn after each federal census; amending Minnesota Statutes 1980, Section 473.123, Subdivision 2.

Senate File No. 639 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

Mr. Schmitz moved that the Senate do not concur in the amendments by the House to S. F. No. 639, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2006: A bill for an act relating to gambling; providing an exception for certain nonprofit organizations to the annual limitation on prizes awarded from the conduct of raffles; amending Minnesota Statutes 1980, Sections 349.17, Subdivision 1; and 349.26, Subdivision 9, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 349.26, Subdivision 15.

Senate File No. 2006 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 2006 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2006: A bill for an act relating to gambling; providing an exception for certain nonprofit organizations to the annual limitation on prizes awarded from the conduct of raffles; amending Minnesota Statutes 1980, Section 349.26, Subdivision 9, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 349.26, Subdivision 15.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 38 and nays 8, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Peterson, D.L.	Stokowski
Bang	Frank	Langseth	Petty	Stumpf
Belanger	Frederick	Lantry	Pillsbury	Tennessee
Berglin	Hanson	Luther	Rued	Ulland
Bertram	Johnson	Moe, D. M.	Schmitz	Waldorf
Brataas	Knoll	Moe, R. D.	Setzepfandt	Wegener
Chmielewski	Knutson	Pehler	Sieloff	
Davis	Kroening	Peterson, C.C.	Sikorski	

Those who voted in the negative were:

Berg	Frederickson	Lessard	Olhoft	Renneke
Bernhagen	Kamrath	Menning		

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1588: A bill for an act relating to state and local government organization and relations; creating an advisory council on local government; prescribing its duties; proposing new law coded as Minnesota Statutes, Chapter 15B.

Senate File No. 1588 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Mr. Wegener moved that the Senate concur in the amendments by the House to S.F. No. 1588 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1588: A bill for an act relating to state and local government organization and relations; creating an advisory council on local government; prescribing its duties; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 15B.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 38 and nays 11, as follows:

Those who voted in the affirmative were:

Ashbach	Dahl	Knoll	Pehler	Sieloff
Bang	Davis	Knutson	Peterson, C.C.	Sikorski
Belanger	Frank	Kronebusch	Peterson, D.L.	Solon
Berg	Frederick	Lantry	Pillsbury	Stern
Bernhagen	Frederickson	Menning	Renneke	Ulland
Bertram	Hanson	Moe, D. M.	Rued	Wegener
Brataas	Hughes	Moe, R. D.	Schmitz	
Chmielewski	Johnson	Olhoft	Setzepfandt	

Those who voted in the negative were:

Berglin	Kroening	Luther	Stokowski	Tennessen
Dieterich	Langseth	Petty	Stumpf	Waldorf
Kamrath				

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 744: A bill for an act relating to natural resources; changing and clarifying administrative provisions regarding watershed districts; increasing per diem for district managers; stating procedures for adopting rules by managers; requiring revision of certain plans every ten years; allowing cash bonds; clarifying emergency procedures; amending Minnesota Statutes 1980, Sections 105.71, Subdivision 1a, and by adding subdivisions; 106.271; 106.471, Subdivision 1; 112.35, Subdivision 19; 112.37, Subdivision 1; 112.39, Subdivision 1; 112.42, Subdivisions 3, 5 and 6; 112.43, Subdivisions 1, 3, and by adding a subdivision; 112.46; 112.47; 112.48, Subdivisions 1, 2, and 4; 112.49, Subdivisions 1 and 7; 112.58; 112.61, Subdivision 3; 112.62, Subdivision 1; 112.64; 112.65, Subdivision 2; and 112.801, Subdivision 8; and Minnesota Statutes 1981 Supplement, Section 112.53, Subdivision 1.

Senate File No. 744 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Mr. Hanson moved that the Senate concur in the amendments by the House to S.F. No. 744 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 744: A bill for an act relating to natural resources; changing and clarifying administrative provisions regarding watershed districts; increasing per diem for district managers; stating procedures for adopting rules by managers; requiring revision of certain plans every ten years; allowing cash bonds; clarifying emergency procedures; amending Minnesota Statutes 1980, Sections 106.271; 106.471, Subdivision 1; 112.35, Subdivision 19; 112.37, Subdivision 1; 112.39, Subdivision 1; 112.42, Subdivisions 3, 5 and 6; 112.43, Subdivisions 1, 3, and by adding a subdivision; 112.46; 112.47; 112.48, Subdivisions 1, 2, and 4; 112.49, Subdivisions 1 and 7; 112.58; 112.61, Subdivision 3; 112.62, Subdivision 1; 112.64; 112.65, Subdivision 2; and Minnesota Statutes 1981 Supplement, Section 112.53, Subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Pehler	Sieloff
Belanger	Frank	Langseth	Peterson, C. C.	Sikorski
Berg	Frederickson	Lantry	Peterson, D. L.	Stern
Berglin	Hanson	Lessard	Petty	Stokowski
Bernhagen	Hughes	Luther	Pillsbury	Stumpf
Bertram	Kamrath	Menning	Renneke	Tennessen
Brataas	Knoll	Moe, D. M.	Rued	Ulland
Chmielewski	Knutson	Moe, R. D.	Schmitz	Wegener
Davis	Kroening	Olhoft	Setzepfandt	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1955: A bill for an act relating to tax forfeited land; restoring certain funds to the real estate assurance account; appropriating money; amending Minnesota Statutes 1981 Supplement, Section 284.28, Subdivision 8.

Senate File No. 1955 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Mr. Tennessen moved that the Senate concur in the amendments by the House to S.F. No. 1955 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1955 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 38 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Petty	Stokowski
Belanger	Frank	Langseth	Pillsbury	Stumpf
Berg	Frederickson	Lantry	Renneke	Taylor
Berglin	Hughes	Lessard	Rued	Tennessen
Bertram	Johnson	Luther	Schmitz	Ulland
Brataas	Kamrath	Moe, R. D.	Setzepfandt	Wegener
Chmielewski	Knoll	Olhoft	Sikorski	
Davis	Kroening	Peterson, D. L.	Stern	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 536: A bill for an act relating to local government; providing for the board membership and powers of the Moose Lake and Windemere area sanitary sewer district; amending Laws 1974, Chapter 400, Section 3, Subdivision 12, as amended; and Section 4, Subdivision 2, as amended; repealing Laws 1974, Chapter 400, Section 8, Subdivision 5, as amended.

Senate File No. 536 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

Mr. Chmielewski moved that the Senate do not concur in the amendments by the House to S. F. No. 536, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Sikorski moved that the name of Mr. Luther be added as a co-author to S.F. No. 1596. The motion prevailed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H.F. No. 1220 a Special Order to be heard immediately.

SUSPENSION OF RULES

Mr. Peterson, C.C. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1220 and that the rules of the Senate be so far suspended as to give H.F. No. 1220, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1220: A bill for an act relating to unemployment compensation; clarifying that quitting work due to sexual harassment does not result in benefit disqualification; amending Minnesota Statutes 1980, Section 268.09, Subdivision 1.

CALL OF THE SENATE

Mr. Ashbach imposed a call of the Senate for the balance of the proceedings on H.F. No. 1220. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Peterson, C.C. moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Amend the title as follows:

Page 129, line 9, delete "workers' compensation" and insert "employment"

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

Mr. Peterson, C.C. then moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 54, line 28, after "the" delete "commissioner of health"

Page 54, line 29, delete "or other"

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

Mr. Wegener moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 2, line 33, delete "\$1,000" and insert "\$500"

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

Mr. Pehler moved to amend the amendment placed on H. F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 82, after line 17, insert:

"Sec. 14. Minnesota Statutes 1980, Section 268.07, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTION.] Notwithstanding the provisions of subdivision 2, if the commissioner finds that an individual has earned credit weeks in seasonal employment, benefits shall be payable if the commissioner finds that the individual has earned 15 credit weeks in employment which is not seasonal, in addition to any credit weeks in seasonal employment. For the purposes of this subdivision, "seasonal employment" means employment with a single employer in the recreation or tourist industry which is available with the employer for 15 consecutive weeks or less each calendar year."

Page 83, after line 13, insert:

"(5) Wages paid in seasonal employment, as defined in subdivision 2a, are not available for benefit purposes during weeks in which there is no seasonal employment available with the employer."

Page 96, line 17, delete "unless"

Page 96, line 18, delete everything before the period

Page 96, lines 22 and 23, reinstate the stricken language

Page 96, lines 23 to 34, delete the new language

Re-number the sections in sequence

Correct internal cross references

Amend the title accordingly

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

Mr. Frederick moved to amend the amendment placed on H. F. No. 1220,

by the Committee on Rules and Administration, adopted by the Senate on March 12, 1982, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [176.096] [TOTAL DISABILITY BENEFITS.]

Subdivision 1. [PURPOSE.] Total disability benefits are paid for the purpose of replacing a portion of wages lost due to a personal injury.

Subd. 2. [BENEFIT.] (a) For the first five weeks of total disability the benefit shall be 70 percent of the employee's spendable weekly wage at the time of injury.

(b) After the first five weeks of total disability the benefit shall be 80 percent of the employee's spendable weekly wage at the time of injury.

(c) Notwithstanding any other provisions of chapter 176 or chapter 79, the first five days of disability benefit shall be the liability of the employer and shall not be reimbursed by any insurer or group self insurance program, except where three or more employees are injured in the same incident, in which case, the insurer shall be liable for the first five days of benefits for all workers injured in the incident.

(d) Where total disability is not continuous, benefits shall be paid pursuant to clause (a) until the total number of normal working days not actually worked is equal to the number of days the employee would normally have worked in a five-week period. If the number of days an employee normally works in a week is irregular or difficult to determine, then the total number of days worked in the 26 weeks preceding the personal injury including employer paid vacations, holiday, and sick leave shall be divided by 26 to determine the number of days an employee normally works in a week. If the employee was seasonally employed, then the total number of days worked during the 26 weeks preceding the personal injury shall be divided by the number of weeks that the employee worked to determine the number of days the employee normally works in a week.

(e) Where an employee is totally disabled for part of a week, the benefit shall be equal to the same portion of the weekly benefit as the days of total disability are to the number of days in a normal work week provided that a normal work week shall be determined as in paragraph (d).

(f) Payment shall be made as nearly as possible at the intervals when the wage was payable.

Subd. 3. [MAXIMUM BENEFIT.] The maximum weekly benefit for total disability shall be 150 percent of the statewide average weekly wage at the time of injury.

Subd. 4. [HEALTH INSURANCE COVERAGE.] If at the time of injury the employee or the employee and his dependents are covered under an accident and health insurance policy, or a contract issued pursuant to chapter 62C, 62D, or any plan defined in section 62E.02, subdivision 22, for which the employer paid premiums or contributions, the employee and applicable dependents shall be entitled to coverage under that plan or policy during the period for which disability benefits are paid for up to one year after the time of injury, provided the employee continues to pay any share of the premium which

was payable by the employee prior to the injury.

Subd. 5. [OFFSETS.] Benefits from any government disability program, or any old age benefits program for which the employee is eligible shall reduce benefits otherwise payable under this subdivision by the amount of the government benefit. Each dollar received from these programs shall result in a reduction of the total disability benefit payable by one dollar. If an employee may be eligible for these benefits but has not made application, then the employer shall notify the employee of the possible eligibility and if no application has been made within 30 days of the notice, the payment of benefits under this chapter shall be interrupted until application is made. These benefits shall be paid in full after the application has been made. Any retirement or disability benefits from a retirement or pension plan from which the employee is eligible to receive benefits and to which the employer contributed shall serve to reduce the benefits payable under this subdivision in an amount equal to the disability or retirement benefit received multiplied by the fraction represented by the employer's contribution for that employee over the total contribution for that employee to the retirement or pension plan. If more than one offset provided by this subdivision is applicable, the offsets shall each be calculated as if the other offsets did not apply and all offsets totaled to reduce benefits under this section.

Subd. 6. [PERIOD OF PAYMENT.] (a) Total disability benefits shall be payable until the injured employee is:

(1) Able to substantially perform the duties of the preinjury job or a job utilizing similar skills. For the purposes of this clause "substantially perform the duties of the preinjury job" means that an employee is able to meet the minimum standards of output or productivity established for the preinjury job. The employer shall have the option of altering or reducing these standards to accommodate any temporary or permanent physical limitations of an employee as a means of establishing a job utilizing similar skills;

(2) Eligible for partial disability benefits;

(3) Eligible for rehabilitation benefits; or

(4) Medically recovered from his personal injury and would otherwise be ineligible for total disability benefits but does not return to work for reasons other than the personal injury. If an employer is unable to offer employment to the employee after the employee has medically recovered because the employer no longer has a sufficient volume of work for the injured employee and no other employer has offered a job meeting the requirements of clause (1), total disability benefits shall be continued until all other workers performing the same job with the employer at the time of injury but who have less seniority than the injured employee have been laid off. If benefits are terminated due to the layoff the employee shall, notwithstanding any law to the contrary, immediately be eligible for benefits under sections 268.03 to 268.24 provided that the other eligibility criteria of that chapter have been satisfied.

Sec. 2. [176.098] [DEATH BENEFITS.]

Subdivision 1. [PURPOSE.] If an employee dies as a result of a personal injury, death benefits shall be paid pursuant to this section. Death benefits shall be based on the deceased employee's spendable weekly wage at the time of injury.

Subd. 2. [BENEFIT AMOUNT.] (a) Death benefits shall be paid in an

amount equal to 70 percent of the deceased employee's spendable weekly wage if no dependents other than the dependent spouse survive or if the deceased employee leaves one or more dependent orphans under the age of 18. The benefits payable to orphans shall cease when all orphans have reached the age of 18. Notwithstanding any other provisions of this section, benefits payable to a child who is mentally or physically incapacitated from earning an income and who is 18 or over shall continue as if the child were an orphan or until the child marries or dies.

(b) Death benefits shall be paid to the dependent spouse in an amount equal to 75 percent of the deceased employee's spendable weekly wage if the survivors include dependent children of the employee under 18. This benefit shall be reduced to 70 percent of the deceased employee's spendable weekly wage when all dependent children have reached the age of 18.

(c) If the deceased employee made regular periodic payments to a person who was claimed as a dependent by the deceased employee for purposes of payment of federal income taxes, benefits may be payable to this person, provided that the payment shall be deducted from the benefit payable to the dependent spouse or dependent children. The payment of benefits to persons eligible under this paragraph shall be made only upon an order of the commissioner or a compensation judge. Liability for the payment shall commence from the date of the order. In no event may the amount of benefits payable exceed actual payments made by the deceased employee to the person. The commissioner or a compensation judge may allocate the proportion of total payments to parties entitled to benefits under this paragraph. The benefits shall be allocated at the discretion of the commissioner or a compensation judge based on all of the facts of the case. The judge may deny benefits to persons other than the spouse or children.

Subd. 3. [BENEFIT ALLOCATION.] When a death benefit is payable, the commissioner, compensation judge, workers' compensation court of appeals, or district court in cases upon appeal may determine what portion of the benefit is payable to each beneficiary and may order that any portion is to be paid to a guardian. The allocation shall be at the discretion of the commissioner, compensation judge, or court based on all the facts of the case. This subdivision shall not increase the death benefits over the amount which would otherwise have been payable if no allocation of benefits was made after any deductions under subdivision 11 and if no allocations of benefits have been made.

Subd. 4. [MAXIMUM BENEFIT.] The maximum weekly total death benefit for all dependents shall be 150 percent of the statewide average weekly wage in effect at the time of injury.

Subd. 5. [COMMENCEMENT OF PAYMENT.] Benefit payments shall begin within 30 days of the death of the employee.

Subd. 6. [ALTERNATIVE SETTLEMENTS.] Lump sum settlements or other settlement arrangements for periodic payment of benefits in lieu of all or part of the future benefits payable may be made only if the dependent and the employer agree to the settlement, or if upon the request of either party, a compensation judge determines that payment by settlement is justified by the financial needs of the dependent. Any alternative settlement agreed to where the dependent is not represented by an attorney shall be approved by the commissioner or by a compensation judge. An alternative settlement shall not

occur if there are dependent children under the age of 18.

Subd. 7. [MAXIMUM SPOUSAL BENEFIT PERIOD.] Any dependent surviving spouse eligible to receive death benefits shall receive those benefits for not more than the period of time prescribed in the following table.

<i>Age of Spouse at time of Employee's Death</i>	<i>Maximum Benefit Years</i>
<i>Less than 30</i>	<i>5</i>
<i>30-35</i>	<i>7</i>
<i>36-50</i>	<i>10</i>
<i>More than 50</i>	<i>15</i>

The benefit years shall begin to be counted at the time of the first payment, except in the case where there are dependent surviving children, in which case the benefit years shall begin to be counted upon the 18th birthday of the youngest surviving dependent child. Benefits payable to other dependents shall cease when the spouse is no longer eligible for benefits.

Subd. 8. [HEALTH INSURANCE COVERAGE.] In any case where a dependent is eligible to receive benefits under this section and was also covered under an accident and health insurance policy or under a contract issued under chapter 62C or 62D or any plan defined in section 62E.02, subdivision 22, at the time of the employee's death, and where the cost of that coverage was partially or totally paid by the employer, the employer shall continue to pay the same proportion of the cost of maintaining coverage under that contract or plan for a period of one year, provided the dependent pays any proportion of the premium which was payable by the employee.

Subd. 9. [REHABILITATION.] Upon the request of a qualified dependent spouse, rehabilitation services shall be provided by the employer. For the purposes of this subdivision, a "qualified dependent spouse" is a dependent spouse who is in need of rehabilitation services to become self-supporting. The rehabilitation services shall be limited to those in section 4, subdivision 10. Rehabilitation services need not be provided if the request for the service is not received within two years of the employee's death or the youngest dependent child becoming 18 years of age, whichever is later.

Subd. 10. [REMARRIAGE OF SURVIVING SPOUSE.] The remarriage of a surviving dependent spouse shall result in the immediate discontinuance of benefits to the spouse. If there are children, benefits shall continue to be payable under subdivision 2, clause (a), as if the children were orphans.

Subd. 11. [OFFSETS.] Benefits from any governmental old age or survivors benefits program for which the dependent spouse or dependent child are eligible based in part or in full upon the employment experience of the deceased employee shall reduce benefits otherwise payable under this section. Each dollar received from these programs shall result in a reduction of the death benefit payable by one dollar. If a dependent may be eligible for these benefits but has not made application, the payment of benefits under this chapter shall be interrupted until the application is made. These benefits shall be paid in full after the application has been made. Any benefits from a retirement or pension plan for which the dependent spouse or dependent child are eligible and to

which the employer contributed shall reduce benefits payable under subdivision 1, by an amount equal to the retirement or pension benefit received multiplied by the fraction of the employer's contribution over the combined contribution for that employee to the retirement or pension plan. If more than one offset provided by this subdivision is applicable, the offsets shall each be calculated as if the other offsets did not apply and all offsets totaled to reduce benefits under this section.

Subd. 12. [BENEFIT REDUCTION.] *If the deceased employee's average weekly wage at the time of personal injury was less than 40 percent of the sum of the average weekly wages of the employee and spouse at the time of personal injury, the benefit due under this section shall be reduced by 2-1/2 percent for each 1 percent less than 40 percent the deceased employee's income was of the combined average weekly wage of the employee and the spouse at the time of personal injury.*

Subd. 13. [EXTENDED DISABILITY; REDUCTION OF BENEFITS.] *Benefits provided under this section which are payable when there are no dependent children or when all dependent children have reached the age of 18 shall be reduced by 50 percent if the deceased employee received total disability benefits for more than five but less than ten years preceding the employee's death. Death benefits which are payable when there are no dependent children or when all dependent children have reached the age of 18 shall not be provided to survivors if the deceased employee received total disability benefits for ten years or more. This subdivision shall not affect benefits provided for burial expenses or rehabilitation.*

Sec. 3. [176.099] [IMPAIRMENT BENEFITS.]

Subdivision 1. [PURPOSE.] *Impairment benefits are for the purpose of compensating employees whose personal injury results in a permanent impairment and to compensate employees for the non-economic consequences of permanent bodily impairment.*

Subd. 2. [ELIGIBILITY.] *Any employee with permanent impairment resulting from personal injury is eligible to receive impairment benefits only if total impairment to the whole body is determined to be 10 percent or greater.*

Subd. 3. [IMPAIRMENT RATINGS.] *An impairment rating shall represent the proportional impairment to the whole body resulting from all bodily impairments due to the personal injury. For the purposes of this section, impairment shall be expressed as a single rating between zero and one hundred percent except that all impairment ratings shall be rounded to the nearest percent which is evenly divisible by five and provided that percents of less than ten shall be zero. No rating of the degree of permanent impairment shall be made until either the employee has returned to work for a period of at least 30 days or a determination has been made according to subdivision 4 that return to work is not a prerequisite to the payment of benefits or the employee has completed a rehabilitation plan.*

Subd. 4. [PAYMENT OF BENEFITS.] *Impairment benefits shall be payable in a single lump sum amount after a determination of the degree of permanent impairment has been made and after the employee has returned to work for a period of 90 consecutive days during which no claims for total disability are made, except that time off work due to the actual evaluation of the*

degree of impairment shall not interrupt the 90 consecutive day period. Payment shall occur within five days of completion of the 90 day waiting period or within 30 days of the determination of the degree of permanent impairment, whichever is later. Return to work shall not be a prerequisite to the payment of impairment benefits if the commissioner determines, based on an evaluation by a qualified rehabilitation consultant, that it is highly improbable that the employee can be sufficiently rehabilitated to allow a return to work. Payment of impairment benefits, when the commissioner so determines, shall be made within 30 days after the determination of the degree of permanent impairment has been made.

Subd. 5. [PAYMENT PROCEDURE; NONCONTESTED.] When an injured employee presents a report from the treating physician to the employer showing that the employee's condition qualifies the employee for benefits according to this section, the employer shall:

(a) Pay the employee the benefit due as required by this section; or

(b) Within 15 days refer the employee to another physician of the employer's choice who shall perform an examination and issue a report within a reasonable period of time. If this second report indicates that the permanent impairment is within five percentage points of the permanent impairment reported in the original request for benefits, the employer shall immediately pay the benefits as requested by the employee.

Subd. 6. [DISPUTE RESOLUTION.] When the two examinations produce impairment ratings that differ by more than five percentage points, the employer shall, when it is due, pay the impairment benefit established by the examination conducted pursuant to subdivision 5, clause (b). Upon the request of either party, a compensation judge shall order an evaluation of the employee by a third physician to assist in the resolution of the dispute under the provisions of section 176.155. The third physician shall evaluate the impairment using the American Medical Association guides. Upon receipt of the report of the third physician, or if no third examination is ordered, the compensation judge shall accept one of the two original impairment ratings as the appropriate basis for determining impairment benefits and shall not accept any other rating. Each dispute shall be resolved by accepting the rating that is closest to the one that would be obtained if an evaluation were conducted in accordance with the standards established in the most recent American Medical Association guides.

Subd. 7. [REFINEMENT OF STANDARDS.] If the commissioner determines that the standards and guidelines contained in the American Medical Association guides are inappropriate or insufficient, the commissioner shall by rule supplement the guides with additional standards or replace portions of the guides with more appropriate generally recognized medical standards.

Subd. 8. [SUBSEQUENT DISABILITY; OFFSET FOR IMPAIRMENT BENEFITS.] If an employee who had returned to work prior to the receipt of an impairment benefit receives total disability benefits subsequent to the receipt of impairment benefits, and if the subsequent disability is a result of the same injury or illness or an aggravation of the same injury or illness, then any total disability benefits provided shall be reduced by the impairment benefit received, provided no offset shall exceed 25 percent of a periodic payment.

This offset shall apply to each periodic payment until the total offset equals the impairment benefit received. Upon again returning to work for a period of 90 days, the employee shall be reimbursed for the impairment benefits which were used to offset total disability benefits.

Subd. 9. [ADDITIONAL IMPAIRMENT.] Once an employee has submitted a request for impairment benefits to an employer under subdivision 4, no additional request for impairment benefits shall be made unless further personal injury is caused in another single, identifiable event.

Subd. 10. [DEPENDENTS' RIGHTS TO RECEIVE IMPAIRMENT BENEFITS.] Impairment benefits shall not be paid if the injured employee dies as a result of the personal injury causing the permanent impairment and the death occurs within one year following the date of injury. If the death is not the result of the personal injury, and if an evaluation of permanent impairment had been completed, then the impairment benefit shall be payable to the deceased employee's dependents under chapter 176 or, if none, to the legal heirs at the time of death. If the degree of impairment has not been determined prior to death, the degree of permanent impairment shall be estimated from available medical records and shall be payable as stated above.

Subd. 11. [IMPAIRMENT BENEFIT TABLE.] Impairment benefit amounts shall vary according to the employee's age at the time of injury and the degree of permanent impairment. When impairment is caused by an occupational disease, the employee's age for the purposes of determination of the benefit payable shall be the employee's age on the date the examination resulting in the employee's request for benefits under this section was conducted. No request for additional impairment benefits resulting from the occupational disease shall be made once a payment for impairment benefits from an impairment due to occupational disease has been made. The benefit due shall be determined according to the following table. The benefit shall be the dollar amount in the cell located at the intersection of the appropriate row of impairment percentage and column of age at the date of injury provided that actual age shall be rounded to the nearest age contained in the table:

IMPAIRMENT BENEFIT SCHEDULE

*Benefit Amounts According
to Age and Impairment*

PERCENTAGE IMPAIRMENT

AGE

	20	25	30	35	40	45
10	2,500	2,400	2,250	2,150	2,000	1,900
15	3,000	2,800	2,700	2,600	2,400	2,200
20	4,000	3,800	3,600	3,400	3,200	3,000
25	5,500	5,200	5,000	4,700	4,400	4,100
30	7,000	6,600	6,300	6,000	5,600	5,200
35	9,000	8,500	8,100	7,600	7,200	6,800
40	11,000	10,400	9,900	9,400	8,800	8,200
45	13,500	12,800	12,200	11,500	10,800	10,100
50	16,000	15,200	14,400	13,600	12,800	12,000
55	20,000	19,000	18,000	17,000	16,000	15,000
60	24,000	22,800	21,600	20,400	19,200	18,000
65	28,000	26,600	25,200	23,800	22,400	21,000
70	32,000	30,400	28,800	27,200	25,600	24,000
75	36,000	34,200	32,400	30,600	28,800	27,000
80	40,000	38,000	36,000	34,000	32,000	30,000

85	42,500	40,400	38,300	36,200	34,000	31,900
90	45,000	42,800	40,500	38,200	36,000	33,800
95/100	50,000	47,500	45,000	42,500	40,000	37,500

	50	55	60	65	70
10	1,750	1,650	1,500	1,400	1,250
15	2,100	2,000	1,800	1,600	1,500
20	2,800	2,600	2,400	2,200	2,000
25	3,800	3,600	3,300	3,000	2,800
30	4,900	4,600	4,200	3,800	3,500
35	6,300	5,800	5,400	5,000	4,500
40	7,700	7,200	6,600	6,000	5,500
45	9,400	8,800	8,100	7,400	6,600
50	11,200	10,400	9,600	8,800	8,000
55	14,000	13,000	12,000	11,000	10,000
60	16,800	15,600	14,400	13,200	12,000
65	19,600	18,200	16,800	15,400	14,000
70	22,400	20,800	19,200	17,600	16,000
75	25,200	23,400	21,600	19,800	18,000
80	28,000	26,000	24,000	22,000	20,000
85	29,800	27,600	25,500	23,400	21,300
90	31,500	29,200	27,000	24,800	22,500
95/100	35,000	32,500	30,000	27,500	25,000

Sec. 4. [176.085] [REHABILITATION.]

Subdivision 1. [PURPOSE.] Rehabilitation services are intended to restore the injured employee, through physical and vocational rehabilitation, so that he may return to suitable gainful employment.

"Suitable gainful employment" for the purposes of this section is that employment which is reasonably obtainable and which offers an opportunity to restore the injured employee as soon as possible and as nearly as possible to a job related to his former employment or to a job in another work field in which he could produce earnings as close as possible to those he received at the time of the personal injury.

Rehabilitation to a job which may produce earnings greater than those the employee received at the time of personal injury is permitted if it can be demonstrated that this rehabilitation is necessary for re-employment. Consideration shall be given to the employee's qualifications including but not limited to age, education, previous work history, interest, and transferable skills.

Subd. 2. [REHABILITATION PRIORITIES.] The following priorities are established for use in exploring alternative rehabilitation plans. No higher numbered priority shall be utilized unless all lower numbered priorities have been determined by the qualified rehabilitation consultant to be unlikely to result in returning the employee to suitable gainful employment.

Priority 1 is modification of previous job with the same employer, including a transitional return to work.

Priority 2 is a new job with the same employer in keeping with any limitations or restrictions of the employee.

Priority 3 is modification of the previous job with a new employer.

Priority 4 is a new job with a new employer as a result of direct job placement based upon transferable skills.

Priority 5 is a new job with a new employer involving on-the-job training.

Priority 6 is retraining and job placement consistent with the purposes of rehabilitation.

Subd. 3. [ADMINISTRATORS.] The commissioner shall hire a director of medical and rehabilitation services in the classified service. The commissioner is responsible for supervising medical and rehabilitation services, including the selection and delivery of services. The commissioner may hire qualified personnel to assist in these duties and may delegate those duties and performance.

Subd. 4. [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 each from labor, employers, insurers, rehabilitation, and medicine and one member representing chiropractors. The members shall be appointed by the governor 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 chairman. The panel shall review and make a determination with respect to (a) appeals regarding rehabilitation plans and benefits; and (b) appeals regarding certification approval or revocation. The panel shall continuously study medical and rehabilitation services and delivery and develop and recommend medical and rehabilitation rules to the commissioner. A majority vote of those attending a panel hearing shall constitute the decision of the board.

Subd. 5. [REHABILITATION PLAN; DEVELOPMENT.] (a) Within 15 days of the time an employer has medical information that an employee is unable, due to a personal injury, to return to his preinjury occupation, or in any event, if within 90 days after the personal injury the employee has not returned to work, the employer shall refer the employee to a qualified rehabilitation consultant for a determination of whether rehabilitation is necessary to carry out the purposes of this section. If rehabilitation is determined to be necessary, the employee and employer shall enter into a program as prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the department of labor and industry. If, within 30 days of the first consultation with a qualified rehabilitation consultant, the employee objects to the employer's selection of that qualified rehabilitation consultant, the employee must notify the employer and the commissioner in writing of his objection and request the selection of an alternative qualified rehabilitation consultant. If that qualified rehabilitation consultant is objectionable to the employer, and if a mutually acceptable qualified rehabilitation consultant cannot be found, the commissioner shall be notified by the employer in a timely manner that no mutually acceptable qualified rehabilitation consultant can be found. Upon receipt of this notice and within seven days, the commissioner shall provide the employee and employer with a list of three other qualified rehabilitation consultant's from which the employee and employer shall, within seven days, each disapprove one qualified rehabilitation consultant. The remaining qualified rehabilitation consultant shall be utilized.

(b) If the employer does not provide rehabilitation evaluation as required by this section within 75 days from the date of injury, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant within 15 days to conduct a rehabilitation evaluation, the

commissioner shall appoint a qualified rehabilitation consultant to provide the evaluation at the expense of the employer unless the commissioner determines the evaluation is not required. The commissioner may assess a penalty of up to \$5,000, to be paid to the special compensation fund by any employer if the commissioner has appointed a qualified rehabilitation consultant and return to work has not been accomplished within 180 days, subject to the limitations in (c) below.

(c) If the employee's condition does not permit determination of the employee's need for rehabilitation or a rehabilitation plan cannot be developed within 90 days after the injury, a further rehabilitation evaluation by a qualified rehabilitation consultant is required six months following the date of injury. If the employee's condition still precludes development of a rehabilitation plan at this time, a further evaluation by a qualified rehabilitation consultant shall be conducted in six months and then at yearly intervals as long as no rehabilitation plan has been developed. The commissioner may waive further mandatory evaluations after the second evaluation if he determines in a case that evaluations are not likely to accomplish the purposes of this subdivision. If after two years from the date of injury a rehabilitation plan has not been developed, the employer may determine the time of a subsequent evaluation. Those evaluations shall not occur more frequently than once per year and are not mandatory for the employee, unless directed by the commissioner.

Subd. 6. [ON-THE-JOB TRAINING.] When a rehabilitation plan includes on-the-job training, the employee shall receive remuneration while so employed in an amount equal to the spendable weekly wage the employee received at the time of the personal injury. A rehabilitation plan which includes on-the-job training shall create an incentive for the on-the-job training employer to hire the employee for on-the-job training in the form of reducing the wages paid to the employee by the on-the-job training employer to 80 percent or less of the prevailing wage for the job. The difference between the spendable weekly wage from the preinjury job and spendable weekly wage from the on-the-job training shall be paid by the employer liable for compensation for the employee's injury but it shall not exceed 150 percent of the statewide average weekly wage at the time of injury. The compensation from the liable employer and the on-the-job training employer paid according to this subdivision is in lieu of other benefits required to be paid by subdivision 12.

Subd. 7. [PLAN, APPROVAL AND APPEAL.] All completed plans shall be submitted to the commissioner for review and approval. The commissioner may disapprove or modify rehabilitation plans. A decision and order by the commissioner may be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the rehabilitation review panel may be appealed to the workers' compensation court of appeals.

Subd. 8. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, employer, or qualified rehabilitation consultant, medical and rehabilitation reports of an employee's progress under a plan shall be made by the provider of the medical and rehabilitation service to the commissioner, insurer and employer. The employer shall be notified upon completion of the plan.

Subd. 9. [PLAN MODIFICATION.] Upon request of the employer, the employee, or the qualified rehabilitation consultant to the commissioner, the

plan may be suspended, terminated, or altered upon a showing of good cause including:

- (a) A physical impairment that does not allow the employee to pursue the rehabilitation plan;
- (b) The employee's performance level indicates the plan will not successfully be completed; or
- (c) An employee does not cooperate with a plan.

An employee may request a change in a rehabilitation plan once because the employee feels ill-suited for the type of work for which rehabilitation is being provided if the request is made within 90 days of the start of the plan. Any decision of the commissioner regarding a change in a plan may be appealed to the rehabilitation review panel within 15 days of the decision.

Subd. 10. [PLAN; COSTS.] An employer is liable for the following rehabilitation expenses under this section:

- (a) Cost of rehabilitation evaluation and preparation of a plan;
- (b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;
- (c) Reasonable cost of tuition, books, travel and day care; and reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;
- (d) Reasonable costs of travel and daycare during job interview process;
- (e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury; and
- (f) Any other expense agreed to be paid.

Subd. 11. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules promulgated by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, but may not be a vendor of rehabilitation services.

Subd. 12. [COMPENSATION DURING REHABILITATION.] The commissioner shall determine eligibility for rehabilitation and benefits while the employee is participating in a rehabilitation plan. Rehabilitation benefits shall include payment in an amount equal to the employee's benefit for total or partial disability, whichever is appropriate, and shall be in lieu of compensation. All rehabilitation benefits payable under chapter 176 shall be discontinued and forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan.

Subd. 13. [BENEFIT DURATION DURING REHABILITATION.] Unless

the employee has returned to work, benefits during rehabilitation shall continue as provided in subdivision 12 until the sooner of the following:

(a) The rehabilitation plan has been completed and within 90 days the employer or another employer has offered the employee employment consistent with the skills developed in the rehabilitation plan at a job in which the employee is capable of performing, at which time benefits shall cease or partial disability benefits shall begin, whichever is appropriate; or

(b) The rehabilitation plan has been completed and after 90 days the employer or another employer has offered the injured employee any job which is within the physical capabilities of the employee, at which time benefits shall cease or partial disability shall begin, whichever is appropriate; or

(c) The rehabilitation plan has been completed and 180 days have elapsed at which time benefits shall cease unless a permanent impairment exists. If a permanent impairment exists, for which benefits are payable under section 3, benefits shall be payable for an additional period of time until either an offer of employment is made to the employee which is within the employee's physical capabilities or the time established for the impairment percentages shown below has elapsed.

*Permanent Impairment
Remaining After Completion
of Rehabilitation Plan*

*10 - 20 percent
25 - 40 percent
45 - 60 percent
65 - 80 percent
85 percent and higher*

*Maximum Benefit Period
After Completion of
Rehabilitation Plan*

*12 months
24 months
36 months
48 months
60 months*

Subd. 14. [RULES.] The commissioner shall adopt rules necessary to implement this section including rules relating to qualifications necessary to be an approved rehabilitation consultant.

Sec. 5. [176.097] [PARTIAL DISABILITY BENEFITS.]

Subdivision 1. [PURPOSE.] Partial disability benefits are paid for the following purposes:

(a) Facilitating return to work of an employee who suffered a personal injury. The benefits payable according to this section replace a portion of wages lost due to a personal injury after an employee returns to work and when the employee's return to employment is in a reduced capacity, as evidenced by the fact that the employee's current spendable wages are less than the spendable wages of the employee prior to the injury; and

(b) Providing ongoing supplements to the income of injured employees who, because of a permanent impairment are unable to earn income at least equal to their preinjury wage.

Subd. 2. [BENEFIT.] When the employee returns to work, benefits for partial disability shall be payable at the rate of 80 percent of the difference between the employee's current spendable weekly wage and the preinjury spendable weekly wage.

Subd. 3. [MAXIMUM BENEFIT.] The maximum weekly benefit for partial

disability shall be 150 percent of the statewide average weekly wage.

Subd. 4. [PERIOD OF PAYMENT.] (a) Partial disability benefits shall be paid for the period beginning on the date the employee returns to work. Payment shall be made as nearly as possible at the intervals when the wage is payable.

(b) Partial disability benefits shall continue for up to 90 days of the first day of return to work unless the personal injury results in a permanent impairment of ten percent or more of the whole body as determined by application of the American Medical Association guides. If no permanent impairment determination has been made but the impairment clearly exists, payment under this section shall continue for a period of time provided by the minimum expected disability. If the duration of payment of the partial disability was longer or shorter than provided by this section, as evidenced by the final determination of the degree of permanent impairment, an adjustment shall be made to the impairment award. Excessive payments shall be subtracted from the impairment benefit. Payments due but not paid shall be paid in addition to the impairment benefit with interest payments of 12 percent per annum.

(c) Workers whose personal injury results in a permanent impairment, for which benefits are payable under section 3, shall be eligible for benefits for a period of time reflecting the severity of their permanent impairment. The maximum duration of partial disability eligibility shall be determined according to the impairment percentages shown below:

<i>Percentage of impairment</i>	<i>Additional benefit duration beyond initial 90 days</i>
<i>10 percent</i>	<i>90 days</i>
<i>15 percent</i>	<i>180 days</i>
<i>20 percent</i>	<i>270 days</i>

For each five percent impairment beyond 20 percent, the duration period shall be extended an additional 180 days.

(d) An employee who becomes unemployed for reasons other than the personal injury while receiving partial disability benefits shall continue to receive benefits under this section, except that current spendable weekly wage shall be assumed to equal spendable weekly wage at the time the unemployment commenced. If the employee is laid off because the employer no longer has adequate work for all current employees, the unemployment shall be deemed to be caused by other than the personal injury if all other workers performing the same job but who have less seniority than the injured employee have been laid off.

Sec. 6. Minnesota Statutes 1980, Section 62A.10, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than two employees nor less than ten members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any associa-

tion having a constitution or bylaws and formed in good faith for purposes other than that of obtaining insurance under the provisions of this chapter, where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurer authorized to write accident and health insurance in this state shall have power to issue group accident and health policies.

If an employee and his dependents are insured under a group policy, as the result of employment eligibility for insurance, coverage shall not be terminated if the employee ceases to be employed as a result of a personal injury as defined in section 176.011, subdivision 10.

Sec. 7. Minnesota Statutes 1980, Section 62C.14, is amended by adding a subdivision to read:

Subd. 16. No subscriber's individual contract or any group contract shall terminate an individual's or the individual's dependent's eligibility for coverage because the individual is no longer employed as the result of a personal injury as defined in section 176.011, subdivision 10.

Sec. 8. Minnesota Statutes 1980, Section 62D.10, is amended by adding a subdivision to read:

Subd. 5. No health plan shall terminate coverage of an enrollee or his dependents because the enrollee is no longer employed as the result of a personal injury as defined in section 176.011, subdivision 10.

Sec. 9. Minnesota Statutes 1980, Section 176.011, Subdivision 3, is amended to read:

Subd. 3. [~~DAILY WEEKLY WAGE.~~] "~~Daily~~ Weekly wage" means the ~~daily~~ weekly wage of the employee in the employment in which he was engaged at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. *Occasional overtime is not to be considered, but if the overtime is regular or frequent throughout the year, it shall be taken into consideration.* If the amount of the ~~daily~~ weekly wage received or to be received by the employee in the employment in which he was engaged at the time of injury was irregular or difficult to determine, or if the employment was part time, the ~~daily~~ weekly wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of ~~days~~ weeks in which the employee actually performed any of the duties of such employment, provided further, that in the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, ~~the weekly wage shall not be less than five times the daily wage~~ weeks where the employee worked less than the lesser of 40 hours or the normal number of hours worked in a week shall not be included in weeks worked. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of the wage contract they are deemed a part of his earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working ~~day~~ week shall be considered and computed as ~~eight hours~~ five days, and in cases where ~~such~~ the services are performed gratis or without fixed compensation the ~~daily~~ weekly wage of the person injured shall, for the purpose of calculating compensation payable

under this chapter, be taken to be the usual going wage paid for similar services in municipalities where ~~such~~ *the* services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of ~~daily~~ *weekly* wage.

Sec. 10. Minnesota Statutes 1980, Section 176.011, is amended by adding a subdivision to read:

Subd. 23. [SPENDABLE WEEKLY WAGE.] "Spendable weekly wage" means weekly wage minus the sum of: (a) the amount which would be withheld according to withholding tables in effect on the January 1 preceding the personal injury, as described in the Internal Revenue Code of 1954, as amended, assuming that the maximum number of exemptions for dependency apply as the worker would be entitled to receive at the time of injury; and (b) the amount which would be withheld according to withholding tables in effect on the January 1 preceding the injury under Minnesota Statutes, Chapter 290, and related rules, assuming that the maximum number of exemptions for dependency apply as the worker would be entitled to receive at the time of injury; and (c) an amount equal to the amount required on the January 1 preceding the injury, by the Social Security Act of 1935 and any related amendments, to be deducted or withheld from the weekly wage of the employee as if the weekly wage were earned at the beginning of the calendar year in which the injury occurred.

Sec. 11. Minnesota Statutes 1980, Section 176.011, is amended by adding a subdivision to read:

Subd. 24. [PERMANENT IMPAIRMENT.] "Permanent impairment" means permanent anatomic or functional abnormality or loss as the result of a personal injury, which exists after maximum medical rehabilitation has been achieved and which is considered stable or nonprogressive.

Sec. 12. Minnesota Statutes 1981 Supplement, 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 non-periodic 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 subdivision 3a. If doubt exists as to the eventual permanent partial disability, payment, pursuant to subdivision 3a, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability.~~ At the time of any tender of the lump sum payment, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. Compensation for permanent partial disability is payable in addition to compensation for temporary total disability and temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, as provided in subdivision 3a. Compensation for permanent partial disability is payable concurrently and in addition to compensation for perma-

nent total disability pursuant to section 176.101, subdivision 5, as provided in subdivision 3a. Compensation for permanent partial disability shall be withheld pending completion of payment for temporary total and temporary partial disability but shall not be withheld pending payment of compensation for permanent total disability, and no credit shall be taken for payment of permanent partial disability against liability for temporary total or permanent total disability. Liability on the part of an employer or his insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and shall be payable accordingly, subject to subdivision 3a. Permanent partial disability is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to subdivision 3a. The right to receive temporary total, temporary partial, permanent partial or permanent total disability payments shall vest in the injured employee or his dependents under this chapter or, if none, in his legal heirs at the time the disability can be ascertained and the right shall not be abrogated by the employee's death prior to the making of the payment.

Sec. 13. Minnesota Statutes 1980, Section 176.111, Subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$1,000~~ \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, such reasonable value shall be determined and approved by the commissioner of the department of labor and industry, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after such reasonable notice to interested parties as is required by the commissioner of the department of labor and industry. If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 14. Minnesota Statutes 1980, Section 176.131, Subdivision 1, is amended to read:

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

If the personal injury alone results in permanent ~~partial disability~~ to a scheduled member under section 176.101, the ~~monetary and medical expense limitations shall not apply and impairment for which payment is due pursuant to section 3~~ the employer shall be liable for such compensation, ~~medical expense, the payment for the permanent impairment and retraining rehabilitation attributable to the permanent partial disability, personal injury~~ and he may be reimbursed from the compensation fund only for compensation paid in excess of such disability for medical expenses and total disability benefits.

Sec. 15. Minnesota Statutes 1980, Section 176.131, Subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job ~~retraining~~ training program pursuant to 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 ~~retraining~~ training program, the on the job training employer shall pay the medical expenses and ~~compensation~~ benefits required by this chapter, but shall be reimbursed from the special compensation fund for the ~~compensation~~ benefits and medical expense that is are attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for ~~retraining~~ rehabilitation, is liable for the ~~portion of the disability that is attributable to that injury~~ all other benefits and medical expenses required by chapter 176.

Sec. 16. Minnesota Statutes 1980, 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 provided that, physical impairment as used herein is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,
- (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) Any other physical impairment for which is at least 50 weeks or more of weekly benefits would be payable as permanent partial disability if the physical impairment were evaluated according to standards used in workers' compensation proceedings 25 percent or more of the whole body as determined according to the standards established in the American Medical Association guides, and

(p) Any other physical impairments of a permanent nature which the workers' compensation court of appeals 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 or partial disability, permanent total, permanent partial,~~ death, medical expense, or ~~retraining rehabilitation.~~

Sec. 17. Minnesota Statutes 1981 Supplement, Section 176.131, Subdivision 10, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of ~~\$5,000~~ \$25,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least ~~\$5,000~~ \$25,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and ~~\$5,000~~ \$25,000; but in no event shall the employer pay the commissioner less than \$1,000;

(2) When an employee suffers a personal injury which results in ~~permanent partial disability impairment, temporary total disability, temporary partial disability, permanent total disability~~ or death and which entitles him or his dependents to compensation under ~~sections 176.101 or 176.111~~ chapter 176, the employer shall, in addition to compensation provided therein, pay to the commissioner for the benefit of the special compensation fund a lump sum without interest deduction equal to a percent of the total compensation determined as provided in this subdivision as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties, and the amount is approved by the commissioner.

The provisions of clauses (1) and (2) shall apply to all workers' compensation ~~payments, exclusive of medical costs, paid under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971~~ benefit payment pursuant to sections 1, 2, 3, and 5.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence.

In determining the percentage of the total compensation required to be paid by the employer to the commissioner for the benefit of the special compensation fund as provided in clause (2) beginning September 30, 1981 and each September 30 thereafter, the commissioner shall use the following schedule:

Balance in the Fund	Permissible Range of Rate Adjustment
Less than \$2,000,000	+ 1 percent to + 7 percent
At least \$2,000,000	0 percent to + 6 percent

but less than \$3,000,000

At least \$3,000,000 but less than \$4,000,000 -2 percent to +4 percent

At least \$4,000,000 but less than \$5,000,000 -5 percent to +3 percent

At least \$5,000,000 but less than \$6,000,000 -6 percent to +2 percent

\$6,000,000 or more -7 percent to +2 percent

In determining the actual adjustment, the commissioner shall take into account his estimate of the likely amount of expenditures to be made from the fund in the next calendar year.

Sums paid to the commissioner pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division, compensation judges, the workers' compensation court of appeals or district court in cases before them shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division, a compensation judge, the workers' compensation court of appeals or a district court. There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

Costs within the department for the accounting, investigation, and legal procedures necessary for the administration of the programs financed by the special compensation fund shall come as appropriated from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Sec. 18. Minnesota Statutes 1980, Section 176.132, Subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] An employee who has suffered personal injury prior to December 31, 1980 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 hereinafter prescribed after 104 weeks have elapsed and for the remainder of his total disablement except, that an employee who was injured after October 1, 1975 and who is not eligible to receive supplementary benefits on January 1, 1983, shall not receive supplementary benefits. Regardless of the number of weeks of total disability,

no totally disabled person shall be ineligible for supplementary benefits after four years have elapsed since the first date of his total disability, provided that all periods of disability are caused by the same injury.

Sec. 19. Minnesota Statutes 1981 Supplement, Section 176.132, Subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under this section *as of January 1, 1983* shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or subdivision 4, and ~~65 percent of the statewide average weekly wage as computed annually~~ \$184. *The figure \$184 shall be adjusted pursuant to section 176.645.*

(b) In the event an eligible recipient is currently receiving no ~~compensation benefits~~ or is receiving a reduced level of ~~compensation benefits~~ 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 pay the difference between the reduced level of benefits and \$184.~~ *The figure \$184 shall be adjusted pursuant to section 176.645.*

(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~~ \$184. *The figure \$184 shall be adjusted pursuant to section 176.645.*

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which he is eligible under other governmental disability programs due to the provisions of 42 U.S.C. 424a (d), this reduction shall not apply.

Sec. 20. [176.138] [MEDICAL DATA; RELEASE TO INSURER AND EMPLOYER.]

For the purpose of facilitating the prompt determination and delivery of benefits payable under chapter 176, any data describing the medical condition of an employee which are related to the personal injury shall be made available to the employer. Notwithstanding sections 15.163 and 15.1698 or any other laws related to the privacy of medical data, the release of those data to the

employer or insurer shall not require prior approval, written or otherwise, on the part of the employee. Upon receiving written request from the employer, insurer, or any agent of the employer or insurer, the data related to the medical condition of an employee suffering a personal injury shall be provided, by the holder of the data, to the employer. The data shall be provided within five days of receiving the request. The employer or insurer shall inform the employee of the request for these data at the time it is made and shall not release these data to anyone other than the employee.

Sec. 21. [176.146] [NOTICE TO INSURERS; PENALTY.]

The employer of any employee who suffers a personal injury shall inform the insurer of the occurrence of the injury within three days of notice of the injury. Notice shall be made on forms provided by the insurer. Consistent failure by the employer to provide notice shall entitle the insurer to cancel, upon 15 days notice to the employer, any effective policy insuring the employer's liability under chapter 176, at which time any unearned premium paid by the employer to the insurer shall be returned to the employer.

Sec. 22. Minnesota Statutes 1981 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 compensation due pursuant to section ~~176.101, subdivision 1~~, shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. When the employer determines that the disability is not a result of a personal injury, payment of compensation may be discontinued upon notice of discontinuance pursuant to section 176.241. Upon the determination, payments made may be recovered by the employer if the commissioner finds that the employee's claim of work related disability was not made in good faith.

Sec. 23. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 2, is amended to read:

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days after the date on which the first payment was due, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days. *No grant of an extension of time by the commissioner shall relieve the employer of the obligation to commence the payment of benefits within 14 days as required by subdivision 1.*

Sec. 24. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 3, is amended to read:

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or ~~retraining~~ *rehabilitation* expenses under ~~176.102 section 4~~, subdivision 9 10, or to file a denial of liability, or to request an extension of time within 30 days after the date on which the first payment was due, he shall pay to the special compensation fund an amount equal to the

total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.

Sec. 25. Minnesota Statutes 1980, Section 176.235, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO EMPLOYEE OF RIGHTS AND DUTIES.] Upon notice that an employee has suffered a personal injury, the employer shall provide the employee with a brochure or letter, which shall be prepared and provided by the insurer or group self insurer, if any, explaining the rights and obligations of the employee and employer, the assistance available to the employee, and the operation of the workers' compensation system. The brochure shall meet the readability standards of chapter 72C.

In addition, the brochure or letter shall include the names of persons the employee may contact if questions or problems arise regarding the employee's rights or obligations under chapter 176. This brochure or letter shall be provided to the employee within seven days after the employer becomes aware of the personal injury. After the effective date of this subdivision any obligations previously assigned to the department of labor and industry regarding the mailing of workers' compensation informational brochures shall end. Any brochure shall be approved by the commissioner of insurance prior to use. The workers' compensation advisory council shall prepare a prototype brochure. The workers' compensation insurance rating association of Minnesota may prepare and submit brochures for approval on behalf of its members.

Sec. 26. [176.236] [EMPLOYER REEMPLOYMENT RESPONSIBILITY.]

Subdivision 1. [TARGET DATE.] Each employer which employs a worker who becomes disabled due to a personal injury shall be responsible for the reemployment of an employee disabled as the result of a personal injury as required by this section. The employer shall, as soon as possible following the personal injury, establish in conjunction with the injured employee a target date upon which the injured worker will return to work.

Subd. 2. [JOB ASSISTANCE.] The employer shall, if possible, provide a job to the employee on or before the return to work target date which is consistent with any physical limitations of the employee. The employer shall not refuse to offer employment for any reason which is based on the employee's conduct prior to the personal injury.

Subd. 3. [ASSISTANCE PLAN.] If the employer is unable to provide a job, the employer shall as soon as possible, but at least four weeks prior to the return to work target date, inform the employee that no job will be available. The employer shall also provide assistance to the employee in finding another job which is within the physical capabilities of the employee. A plan for assistance shall be filed with the commissioner at the time the employer informs the employee that no offer of employment can be made. A plan for approval filed pursuant to section 4 shall be sufficient.

Subd. 4. [PENALTY.] An employer failing to provide reemployment or to

provide assistance as required in subdivision 3 shall be required to pay to the special compensation fund an amount equal to all of the benefits paid as required in section 1 for the first year following the date of injury. This amount shall not be reimbursed by an insurer or group self-insurer.

Subd. 5. [RULES.] The commissioner shall, by rule, establish the minimum provisions of the plan required in subdivision 3.

Subd. 6. [LIMITATIONS.] This section shall not create any liabilities or other requirements for the payment of benefits under chapter 176 than are specifically contained within the section.

Sec. 27. Minnesota Statutes 1980, Section 176.641, is amended to read:

176.641 [ACCIDENTS OR INJURIES ARISING PRIOR TO EFFECTIVE DATE.]

All rights and liabilities arising on account of accidents or injuries occurring prior to the taking effect of this chapter shall be governed by the then existing law *except, that the payment of benefits pursuant to section 176.132 on and after the effective date of sections 1 to 30 shall be made according to sections 1 to 30.*

Sec. 28. Minnesota Statutes 1981 Supplement, 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~~ sections 1; 2; and 3, subdivision 12, and for benefits payable pursuant to section 176.132, 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 percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be six percent.

Sec. 29. [176.83] [SPECIAL COMPENSATION FUND; STUDY OF FINANCIAL CONDITION.]

The commissioner of the department of labor and industry shall study the financial condition of the special compensation fund including any outstanding liabilities of the fund. A report containing the findings of the study shall be prepared and presented to the legislature no later than January 15, 1983. The cost of the study and report shall not exceed \$30,000 and shall be paid from the assets of the special compensation fund.

Sec. 30. [OCCUPATIONAL DISEASE AND APPORTIONMENT OF IN-

JURIES; STUDY.]

The commissioner of insurance shall study occupational disease, cumulative trauma and the apportionment of liability for benefits payable under chapter 176 when the personal injury does not arise solely out of and in the course of employment as these issues are related to workers' compensation in Minnesota. A report containing the findings of the study shall be prepared and presented to the legislature no later than January 15, 1983.

Sec. 31. [REPEALER.]

Minnesota Statutes 1980, Sections 79.211, Subdivision 1; 176.011, Subdivisions 14 and 18; 176.095; 176.101, as amended by Laws 1981, Chapter 346, Section 75; 176.102, as amended by Laws 1981, Chapter 346, Section 76; 176.105, as amended by Laws 1981, Chapter 346, Section 77; 176.111, as amended by Laws 1981, Chapter 346, Sections 78 to 83; 176.235, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 176.021, Subdivision 3a; 176.152, are repealed.

Sec. 32. [EFFECTIVE DATE.]

Sections 1 to 28 and 31 are effective January 1, 1983. Sections 29 and 30 are effective the day following their final enactment."

Delete the title and insert:

"A bill for an act relating to workers' compensation; changing benefits; providing for rehabilitation; requiring notices of injury; providing for the release of medical data; regulating supplemental benefits; providing for benefit adjustments; providing for various studies; defining terms; providing for continuance of certain insurance coverages; amending Minnesota Statutes 1980, Sections 62A.10, Subdivision 10; 62C.14, by adding a subdivision; 62D.10, by adding a subdivision; 176.011, Subdivision 3, and by adding subdivisions; 176.111, Subdivision 18; 176.131, Subdivisions 1, 1a, and 8; 176.132, Subdivision 1; 176.235, by adding a subdivision; and 176.641; Minnesota Statutes 1981 Supplement, Sections 176.021, Subdivision 3; 176.131, Subdivision 10; 176.132, Subdivision 2; 176.221, Subdivisions 1, 2, and 3; and 176.645, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 176; repealing Minnesota Statutes 1980, Sections 176.011, Subdivisions 14 and 18; 176.095; 176.101, as amended; 176.102, as amended; 176.105, as amended; 176.111, as amended; and 176.235, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 176.021, Subdivision 3a; and 176.152."

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Ashbach	Bertram	Knutson	Peterson, D.L.	Sieloff
Bang	Brataas	Kronebusch	Pillsbury	Taylor
Belanger	Engler	Langseth	Ramstad	Ulland
Benson	Frederick	Lindgren	Renneke	Wegener
Berg	Frederickson	Menning	Rued	
Bernhagen	Kamrath	Olhoft	Setzepfandt	

Those who voted in the negative were:

Berglin	Hanson	Merriam	Petty	Stumpf
Chmielewski	Hughes	Moe, D. M.	Purfeerst	Tennessen
Dahl	Johnson	Moe, R. D.	Schmitz	Vega
Davies	Knoll	Nelson	Sikorski	Waldorf
Davis	Kroening	Pehler	Solon	Willet
Dicklich	Lantry	Penny	Spear	
Dieterich	Lessard	Peterson, C. C.	Stern	
Frank	Luther	Peterson, R. W.	Stokowski	

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

Mr. Frederick then moved to amend the amendment placed on H. F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate on March 12, 1982, as follows:

Page 1, after line 7, insert:

“Section. 1. [176.096] [TOTAL DISABILITY BENEFITS.]

Subdivision 1. [PURPOSE.] Total disability benefits are paid for the purpose of replacing a portion of wages lost due to a personal injury.

Subd. 2. [BENEFIT.] (a) For total disability the benefit shall be as follows:

(1) For employees whose weekly wage at the time of injury was \$150 or less, the benefit shall be equal to 90 percent of the employee's spendable weekly wage;

(2) For employees whose weekly wage at the time of injury was \$151 or more, the benefit shall be equal to the greater of the benefit which would have been payable if the employee's weekly wage was \$150 or 80 percent of the employee's spendable weekly wage.

(b) Where total disability is not continuous, benefits shall be paid pursuant to clause (a) until the total number of normal working days not actually worked is equal to the number of days the employee would normally have worked in a five-week period. If the number of days an employee normally works in a week is irregular or difficult to determine, then the total number of days worked in the 26 weeks preceding the personal injury including employer paid vacations, holiday, and sick leave shall be divided by 26 to determine the number of days an employee normally works in a week. If the employee was seasonally employed, then the total number of days worked during the 26 weeks preceding the personal injury shall be divided by the number of weeks that the employee worked to determine the number of days the employee normally works in a week.

(c) Where an employee is totally disabled for part of a week, the benefit shall be equal to the same portion of the weekly benefit as the days of total disability are to the number of days in a normal work week provided that a normal work week shall be determined as in paragraph (d).

(d) Payment shall be made as nearly as possible at the intervals when the wage was payable.

Subd. 3. [MAXIMUM BENEFIT.] The maximum weekly benefit for total disability shall be 125 percent of the statewide average weekly wage at the time of injury.

Subd. 4. [HEALTH INSURANCE COVERAGE.] If at the time of injury the

employee or the employee and his dependents are covered under an accident and health insurance policy, or a contract issued pursuant to chapter 62C, 62D, or any plan defined in section 62E.02, subdivision 22, for which the employer paid premiums or contributions, the employee and applicable dependents shall be entitled to coverage under that plan or policy during the period for which disability benefits are paid for up to one year after the time of injury, provided the employee continues to pay any share of the premium which was payable by the employee prior to the injury.

Subd. 5. [OFFSETS.] Any benefits otherwise payable pursuant to this section shall be reduced by the following:

(a) Benefits from any government disability program, or any old age benefits program for which the employee is eligible;

(b) Any benefit payment from a public or private sector pension or retirement fund or program, whether or not the fund or program is a qualified plan within the meaning of section 401 of the Internal Revenue Code of 1954, as amended, which is payable at an age prior to the attainment of the normal retirement age specified in the benefit plan of the fund or program, or the age for the receipt of a retirement annuity or pension which is not reduced for early retirement, and which is payable on account of the injury, illness or accident of the person which renders the person incapable of continued employment;

(c) Any benefit payment pursuant to a disability benefit plan or program, whether provided pursuant to a contract with an insurance carrier, self insured by the employer with reserves or self insured by the employer without reserves, which is provided to the person by virtue of employment by that employer and which is financed in whole or in part by the employer.

The benefit payable pursuant to this section shall be reduced by one dollar for each dollar received from these benefit sources. If an employee may be eligible for these benefits but has not made application, then the employer shall notify the employee of the possible eligibility and if no application has been made within 30 days of the notice, the payment of benefits under this chapter shall be interrupted until application is made. These benefits shall be paid in full after the application has been made. If an employee may be eligible for these benefits but has not made application, then the employer shall notify the employee of the possible eligibility and if no application has been made within 30 days of the notice, the payment of benefits under this chapter shall be interrupted until application is made. These benefits shall be paid in full after the application has been made. If the employee was required to make contributions to finance the benefit coverage for which an offset pursuant to this subdivision is required, the amount of the benefit payment which will reduce the total disability benefit pursuant to this section shall be that fraction of the benefit payment which bears the same proportional relationship that the employer contribution bears to the total contribution for the plan, fund or program. If there are benefit payments from more than one of these benefit sources, each shall reduce the benefit otherwise payable pursuant to this section and the remainder after all reductions shall be the reduced benefit payable pursuant to this section.

Subd. 6. [PERIOD OF PAYMENT.] (a) Total disability benefits shall be payable until the injured employee is:

(1) Able to substantially perform the duties of the preinjury job or a job

utilizing similar skills. For the purposes of this clause "substantially perform the duties of the preinjury job" means that an employee is able to meet the minimum standards of output or productivity established for the preinjury job. The employer shall have the option of altering or reducing these standards to accommodate any temporary or permanent physical limitations of an employee as a means of establishing a job utilizing similar skills;

(2) Eligible for partial disability benefits;

(3) Eligible for rehabilitation benefits; or

(4) Medically recovered from his personal injury and would otherwise be ineligible for total disability benefits but does not return to work for reasons other than the personal injury. If an employer is unable to offer employment to the employee after the employee has medically recovered because the employer no longer has a sufficient volume of work for the injured employee and no other employer has offered a job meeting the requirements of clause (1), total disability benefits shall be continued until all other workers performing the same job with the employer at the time of injury but who have less seniority than the injured employee have been laid off. If benefits are terminated due to the layoff the employee shall, notwithstanding any law to the contrary, immediately be eligible for benefits under sections 268.03 to 268.24 provided that the other eligibility criteria of that chapter have been satisfied.

Sec. 2. [176.098] [DEATH BENEFITS.]

Subdivision 1. [PURPOSE.] If an employee dies as a result of a personal injury, death benefits shall be paid pursuant to this section. Death benefits shall be based on the deceased employee's spendable weekly wage at the time of injury.

Subd. 2. [BENEFIT AMOUNT.] (a) Death benefits shall be paid in an amount equal to 60 percent of the deceased employee's spendable weekly wage if no dependents other than the dependent spouse survive or if the deceased employee leaves one or more dependent orphans under the age of 18. The benefits payable to orphans shall cease when all orphans have reached the age of 18. Notwithstanding any other provisions of this section, benefits payable to a child who is mentally or physically incapacitated from earning an income and who is 18 or over shall continue as if the child were an orphan or until the child marries or dies.

(b) Death benefits shall be paid to the dependent spouse in an amount equal to 80 percent of the deceased employee's spendable weekly wage if the survivors include dependent children of the employee under 18. This benefit shall be reduced to 60 percent of the deceased employee's spendable weekly wage when all dependent children have reached the age of 18.

(c) If the deceased employee made regular periodic payments to a person who was claimed as a dependent by the deceased employee for purposes of payment of federal income taxes, benefits may be payable to this person, provided that the payment shall be deducted from the benefit payable to the dependent spouse or dependent children. The payment of benefits to persons eligible under this paragraph shall be made only upon an order of the commissioner or a compensation judge. Liability for the payment shall commence from the date of the order. In no event may the amount of benefits payable exceed actual payments made by the deceased employee to the person. The

commissioner or a compensation judge may allocate the proportion of total payments to parties entitled to benefits under this paragraph. The benefits shall be allocated at the discretion of the commissioner or a compensation judge based on all of the facts of the case. The judge may deny benefits to persons other than the spouse or children.

Subd. 3. [BENEFIT ALLOCATION.] When a death benefit is payable, the commissioner, compensation judge, workers' compensation court of appeals, or district court in cases upon appeal may determine what portion of the benefit is payable to each beneficiary and may order that any portion is to be paid to a guardian. The allocation shall be at the discretion of the commissioner, compensation judge, or court based on all the facts of the case. This subdivision shall not increase the death benefits over the amount which would otherwise have been payable if no allocation of benefits was made after any deductions under subdivision 11 and if no allocations of benefits have been made.

Subd. 4. [MAXIMUM BENEFIT.] The maximum weekly total death benefit for all dependents shall be 125 percent of the statewide average weekly wage in effect at the time of injury.

Subd. 5. [COMMENCEMENT OF PAYMENT.] Benefit payments shall begin within 30 days of the death of the employee.

Subd. 6. [ALTERNATIVE SETTLEMENTS.] Lump sum settlements or other settlement arrangements for periodic payment of benefits in lieu of all or part of the future benefits payable may be made only if the dependent and the employer agree to the settlement, or if upon the request of either party, a compensation judge determines that payment by settlement is justified by the financial needs of the dependent. Any alternative settlement agreed to where the dependent is not represented by an attorney shall be approved by the commissioner or by a compensation judge. An alternative settlement shall not occur if there are dependent children under the age of 18.

Subd. 7. [MAXIMUM SPOUSAL BENEFIT PERIOD.] Any dependent surviving spouse eligible to receive death benefits shall receive those benefits for not more than the period of time prescribed in the following table.

Age of Spouse at time of Employee's Death	Maximum Benefit Years
Less than 30	5
30-35	7
36-50	10
More than 50	15

The benefit years shall begin to be counted at the time of the first payment, except in the case where there are dependent surviving children, in which case the benefit years shall begin to be counted upon the 18th birthday of the youngest surviving dependent child. Benefits payable to other dependents shall cease when the spouse is no longer eligible for benefits.

Subd. 8. [HEALTH INSURANCE COVERAGE.] In any case where a dependent is eligible to receive benefits under this section and was also covered under an accident and health insurance policy or under a contract issued under chapter 62C or 62D or any plan defined in section 62E.02, subdivision 22, at

the time of the employee's death, and where the cost of that coverage was partially or totally paid by the employer, the employer shall continue to pay the same proportion of the cost of maintaining coverage under that contract or plan for a period of one year, provided the dependent pays any proportion of the premium which was payable by the employee.

Subd. 9. [REHABILITATION.] Upon the request of a qualified dependent spouse, rehabilitation services shall be provided by the employer. For the purposes of this subdivision, a "qualified dependent spouse" is a dependent spouse who is in need of rehabilitation services to become self-supporting. The rehabilitation services shall be limited to those in section 4, subdivision 10. Rehabilitation services need not be provided if the request for the service is not received within two years of the employee's death or the youngest dependent child becoming 18 years of age, whichever is later.

Subd. 10. [REMARRIAGE OF SURVIVING SPOUSE.] The remarriage of a surviving dependent spouse shall result in the immediate discontinuance of benefits to the spouse. If there are children, benefits shall continue to be payable under subdivision 2, clause (a), as if the children were orphans.

Subd. 11. [OFFSETS.] Any benefits otherwise payable pursuant to this section shall be reduced by the following:

(a) Benefits from any governmental old age or survivors benefits program for which the dependent spouse or dependent child are eligible based in part or in full upon the employment experience of the deceased employee shall reduce benefits otherwise payable under this section;

(b) Any benefit payment from a public or private sector pension or retirement fund or program, whether or not the fund or program is a qualified plan within the meaning of section 401 of the Internal Revenue Code of 1954, as amended, which is payable at an age prior to the attainment of the normal retirement age specified in the benefit plan of the fund or program, or the age for the receipt of a retirement annuity or pension which is not reduced for early retirement, and which is payable on account of the injury, illness or accident of the person which renders the person incapable of continued employment;

(c) Any benefit payment pursuant to a disability benefit plan or program, whether provided pursuant to a contract with an insurance carrier, self insured by the employer with reserves or self insured by the employer without reserves, which is provided to the person by virtue of employment by that employer and which is financed in whole or in part by the employer.

The benefit payable pursuant to this section shall be reduced by one dollar for each dollar received from these benefit sources. If a dependent may be eligible for these benefits but has not made application then the employer shall notify the dependent of the possible eligibility and if no application has been made within 30 days of the notice, the payment of benefits under this chapter shall be interrupted until the application is made. These benefits shall be paid in full after the application has been made. If the employee was required to make contributions to finance the benefit coverage for which an offset pursuant to this subdivision is required, the amount of the benefit payment which will reduce the benefit pursuant to this section shall be that fraction of the benefit payment which bears the same proportional relationship that the employer contribution bears to the total contribution of the plan, fund or program. If

there are benefit payments from more than one of these benefit sources, each shall reduce the benefit otherwise payable pursuant to this section and the remainder after all reductions shall be the reduced benefit payable pursuant to this section.

Subd. 12. [BENEFIT REDUCTION.] If the deceased employee's average weekly wage at the time of personal injury was less than 35 percent of the sum of the average weekly wages of the employee and spouse at the time of personal injury, the benefit due under this section shall be the benefit otherwise payable multiplied by the percentage established below in column 2:

<i>Column 1</i>	<i>Column 2</i>
<i>Percent Earned by the Deceased Employee of the Sum of the Average Weekly Wages of the Injured Employee and Spouse at the Time of Injury</i>	<i>Percent of Benefits Otherwise Payable</i>
30-34	95
25-29	90
20-24	80
15-19	70
10-14	50
9 or less	25

Sec. 3. [176.099] [IMPAIRMENT BENEFITS.]

Subdivision 1. [PURPOSE.] Impairment benefits are for the purpose of compensating employees whose personal injury results in a permanent impairment and to compensate employees for the non-economic consequences of permanent bodily impairment.

Subd. 2. [ELIGIBILITY.] Any employee with permanent impairment resulting from personal injury is eligible to receive impairment benefits only if total impairment to the whole body is determined to be 10 percent or greater.

Subd. 3. [IMPAIRMENT RATINGS.] An impairment rating shall represent the proportional impairment to the whole body resulting from all bodily impairments due to the personal injury. For the purposes of this section, impairment shall be expressed as a single rating between zero and one hundred percent except that all impairment ratings shall be rounded to the nearest percent which is evenly divisible by five and provided that percents of less than five shall be zero. No rating of the degree of permanent impairment shall be made until either the employee has returned to work for a period of at least 30 days or a determination has been made according to subdivision 4 that return to work is not a prerequisite to the payment of benefits or the employee has completed a rehabilitation plan.

Subd. 4. [PAYMENT OF BENEFITS.] Impairment benefits shall be payable in a single lump sum amount after a determination of the degree of permanent impairment has been made and after the employee has returned to work for a period of 90 consecutive days during which no claims for total disability are made, except that time off work due to the actual evaluation of the degree of impairment shall not interrupt the 90 consecutive day period. Payment shall occur within five days of completion of the 90 day waiting period or within 30 days of the determination of the degree of permanent impairment, whichever is later. Return to work shall not be a prerequisite to the payment of impairment benefits if the commissioner determines, based on an evaluation by

a qualified rehabilitation consultant, that it is highly improbable that the employee can be sufficiently rehabilitated to allow a return to work. Payment of impairment benefits, when the commissioner so determines, shall be made within 30 days after the determination of the degree of permanent impairment has been made.

Subd. 5. [PAYMENT PROCEDURE; NONCONTESTED.] When an injured employee presents a report from the treating physician to the employer showing that the employee's condition qualifies the employee for benefits according to this section, the employer shall:

(a) Pay the employee the benefit due as required by this section; or

(b) Within 15 days refer the employee to another physician of the employer's choice who shall perform an examination and issue a report within a reasonable period of time. If this second report indicates that the permanent impairment is within five percentage points of the permanent impairment reported in the original request for benefits, the employer shall immediately pay the benefits as requested by the employee.

Subd. 6. [DISPUTE RESOLUTION.] When the two examinations produce impairment ratings that differ by more than five percentage points, the employer shall, when it is due, pay the impairment benefit established by the examination conducted pursuant to subdivision 5, clause (b). Upon the request of either party, a compensation judge shall order an evaluation of the employee by a third physician to assist in the resolution of the dispute under the provisions of section 176.155. The third physician shall evaluate the impairment using the American Medical Association guides. Upon receipt of the report of the third physician, or if no third examination is ordered, the compensation judge shall accept one of the two original impairment ratings as the appropriate basis for determining impairment benefits and shall not accept any other rating. Each dispute shall be resolved by accepting the rating that is closest to the one that would be obtained if an evaluation were conducted in accordance with the standards established in the most recent American Medical Association guides.

Subd. 7. [REFINEMENT OF STANDARDS.] If the commissioner determines that the standards and guidelines contained in the American Medical Association guides are inappropriate or insufficient, the commissioner shall by rule supplement the guides with additional standards or replace portions of the guides with more appropriate generally recognized medical standards.

Subd. 8. [SUBSEQUENT DISABILITY; OFFSET FOR IMPAIRMENT BENEFITS.] If an employee who had returned to work prior to the receipt of an impairment benefit receives total disability benefits subsequent to the receipt of impairment benefits, and if the subsequent disability is a result of the same injury or illness or an aggravation of the same injury or illness, then any total disability benefits provided shall be reduced by the impairment benefit received, provided no offset shall exceed 25 percent of a periodic payment. This offset shall apply to each periodic payment until the total offset equals the impairment benefit received. Upon again returning to work for a period of 90 days, the employee shall be reimbursed for the impairment benefits which were used to offset total disability benefits.

Subd. 9. [ADDITIONAL IMPAIRMENT.] Once an employee has submit-

ted a request for impairment benefits to an employer under subdivision 4, no additional request for impairment benefits shall be made unless further personal injury is caused in another single, identifiable event.

Subd. 10. [DEPENDENTS' RIGHTS TO RECEIVE IMPAIRMENT BENEFITS.] Impairment benefits shall not be paid if the injured employee dies as a result of the personal injury causing the permanent impairment and the death occurs within one year following the date of injury. If the death is not the result of the personal injury, and if an evaluation of permanent impairment had been completed, then the impairment benefit shall be payable to the deceased employee's dependents under chapter 176 or, if none, to the legal heirs at the time of death. If the degree of impairment has not been determined prior to death, the degree of permanent impairment shall be estimated from available medical records and shall be payable as stated above.

Subd. 11. [IMPAIRMENT BENEFIT TABLE.] Impairment benefit amounts shall vary according to the employee's degree of permanent impairment. No request for additional impairment benefits resulting from an occupational disease shall be made once a payment for impairment benefits from an impairment due to occupational disease has been made. The benefit due shall be determined according to the following table:

IMPAIRMENT BENEFIT SCHEDULE

Benefit Amounts According to Impairment

Percentage Impairment	5	10	15	20	25
Benefit Amount	1,000	2,500	3,000	4,000	5,500

Percentage Impairment	30	35	40	45	50
Benefit Amount	7,500	10,000	12,500	16,000	19,500

Percentage Impairment	55	60	65	70	75
Benefit Amount	30,000	40,800	51,500	62,200	73,900

Percentage Impairment	80	85	90	95/100
Benefit Amount	88,900	100,000	110,000	133,000

Each of the benefit amounts in this table shall be increased by an amount equal to 85 percent of the increase in the statewide average weekly wage which is in effect on January 1 of each year beginning January 1, 1985. The amount of the increase shall be equal to the difference between the amount of the statewide average weekly wage in effect on January 1 of the preceding calendar year and the amount determined by the department of economic security on July 1 of the preceding calendar year.

Sec. 4. [176.085] [REHABILITATION.]

Subdivision 1. [PURPOSE.] Rehabilitation services are intended to restore the injured employee, through physical and vocational rehabilitation, so that he may return to suitable gainful employment.

"Suitable gainful employment" for the purposes of this section is that

employment which is reasonably obtainable and which offers an opportunity to restore the injured employee as soon as possible and as nearly as possible to a job related to his former employment or to a job in another work field in which he could produce earnings as close as possible to those he received at the time of the personal injury.

Rehabilitation to a job which may produce earnings greater than those the employee received at the time of personal injury is permitted if it can be demonstrated that this rehabilitation is necessary for re-employment. Consideration shall be given to the employee's qualifications including but not limited to age, education, previous work history, interest, and transferable skills.

Subd. 2. [REHABILITATION PRIORITIES.] The following priorities are established for use in exploring alternative rehabilitation plans. No higher numbered priority shall be utilized unless all lower numbered priorities have been determined by the qualified rehabilitation consultant to be unlikely to result in returning the employee to suitable gainful employment.

Priority 1 is modification of previous job with the same employer, including a transitional return to work.

Priority 2 is a new job with the same employer in keeping with any limitations or restrictions of the employee.

Priority 3 is modification of the previous job with a new employer.

Priority 4 is a new job with a new employer as a result of direct job placement based upon transferable skills.

Priority 5 is a new job with a new employer involving on-the-job training.

Priority 6 is retraining and job placement consistent with the purposes of rehabilitation.

Subd. 3. [ADMINISTRATORS.] The commissioner shall hire a director of medical and rehabilitation services in the classified service. The commissioner is responsible for supervising medical and rehabilitation services, including the selection and delivery of services. The commissioner may hire qualified personnel to assist in these duties and may delegate those duties and performance.

Subd. 4. [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 each from labor, employers, insurers, rehabilitation, and medicine and one member representing chiropractors. The members shall be appointed by the governor 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 chairman. The panel shall review and make a determination with respect to (a) appeals regarding rehabilitation plans and benefits; and (b) appeals regarding certification approval or revocation. The panel shall continuously study medical and rehabilitation services and delivery and develop and recommend medical and rehabilitation rules to the commissioner. A majority vote of those attending a panel hearing shall constitute the decision of the board.

Subd. 5. [REHABILITATION PLAN; DEVELOPMENT.] (a) Within 15 days of the time an employer has medical information that an employee is

unable, due to a personal injury, to return to his preinjury occupation, or in any event, if within 90 days after the personal injury the employee has not returned to work, the employer shall refer the employee to a qualified rehabilitation consultant for a determination of whether rehabilitation is necessary to carry out the purposes of this section. If rehabilitation is determined to be necessary, the employee and employer shall enter into a program as prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the department of labor and industry. If, within 30 days of the first consultation with a qualified rehabilitation consultant, the employee objects to the employer's selection of that qualified rehabilitation consultant, the employee must notify the employer and the commissioner in writing of his objection and request the selection of an alternative qualified rehabilitation consultant. If that qualified rehabilitation consultant is objectionable to the employer, and if a mutually acceptable qualified rehabilitation consultant cannot be found, the commissioner shall be notified by the employer in a timely manner that no mutually acceptable qualified rehabilitation consultant can be found. Upon receipt of this notice and within seven days, the commissioner shall provide the employee and employer with a list of three other qualified rehabilitation consultant's from which the employee and employer shall, within seven days, each disapprove one qualified rehabilitation consultant. The remaining qualified rehabilitation consultant shall be utilized.

(b) If the employer does not provide rehabilitation evaluation as required by this section within 75 days from the date of injury, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant within 15 days to conduct a rehabilitation evaluation, the commissioner shall appoint a qualified rehabilitation consultant to provide the evaluation at the expense of the employer unless the commissioner determines the evaluation is not required. The commissioner may assess a penalty of up to \$5,000, to be paid to the special compensation fund by any employer if the commissioner has appointed a qualified rehabilitation consultant and return to work has not been accomplished within 180 days, subject to the limitations in (c) below.

(c) If the employee's condition does not permit determination of the employee's need for rehabilitation or a rehabilitation plan cannot be developed within 90 days after the injury, a further rehabilitation evaluation by a qualified rehabilitation consultant is required six months following the date of injury. If the employee's condition still precludes development of a rehabilitation plan at this time, a further evaluation by a qualified rehabilitation consultant shall be conducted in six months and then at yearly intervals as long as no rehabilitation plan has been developed. The commissioner may waive further mandatory evaluations after the second evaluation if he determines in a case that evaluations are not likely to accomplish the purposes of this subdivision. If after two years from the date of injury a rehabilitation plan has not been developed, the employer may determine the time of a subsequent evaluation. Those evaluations shall not occur more frequently than once per year and are not mandatory for the employee, unless directed by the commissioner.

Subd. 6. [ON-THE-JOB TRAINING.] When a rehabilitation plan includes on-the-job training, the employee shall receive remuneration while so employed in an amount equal to the spendable weekly wage the employee received at the time of the personal injury. A rehabilitation plan which includes on-the-

job training shall create an incentive for the on-the-job training employer to hire the employee for on-the-job training in the form of reducing the wages paid to the employee by the on-the-job training employer to 80 percent or less of the prevailing wage for the job. The difference between the spendable weekly wage from the preinjury job and spendable weekly wage from the on-the-job training shall be paid by the employer liable for compensation for the employee's injury but it shall not exceed 125 percent of the statewide average weekly wage at the time of injury. The compensation from the liable employer and the on-the-job training employer paid according to this subdivision is in lieu of other benefits required to be paid by subdivision 12.

Subd. 7. [PLAN, APPROVAL AND APPEAL.] All completed plans shall be submitted to the commissioner for review and approval. The commissioner may disapprove or modify rehabilitation plans. A decision and order by the commissioner may be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the rehabilitation review panel may be appealed to the workers' compensation court of appeals.

Subd. 8. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, employer, or qualified rehabilitation consultant, medical and rehabilitation reports of an employee's progress under a plan shall be made by the provider of the medical and rehabilitation service to the commissioner, insurer and employer. The employer shall be notified upon completion of the plan.

Subd. 9. [PLAN MODIFICATION.] Upon request of the employer, the employee, or the qualified rehabilitation consultant to the commissioner, the plan may be suspended, terminated, or altered upon a showing of good cause including:

(a) A physical impairment that does not allow the employee to pursue the rehabilitation plan;

(b) The employee's performance level indicates the plan will not successfully be completed; or

(c) An employee does not cooperate with a plan.

An employee may request a change in a rehabilitation plan once because the employee feels ill-suited for the type of work for which rehabilitation is being provided if the request is made within 90 days of the start of the plan. Any decision of the commissioner regarding a change in a plan may be appealed to the rehabilitation review panel within 15 days of the decision.

Subd. 10. [PLAN; COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of rehabilitation evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;

(d) Reasonable costs of travel during job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job

is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury; and

(f) Any other expense agreed to be paid.

Subd. 11. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules promulgated by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, but may not be a vendor of rehabilitation services.

Subd. 12. [COMPENSATION DURING REHABILITATION.] The commissioner shall determine eligibility for rehabilitation and benefits while the employee is participating in a rehabilitation plan. Rehabilitation benefits shall include payment in an amount equal to the employee's benefit for total or partial disability, whichever is appropriate, and shall be in lieu of compensation. All rehabilitation benefits payable under chapter 176 shall be discontinued and forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan.

Subd. 13. [BENEFIT DURATION DURING REHABILITATION.] Unless the employee has returned to work, benefits during rehabilitation shall continue as provided in subdivision 12 until the sooner of the following:

(a) The rehabilitation plan has been completed and within 90 days the employer or another employer has offered the employee employment consistent with the skills developed in the rehabilitation plan at a job in which the employee is capable of performing, at which time benefits shall cease or partial disability benefits shall begin, whichever is appropriate; or

(b) The rehabilitation plan has been completed and after 90 days the employer or another employer has offered the injured employee any job which is within the physical capabilities of the employee, at which time benefits shall cease or partial disability shall begin, whichever is appropriate; or

(c) The rehabilitation plan has been completed and 180 days have elapsed at which time benefits shall cease unless a permanent impairment exists. If a permanent impairment exists, for which benefits are payable under section 3, benefits shall be payable for an additional period of time until either an offer of employment is made to the employee which is within the employee's physical capabilities or the time established for the impairment percentages shown below has elapsed.

*Permanent Impairment
Remaining After Completion
of Rehabilitation Plan*

*Maximum Benefit Period
After Completion of
Rehabilitation Plan*

5 - 20 percent

12 months

25 - 40 percent

24 months

45 - 60 percent

36 months

65 - 80 percent
85 percent and higher

48 months
60 months

Subd. 14. [RULES.] The commissioner shall adopt rules necessary to implement this section including rules relating to qualifications necessary to be an approved rehabilitation consultant.

Sec. 5. [176.097] [PARTIAL DISABILITY BENEFITS.]

Subdivision 1. [PURPOSE.] Partial disability benefits are paid for the following purposes:

(a) Facilitating return to work of an employee who suffered a personal injury. The benefits payable according to this section replace a portion of wages lost due to a personal injury after an employee returns to work and when the employee's return to employment is in a reduced capacity, as evidenced by the fact that the employee's current spendable wages are less than the spendable wages of the employee prior to the injury; and

(b) Providing ongoing supplements to the income of injured employees who, because of a permanent impairment are unable to earn income at least equal to their preinjury wage.

Subd. 2. [BENEFIT.] When the employee returns to work, benefits for partial disability shall be payable at the rate of 85 percent of the difference between the employee's current spendable weekly wage and the preinjury spendable weekly wage.

Subd. 3. [MAXIMUM BENEFIT.] The maximum weekly benefit for partial disability shall be 125 percent of the statewide average weekly wage.

Subd. 4. [PERIOD OF PAYMENT.] (a) Partial disability benefits shall be paid for the period beginning on the date the employee returns to work. Payment shall be made as nearly as possible at the intervals when the wage is payable.

(b) Partial disability benefits shall continue for up to 90 days of the first day of return to work unless the personal injury results in a permanent impairment of five percent or more of the whole body as determined by application of the American Medical Association guides. If no permanent impairment determination has been made but the impairment clearly exists, payment under this section shall continue for a period of time provided by the minimum expected disability. If the duration of payment of the partial disability was longer or shorter than provided by this section, as evidenced by the final determination of the degree of permanent impairment, an adjustment shall be made to the impairment award. Excessive payments shall be subtracted from the impairment benefit. Payments due but not paid shall be paid in addition to the impairment benefit with interest payments of 18 percent per annum.

(c) Workers whose personal injury results in a permanent impairment, for which benefits are payable under section 3, shall be eligible for benefits for a period of time reflecting the severity of their permanent impairment. The maximum duration of partial disability eligibility shall be determined according to the impairment percentages shown below:

Percentage of
impairment
5 to 10 percent

Additional benefit duration
beyond initial 90 days
90 days

15 percent
20 percent

180 days
270 days

For each five percent impairment beyond 20 percent, the duration period shall be extended an additional 180 days.

(d) An employee who becomes unemployed for reasons other than the personal injury while receiving partial disability benefits shall continue to receive benefits under this section, except that current spendable weekly wage shall be assumed to equal spendable weekly wage at the time the unemployment commenced. If the employee is laid off because the employer no longer has adequate work for all current employees, the unemployment shall be deemed to be caused by other than the personal injury if all other workers performing the same job but who have less seniority than the injured employee have been laid off.

Sec. 6. Minnesota Statutes 1980, Section 62A.10, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than two employees nor less than ten members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any association having a constitution or bylaws and formed in good faith for purposes other than that of obtaining insurance under the provisions of this chapter, where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurer authorized to write accident and health insurance in this state shall have power to issue group accident and health policies.

If an employee and his dependents are insured under a group policy, as the result of employment eligibility for insurance, eligibility for coverage shall not be terminated if the employee ceases to be employed as a result of a personal injury as defined in section 176.011, subdivision 10.

Sec. 7. Minnesota Statutes 1980, Section 62C.14, is amended by adding a subdivision to read:

Subd. 16. No subscriber's individual contract or any group contract shall terminate an individual's or the individual's dependent's eligibility for coverage because the individual is no longer employed as the result of a personal injury as defined in section 176.011, subdivision 10.

Sec. 8. Minnesota Statutes 1980, Section 62D.10, is amended by adding a subdivision to read:

Subd. 5. No health plan shall terminate eligibility for coverage of an enrollee or his dependents because the enrollee is no longer employed as the result of a personal injury as defined in section 176.011, subdivision 10.

Sec. 9. [79.212] [INSURERS TO OFFER DEDUCTIBLES.]

Each insurer licensed to transact workers compensation pursuant to

60A.06, subdivision 1, clause (5), paragraph (b), shall offer workers' compensation policies which employers may purchase at a lower premium than the premium which would result from use of the schedule of rates approved by the commissioner. These policies shall contain a deductible which specifies the amount of benefits payable by the employer on each occurrence which results in personal injury.

These policies shall require the insurer to pay all benefits due under the policy. The employer shall deposit the amount of the deductible with the insurer at the inception of the policy period. The insurer shall pay all losses when due utilizing the amounts deposited as specified by the deductible in the policy. The insurer may require the employer to deposit additional funds if the deposited funds are depleted. Each policy shall clearly state the maximum total liability of the employer under the deductible for the policy period.

All interest income earned on the funds deposited with the insurer by the employer shall be credited to the employer. The policy shall provide that funds deposited by the employer, together with the credited interest income, which are not expected to be paid out by the insurer due to claims incurred during the policy period shall be returned to the employer or credited to the next policy period.

The minimum deductible that shall be required is \$1,000 per occurrence and \$5,000 total liability per year.

Sec. 10. Minnesota Statutes 1981 Supplement, Section 79.25, Subdivision 1, is amended to read:

Subdivision 1. When any rejected risk is called to its attention and it appears that the risk is in good faith entitled to coverage the commissioner of insurance shall fix the initial premium therefor and may fix an additional charge to compensate the agent of record for his services and, upon its payment, the commissioner of insurance shall enter into a service contract with one or more qualified ~~members of the association~~ insurance companies, or qualified group self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2)(a), whose duty it shall be to issue a policy, or a group self-insurance administration contract, containing the usual and customary provisions found in such policies or contracts therefor, but for which undertaking all ~~members of the association~~ insurers licensed pursuant to section 60A.06, subdivision 1, clause (5)(b) shall be reinsurers as among themselves in the amount which the compensation insurance written in this state during the preceding calendar year by that ~~member insurer~~ bears to the total compensation insurance written in this state during the preceding year by all the ~~members of the association~~ licensed insurers. The assigned risk plan shall be treated as a group self-insurer member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2. A qualified ~~member insurer~~ or group self-insurance administrator shall possess sufficient financial, professional, administrative and personnel resources to serve the policies or self-insurance contracts contemplated in the service contract.

Policies and contracts of coverage issued pursuant to this subdivision shall be deemed to meet the mandatory insurance requirements of section 176.181, subdivision 2.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 79.25, is amended

by adding a subdivision to read:

Subd. 3. [ANNUAL ASSESSMENT.] The commissioner shall annually assess from each insurer licensed pursuant to section 60A.06, subdivision 1, clause (5)(b), an amount sufficient to fully fund the obligations of the assigned risk plan. The assessment of each insurer shall be in an amount that the compensation insurance written in this state by that insurer during the preceding calendar year bears to the total compensation insurance written in this state by all licensed insurers during the preceding calendar year.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 79.63, Subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION.] The commissioner shall ~~appoint~~ contract with a licensed data service organization to ~~administer~~ make assignments, gather data, collect assessments, and perform other services for the assigned risk plan. ~~The appointed data service organization shall submit to the commissioner for approval a plan and rules for administering the assigned risk plan, including a method or formula by which the organization is to be paid for administrative services.~~

Sec. 13. Minnesota Statutes 1981 Supplement, Section 79.63, Subdivision 2, is amended to read:

Subd. 2. [REJECTION; NOTICE.] An insurer that refuses to write insurance for an applicant shall furnish the applicant a written notice of refusal and shall file a copy of the notice of refusal with the data service organization ~~appointed~~ contracted with pursuant to subdivision 1. ~~Servicing insurers designated pursuant to subdivision 3 shall accept and insure any applicant for workers' compensation insurance assigned pursuant to subdivision 3.~~

Sec. 14. Minnesota Statutes 1981 Supplement, Section 79.63, Subdivision 4, is amended to read:

Subd. 4. [PENALTY.] The commissioner may revoke the license of an insurer or agent for refusing or failing to provide an applicant with written refusal pursuant to subdivision 2 or for any other violation of this section or of the approved rules of a ~~data service organization~~ concerning the assigned risk plan.

Sec. 15. Minnesota Statutes 1980, Section 176.011, Subdivision 3, is amended to read:

Subd. 3. [~~DAILY~~ WEEKLY WAGE.] "~~Daily~~ Weekly wage" means the ~~daily~~ weekly wage of the employee in the employment in which he was engaged at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. *Occasional overtime is not to be considered, but if the overtime is regular or frequent throughout the year, it shall be taken into consideration.* If the amount of the ~~daily~~ weekly wage received or to be received by the employee in the employment in which he was engaged at the time of injury was irregular or difficult to determine, or if the employment was part time, the ~~daily~~ weekly wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of ~~days~~ weeks in which the employee actually performed any of the duties of such employment, provided further, that in the case of the construc-

tion industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, ~~the weekly wage shall not be less than five times the daily wage~~ weeks where the employee worked less than the lesser of 40 hours or the normal number of hours worked in a week shall not be included in weeks worked. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of the wage contract they are deemed a part of his earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working ~~day~~ week shall be considered and computed as ~~eight hours~~ five days, and in cases where ~~such~~ the services are performed gratis or without fixed compensation the ~~daily~~ weekly wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where ~~such~~ the services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of ~~daily~~ weekly wage.

Sec. 16. Minnesota Statutes 1981 Supplement, Section 176.011, Subdivision 9, is amended to read:

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

- (1) an alien;
- (2) a minor;
- (3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;
- (4) a county assessor;
- (5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;
- (6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), nor shall it include an executive officer of a closely held corporation who is referred to in section 176.012;
- (7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers

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

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

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

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

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

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

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

institutions where the services are performed by paid employees;

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

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

(16) *those students enrolled in and regularly attending the medical school of the University of Minnesota, whether in the graduate school program or the post graduate program, as provided in section 147.20, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under chapter 176, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under chapter 176.*

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

Sec. 17. Minnesota Statutes 1980, Section 176.011, is amended by adding a subdivision to read:

Subd. 23. [SPENDABLE WEEKLY WAGE.] (a) "Spendable weekly wage" means weekly wage minus the sum of: (1) the amount which would be withheld according to withholding tables in effect on the January 1 preceding the personal injury, as described in the Internal Revenue Code of 1954, as amended, assuming that the maximum number of exemptions for dependency apply as the worker would be entitled to receive at the time of injury; and (2) the amount which would be withheld according to withholding tables in effect on the January 1 preceding the injury under Minnesota Statutes, Chapter 290, and related rules, assuming that the maximum number of exemptions for dependency apply as the worker would be entitled to receive at the time of injury; and (3) an amount equal to the amount required on the January 1 preceding the injury, by the Social Security Act of 1935 and any related amendments, to be deducted or withheld from the weekly wage of the employee as if the weekly wage were earned at the beginning of the calendar year in which the injury occurred.

(b) Where there is a dispute as to the correct number of exemptions for dependency which should apply under clause (a), the spendable weekly wage shall be determined according to the minimum number of exemptions to which the employee would be entitled at the time of injury. Upon a final determination

of the correct number of exemptions which apply, any additional benefit payable to the employee shall include interest payable at the rate of 18 percent per annum based on the amount of difference due.

Sec. 18. Minnesota Statutes 1980, Section 176.011, is amended by adding a subdivision to read:

Subd. 24. [PERMANENT IMPAIRMENT.] "Permanent impairment" means permanent anatomic or functional abnormality or loss as the result of a personal injury, which exists after maximum medical rehabilitation has been achieved and which is considered stable or nonprogressive.

Sec. 19. Minnesota Statutes 1981 Supplement, 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 non-periodic 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 subdivision 3a. If doubt exists as to the eventual permanent partial disability, payment, pursuant to subdivision 3a, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. At the time of any tender of the lump sum payment, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. Compensation for permanent partial disability is payable in addition to compensation for temporary total disability and temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, as provided in subdivision 3a. Compensation for permanent partial disability is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101, subdivision 5, as provided in subdivision 3a. Compensation for permanent partial disability shall be withheld pending completion of payment for temporary total and temporary partial disability but shall not be withheld pending payment of compensation for permanent total disability, and no credit shall be taken for payment of permanent partial disability against liability for temporary total or permanent total disability. Liability on the part of an employer or his insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and shall be payable accordingly, subject to subdivision 3a. Permanent partial disability is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to subdivision 3a. The right to receive temporary total, temporary partial, permanent partial or permanent total disability payments shall vest in the injured employee or his dependents under this chapter or, if none, in his legal heirs at the time the disability can be ascertained and the right shall not be abrogated by the employee's death prior to the making of the payment.~~

Sec. 20. Minnesota Statutes 1980, Section 176.021, Subdivision 5, is

amended to read:

Subd. 5. [ACCUMULATED CREDITS, ADDITIONAL PAYMENTS.] If employees of the state or a county, city or other political subdivision of the state who are entitled to the benefits of the workers' compensation law have, at the time of compensable injury, accumulated credits under a vacation, sick leave or overtime plan or system maintained by the governmental agency by which they are employed, the appointing authority may provide for the payment of additional benefits to such employees from their accumulated vacation, sick leave or overtime credits. Such additional payments to an employee may not exceed the amount of the total sick leave, vacation or overtime credits accumulated by the employee and shall not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee. Such additional payments to any employee shall be charged against the sick leave, vacation and overtime credits accumulated by such employee. *Employees of a county, city or other political subdivision entitled to the benefits of the workers' compensation law may receive additional benefits pursuant to a collective bargaining agreement or other plan entered into or in effect on or after January 1, 1980, providing payments by or on behalf of the employer and these additional benefits may be unrelated to any accumulated sick leave, holiday or overtime credits and need not be charged against any accumulation; provided that the additional payments shall not result in the payment of a total weekly rate of compensation that exceeds the weekly wage of the employee; and provided further that the authority to make payments not related to leave accumulations shall expire on January 1, 1983, unless affirmatively negotiated by the parties.* The commissioner of the department of labor and industry for the state or the governing body of any county, city or other political subdivision to which the provisions of this chapter apply, may adopt rules and regulations not inconsistent with this chapter for carrying out the provisions hereof relating to payment of additional benefits to employees from accumulated sick leave, vacation ~~or~~, overtime credits or other sources.

Sec. 21. Minnesota Statutes 1980, Section 176.111, Subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$1,000~~ \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, such reasonable value shall be determined and approved by the commissioner of the department of labor and industry, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after such reasonable notice to interested parties as is required by the commissioner of the department of labor and industry. If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 22. Minnesota Statutes 1980, Section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of ~~temporary~~ total or ~~temporary~~ partial disability no compensation shall be allowed for the three days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in

section 176.141. If such disability continues for ~~40~~ seven days or longer, such compensation shall be computed from the commencement of the disability.

Sec. 23. Minnesota Statutes 1980, Section 176.131, Subdivision 1, is amended to read:

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

If the personal injury alone results in permanent ~~partial disability to a scheduled member under section 176.101, the monetary and medical expense limitations shall not apply and~~ impairment for which payment is due pursuant to section 3 the employer shall be liable for such compensation; ~~medical expense, the payment for the permanent impairment and retraining rehabilitation attributable to the permanent partial disability, personal injury and he may be reimbursed from the compensation fund only for compensation paid in excess of such disability for medical expenses and total disability benefits.~~

Sec. 24. Minnesota Statutes 1980, Section 176.131, Subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job ~~retraining~~ training program pursuant to 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 ~~retraining~~ training program, the on the job training employer shall pay the medical expenses and ~~compensation~~ benefits required by this chapter, but shall be reimbursed from the special compensation fund for the ~~compensation~~ benefits and medical expense that ~~is~~ are attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for ~~retraining~~ rehabilitation, is liable for ~~the portion of the disability that is attributable to that injury~~ all other benefits and medical expenses required by chapter 176.

Sec. 25. Minnesota Statutes 1980, 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 provided that, physical impairment as used herein is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,
- (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) Any other physical impairment for which is at least 50 weeks or more of weekly benefits would be payable as permanent partial disability if the physical impairment were evaluated according to standards used in workers' compensation proceedings 25 percent or more of the whole body as determined according to the standards established in the American Medical Association guides, and

(p) Any other physical impairments of a permanent nature which the workers' compensation court of appeals 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 or partial disability; permanent total; permanent partial;~~ death, medical expense, or ~~retraining rehabilitation~~.

Sec. 26. Minnesota Statutes 1981 Supplement, Section 176.131, Subdivision 10, as amended by Laws 1981, Third Special Session Chapter 2, Article I, Section 20, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of ~~\$5,000~~ \$25,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least ~~\$5,000~~ \$25,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and ~~\$5,000~~ \$25,000; but in no event shall the employer pay the commissioner less than \$1,000;

(2) ~~When an employee suffers a personal injury which results in permanent partial disability; temporary total disability; temporary partial disability; permanent total disability or death and which entitles him or his dependents to compensation under sections 176.101 or 176.111, the employer~~ Each insurer,

self-insurer and group self-insurer shall, in addition to compensation provided therein, annually pay to the commissioner for the benefit of the special compensation fund a lump sum without interest deduction equal to a percent of the total compensation determined as provided in this subdivision as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties, and the amount is approved by the commissioner.

The provisions of clauses (1) and (2) shall apply to all workers' compensation payments, exclusive of medical costs, paid under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence percentage of its standard earned premium as determined by the commissioner of insurance for the prior year. The commissioner of insurance shall provide the commissioner with the standard earned premium of each insurer, self-insurer and group self-insurer by April 15. The commissioner shall inform each insurer, self-insurer and group self-insurer of the amount due by June 1.

In determining the percentage of the total compensation standard earned premium required to be paid by the employer to the commissioner for the benefit of the special compensation fund as provided in clause (2) beginning September 30, 1981 and each September 30 thereafter, the commissioner of insurance shall use the following schedule:

Balance in the Fund	Permissible Range of Rate Adjustment
Less than \$2,000,000	± 1 percent to ± 7 percent
At least \$2,000,000 but less than \$3,000,000	0 percent to ± 6 percent
At least \$3,000,000 but less than \$4,000,000	-2 percent to ± 4 percent
At least \$4,000,000 but less than \$5,000,000	-5 percent to ± 3 percent
At least \$5,000,000 but less than \$6,000,000	-6 percent to ± 2 percent
\$6,000,000 or more	-7 percent to ± 2 percent

In determining the actual adjustment, the commissioner shall take into account his estimate of the likely amount of expenditures to be made from the fund in the next calendar year estimate the total claims expected to be made against the special fund for the period beginning July 1 and shall divide that number by the total standard earned premium reported to the commissioner of insurance. The percentage due July 1, 1982, and July 1, 1983, shall be 6.5 percent. The assessment due July 1, 1982, shall be in lieu of any other assessment authorized for 1982 by this section and any other assessment is void and shall be of no effect. The maximum increase in any year shall be two percent.

Sums paid to the commissioner pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be

transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division, compensation judges, the workers' compensation court of appeals or district court in cases before them shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division, a compensation judge, the workers' compensation court of appeals or a district court. There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

The attorney general shall be the attorney for the special compensation fund and shall be its legal advisor and shall represent the fund in actions by it or against it before the division, a compensation judge, the workers' compensation court of appeals or district court or the supreme court.

The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Sec. 27. Minnesota Statutes 1980, Section 176.132, Subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] An employee who has suffered personal injury *prior to December 31, 1980* 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 hereinafter prescribed after 104 weeks have elapsed and for the remainder of his total disablement *except, that an employee who was injured after October 1, 1975 and who is not eligible to receive supplementary benefits on January 1, 1983, shall not receive supplementary benefits.* Regardless of the number of weeks of total disability, no totally disabled person shall be ineligible for supplementary benefits after four years have elapsed since the first date of his total disability, provided that all periods of disability are caused by the same injury.

Sec. 28. Minnesota Statutes 1981 Supplement, Section 176.132, Subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under this section *as of January 1, 1983* shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or subdivision 4, and ~~65 percent of the statewide average weekly wage as computed annually~~ \$184. *The figure \$184 shall be adjusted pursuant to section 176.645.*

(b) In the event an eligible recipient is currently receiving no ~~compensation~~ benefits or is receiving a reduced level of ~~compensation~~ benefits 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 pay the difference between the reduced level of benefits and \$184. The figure \$184 shall be adjusted pursuant to section 176.645.

(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 \$184. The figure \$184 shall be adjusted pursuant to section 176.645.

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which he is eligible under other governmental disability programs due to the provisions of 42 U.S.C. 424a (d), this reduction shall not apply.

Sec. 29. Minnesota Statutes 1981 Supplement, Section 176.133, is amended to read:

176.133 [ATTORNEY'S FEES, SUPPLEMENTARY BENEFITS.]

~~Attorney's~~ No attorney fees ~~may~~ shall be permitted or approved by a compensation judge or by the workers' compensation court of appeals from the supplementary workers' compensation benefits provided by section 176.132 if unless the case solely involves the obtaining of supplementary workers' compensation benefits. When such attorney fees are allowed an amount equal to 25 percent of that portion of the fee which is in excess of \$250 shall be added to the employee's benefit as provided in section 176.081 rather than deducted as a portion thereof of the benefit. The fees shall be determined according to section 176.081.

Sec. 30. [176.138] [MEDICAL DATA; RELEASE TO INSURER AND EMPLOYER.]

For the purpose of facilitating the prompt determination and delivery of benefits payable under chapter 176, any data describing the medical condition of an employee which are related to the personal injury shall be made available to the employer. Notwithstanding sections 15.163 and 15.1698 or any other laws related to the privacy of medical data, the release of those data to the employer or insurer shall not require prior approval, written or otherwise, on the part of the employee. Upon receiving written request from the employer,

insurer, or any agent of the employer or insurer, the data related to the medical condition of an employee suffering a personal injury shall be provided, by the holder of the data, to the employer. The data shall be provided within seven working days of receiving the request. The employer or insurer shall inform the employee of the request for these data at the time it is made and shall not release these data to anyone other than the employee.

Sec. 31. [176.146] [NOTICE TO INSURERS; PENALTY.]

The employer of any employee who suffers a personal injury shall inform the insurer of the occurrence of the injury within three days of notice of the injury. Notice shall be made on forms provided by the insurer. Consistent failure by the employer to provide notice shall entitle the insurer to cancel, upon 15 days notice to the employer, any effective policy insuring the employer's liability under chapter 176, at which time any unearned premium paid by the employer to the insurer shall be returned to the employer.

Sec. 32. Minnesota Statutes 1981 Supplement, Section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 33. Minnesota Statutes 1981 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 compensation due pursuant to section ~~176.101~~, ~~subdivision 1~~, shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. When the employer determines that the disability is not a result of a personal injury, payment of compensation may be discontinued upon notice of discontinuance pursuant to section 176.241. Upon the determination, payments made may be recovered by the employer if the commissioner finds that the employee's claim of work related disability was not made in good faith.

Sec. 34. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivi-

sion 2, is amended to read:

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days after the date on which the first payment was due, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days. *No grant of an extension of time by the commissioner shall relieve the employer of the obligation to commence the payment of benefits within 14 days as required by subdivision 1.*

Sec. 35. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 3, is amended to read:

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or ~~retraining~~ *rehabilitation* expenses under ~~176.102 section 4~~, subdivision 9 10, or to file a denial of liability, or to request an extension of time within 30 days after the date on which the first payment was due, he shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.

Sec. 36. Minnesota Statutes 1981 Supplement, Section 176.221, Subdivision 7, is amended to read:

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 not made when due shall bear interest at the *greater of the rate of eight 18* percent per annum *or the rate set by section 549.09, subdivision 1*, from the due date to the date the payment is made.

Sec. 37. Minnesota Statutes 1980, Section 176.225, Subdivision 1, is amended to read:

Subdivision 1. [GROUND.] Upon reasonable notice and hearing or opportunity to be heard, the division or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

- (a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,
- (b) unreasonably or vexatiously delayed payment; or,
- (c) neglected or refused to pay compensation; or,
- (d) intentionally underpaid compensation.

In any case of an award made pursuant to this subdivision, there shall be added to the compensation award an amount equal to 18 percent per annum interest computed from the date of injury.

Sec. 38. Minnesota Statutes 1981 Supplement, Section 176.225, Subdivision 5, is amended to read:

Subd. 5. [PENALTY.] Where the employer is guilty of inexcusable delay in making payments, *including but not limited to the grounds listed in clauses (a) to (d) of subdivision 1*, the payments which are found to be delayed shall be increased by 10 percent. Withholding amounts unquestionably due because the injured employee refuses to execute a release of his right to claim further benefits will be regarded as inexcusable delay in the making of compensation payments. If any sum ordered by the department to be paid is not paid when due, and no appeal of the order is made, the sum shall bear interest at the rate of ~~12~~ 18 percent per annum. Any penalties paid pursuant to this section shall not be considered as a loss or expense item for purposes of a petition for a rate increase made pursuant to chapter 79.

Sec. 39. Minnesota Statutes 1980, Section 176.231, Subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] Where an employer, physician, ~~or~~ surgeon *or health provider* has failed to file with the commissioner of the department of labor and industry any report required by this section in the manner and within the time limitations prescribed, he shall forfeit to the state ~~\$50~~ \$200 for each such failure.

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner of the department of labor and industry. The commissioner of the department of labor and industry shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the state treasury.

Sec. 40. Minnesota Statutes 1980, Section 176.235, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO EMPLOYEE OF RIGHTS AND DUTIES.] *Upon notice that an employee has suffered a personal injury, the employer shall provide the employee with a brochure or letter, which shall be prepared and provided by the insurer or group self-insurer, if any, explaining the rights and obligations of the employee and employer, the assistance available to the employee, and the operation of the workers' compensation system. The brochure shall meet the readability standards of chapter 72C.*

In addition, the brochure or letter shall include the names of persons the employee may contact if questions or problems arise regarding the employee's rights or obligations under chapter 176. This brochure or letter shall be provided to the employee within seven days after the employer becomes aware of the personal injury. After the effective date of this subdivision any obligations previously assigned to the department of labor and industry regarding the mailing of workers' compensation informational brochures shall end. Any brochure shall be approved by the commissioner of insurance prior to use. The workers' compensation advisory council shall prepare a prototype brochure. The workers' compensation insurance rating association of Minnesota may prepare and submit brochures for approval on behalf of its members.

Sec. 41. [176.236] [EMPLOYER REEMPLOYMENT RESPONSIBILITY.]

Subdivision 1. [TARGET DATE.] *Each employer which employs a worker*

who becomes disabled due to a personal injury shall be responsible for the reemployment of an employee disabled as the result of a personal injury as required by this section. The employer shall, as soon as possible following the personal injury, establish in conjunction with the injured employee a target date upon which the injured worker will return to work.

Subd. 2. [JOB ASSISTANCE.] *The employer shall, if possible, provide a job to the employee on or before the return to work target date which is consistent with any physical limitations of the employee. The employer shall not refuse to offer employment for any reason which is based on the employee's conduct prior to the personal injury.*

Subd. 3. [ASSISTANCE PLAN.] *If the employer is unable to provide a job, the employer shall as soon as possible, but at least four weeks prior to the return to work target date, inform the employee that no job will be available. The employer shall also provide assistance to the employee in finding another job which is within the physical capabilities of the employee. A plan for assistance shall be filed with the commissioner at the time the employer informs the employee that no offer of employment can be made. A plan for approval filed pursuant to section 4 shall be sufficient.*

Subd. 4. [PENALTY.] *An employer failing to provide reemployment or to provide assistance as required in subdivision 3 shall be required to pay to the special compensation fund an amount equal to all of the benefits paid as required in section 1 for the first year following the date of injury. This amount shall not be reimbursed by an insurer or group self-insurer.*

Subd. 5. [RULES.] *The commissioner shall, by rule, establish the minimum provisions of the plan required in subdivision 3.*

Subd. 6. [LIMITATIONS.] *This section shall not create any liabilities or other requirements for the payment of benefits under chapter 176 than are specifically contained within the section.*

Sec. 42. Minnesota Statutes 1980, Section 176.241, Subdivision 4, is amended to read:

Subd. 4. [ORDER.] *When the hearing has been held, and ~~he~~ the evidence has been duly considered ~~the evidence~~, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. Where the order confirms a termination of compensation, the commissioner of labor and industry shall notify the employer of the action. This notification relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the division to set aside the order at any time prior to the review and grant a new hearing pursuant to this chapter. *Where the order directs the payment of further compensation, the order shall provide that the amount of compensation shall bear interest at the rate of 18 percent per annum computed from the date of the termination of benefits.**

Sec. 43. Minnesota Statutes 1981 Supplement, Section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

Where an adverse party has failed to file and serve an answer, if the petitioner presents proof of such fact, the compensation judge shall enter whatever

award or order to which petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires such proof, he shall request the chief hearing examiner to assign the matter to a compensation judge to summarily hear and determine the same and to promptly make an award or order.

Where in such a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or his attorney written notice of this deficiency. The petitioner may thereupon file another petition as in the case of an original petition.

If an award is made pursuant to this subdivision, the amount of the award shall include interest on the award at the rate of 18 percent per annum computed from the date compensation was due but not paid.

Sec. 44. Minnesota Statutes 1981 Supplement, Section 176.391, Subdivision 3, is amended to read:

Subd. 3. [REPORTS.] The report of a physician, surgeon, or other expert shall be filed with the commissioner and the compensation judge assigned to the matter if any. The report shall be made a part of the record of the case and be open to inspection ~~as such~~.

Unless otherwise ordered by a compensation judge medical expert testimony shall be offered by report only.

Sec. 45. Minnesota Statutes 1980, Section 176.641, is amended to read:

176.641 [ACCIDENTS OR INJURIES ARISING PRIOR TO EFFECTIVE DATE.]

All rights and liabilities arising on account of accidents or injuries occurring prior to the taking effect of this chapter shall be governed by the then existing law *except, that the payment of benefits pursuant to section 176.132 on and after the effective date of sections 1 to 30 shall be made according to sections 1 to 30.*

Sec. 46. Minnesota Statutes 1981 Supplement, 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~~ sections 1; 2; and 3, subdivision 12, and for benefits payable pursuant to section 176.132, 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 percent a year. In those instances where the adjustment under the formula of

this section would exceed this maximum the increase shall be deemed to be six percent.

Sec. 47. Minnesota Statutes 1981 Supplement, Section 352E.04, is amended to read:

352E.04 [DISBURSEMENTS.]

Upon certification to the governor by the administrator of any state or governmental subdivision employing peace officers that a peace officer employed by that state or governmental subdivision within this state has been killed in the line of duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall, subject to the approval of the workers' compensation court of appeals, pay \$50,000 as follows:

- (a) If there is no dependent child, to the spouse;
- (b) If there is no spouse, to the dependent child or children in equal shares;
- (c) If there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;
- (d) If there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares;
- (e) If there is no surviving spouse or dependent child, children or parent, then there shall be no payment made from the peace officers benefit fund.

The benefit provided by this section is in addition to any other benefit that a spouse or dependent child is entitled to receive under another state or federal law and notwithstanding any law to the contrary shall not be offset by or against the other benefits.

Sec. 48. [176.83] [SPECIAL COMPENSATION FUND; STUDY OF FINANCIAL CONDITION.]

The commissioner of the department of labor and industry shall study the financial condition of the special compensation fund including any outstanding liabilities of the fund. A report containing the findings of the study shall be prepared and presented to the legislature no later than January 15, 1983. The cost of the study and report shall not exceed \$30,000 and shall be paid from the assets of the special compensation fund.

Sec. 49. [OCCUPATIONAL DISEASE AND APPORTIONMENT OF INJURIES; STUDY.]

The commissioner of insurance shall study occupational disease, cumulative trauma and the apportionment of liability for benefits payable under chapter 176 when the personal injury does not arise solely out of and in the course of employment as these issues are related to workers' compensation in Minnesota. A report containing the findings of the study shall be prepared and presented to the legislature no later than January 15, 1983.

Sec. 50. [DEPARTMENT OF LABOR AND INDUSTRY STUDY COMMISSION.]

Subdivision 1. [CREATION.] A study commission is hereby created to study and report on:

- (a) *The organization and operation of the department of labor and industry,*

workers' compensation division, including but not limited to:

(1) The procedures for handling reports of injuries, claims for compensation, notices of discontinuance petitions for hearings related to disputes in connection with claims for compensation, and other matters connected with the department's administration of the law; and

(2) The procedures followed for settlement conferences pursuant to section 176.305; and

(3) The progress and effect of the computerization of the records and information system of the division; and

(b) The rehabilitation services of the workers' compensation division, including:

(1) The procedures followed with respect to the licensing, qualifications, and background of rehabilitation consultants utilized in the rehabilitation of injured employees;

(2) The administrative conference and settlement conference procedures followed by the division; and

(3) The role and effectiveness of the rehabilitation review panel.

Subd. 2. [MEMBERS.] The commission shall consist of six members of the house of representatives appointed by the speaker and six members of the senate appointed by the subcommittee on committees.

Subd. 3. [REPORT.] The commission shall report its findings and recommendations to the governor and legislature not later than December 15, 1983. The report shall recommend any necessary changes in laws in order to improve the administration of the workers' compensation laws and the delivery of fair, efficient, and effective rehabilitation services to injured employees within the state.

Subd. 4. [HEARINGS.] The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairman and other officers from its membership as it deems necessary.

Subd. 5. [STAFF AND SERVICES.] The commission shall make use of existing legislative facilities and staff of the house and senate research departments and senate counsel but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section.

Sec. 51. [REPEALER.]

Minnesota Statutes 1980, Sections 79.211, Subdivision 1; 176.011, Subdivisions 14 and 18; 176.095; 176.101, as amended by Laws 1981, Chapter 346, Section 75; 176.102, as amended by Laws 1981, Chapter 346, Section 76; 176.105, as amended by Laws 1981, Chapter 346, Section 77; 176.111, as amended by Laws 1981, Chapter 346, Sections 78 to 83; 176.235, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 176.021, Sub-

division 3a; 176.152, are repealed.

Sec. 52. [EFFECTIVE DATE.]

Sections 1 to 47 and 51 are effective January 1, 1983. Sections 48 to 50 are effective the day following their final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 38, as follows:

Those who voted in the affirmative were:

Ashbach	Bertram	Knutson	Peterson, D.L.	Sieloff
Bang	Brataas	Kronebusch	Pillsbury	Taylor
Belanger	Engler	Langseth	Ramstad	Ulland
Benson	Frederick	Lessard	Renneke	
Berg	Frederickson	Lindgren	Rued	
Bernhagen	Kamrath	Menning	Schmitz	

Those who voted in the negative were:

Berglin	Hanson	Moe, D. M.	Petty	Stumpf
Chmielewski	Hughes	Moe, R. D.	Purfeerst	Tennessen
Dahl	Johnson	Nelson	Setzepfandt	Vega
Davies	Knoll	Olhoft	Sikorski	Waldorf
Davis	Kroening	Pehler	Solon	Wegener
Dicklich	Lantry	Penny	Spear	Willet
Dieterich	Luther	Peterson, C.C.	Stern	
Frank	Merriam	Peterson, R.W.	Stokowski	

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

Mr. Taylor moved to amend the amendment placed on H.F. No. 1220 as follows:

Strike all the amendments adopted by the Committee on Rules and Administration on March 12, 1982.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Ashbach	Bertram	Knutson	Penny	Renneke
Bang	Brataas	Kronebusch	Peterson, C.C.	Rued
Belanger	Engler	Langseth	Peterson, D.L.	Sieloff
Benson	Frederick	Lindgren	Pillsbury	Taylor
Berg	Frederickson	Menning	Purfeerst	Ulland
Bernhagen	Kamrath	Olhoft	Ramstad	

Those who voted in the negative were:

Berglin	Hanson	Moe, D. M.	Sikorski	Vega
Chmielewski	Hughes	Moe, R. D.	Solon	Waldorf
Dahl	Johnson	Nelson	Spear	Wegener
Davies	Kroening	Pehler	Stern	Willet
Dicklich	Lantry	Petty	Stokowski	
Dieterich	Lessard	Schmitz	Stumpf	
Frank	Luther	Setzepfandt	Tennessen	

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

Mr. Taylor then moved to amend the amendment placed on H. F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 53, line 9, reinstate the stricken "75th" and delete "60th"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knutson	Pillsbury	Sieloff
Bang	Frank	Kronebusch	Purfeerst	Solon
Belanger	Frederick	Lessard	Ramstad	Taylor
Benson	Frederickson	Lindgren	Renneke	Ulland
Berg	Hughes	Peterson, D.L.	Rued	
Bernhagen	Kamrath	Peterson, R.W.	Schmitz	
Brataas	Knoll	Petty	Setzepfandt	

Those who voted in the negative were:

Berglin	Dieterich	Menning	Penny	Tennessen
Bertram	Hanson	Merriam	Peterson, C.C.	Vega
Chmielewski	Johnson	Moe, D. M.	Sikorski	Waldorf
Dahl	Kroening	Moe, R. D.	Spear	Wegener
Davies	Langseth	Nelson	Stern	Willet
Davis	Lantry	Olhoft	Stokowski	
Dicklich	Luther	Pehler	Stumpf	

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

Mr. Sieloff moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 65, line 16, delete "79.211, Subdivision 1;"

Amend the title amendment as follows:

Page 130, line 21, delete "79.211, Subdivision 1;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 43, as follows:

Those who voted in the affirmative were:

Ashbach	Berg	Kroening	Petty	Ulland
Bang	Bertram	Kronebusch	Pillsbury	
Belanger	Engler	Lindgren	Rued	
Benson	Knutson	Peterson, D.L.	Sieloff	

Those who voted in the negative were:

Berglin	Frederickson	Luther	Purfeerst	Stokowski
Bernhagen	Hanson	Menning	Ramstad	Taylor
Brataas	Hughes	Moe, D. M.	Renneke	Tennessen
Chmielewski	Johnson	Moe, R. D.	Schmitz	Vega
Dahl	Kamrath	Nelson	Setzepfandt	Waldorf
Davis	Knoll	Olhoft	Sikorski	Wegener
Dicklich	Langseth	Pehler	Solon	Willet
Dieterich	Lantry	Penny	Spear	
Frank	Lessard	Peterson, C.C.	Stern	

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

Mr. Taylor then moved to amend the amendment placed on H. F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 74, line 22, after "percent" strike "if"

Page 74, strike lines 23 to 34

Page 74, line 35, strike everything before the semicolon and insert "*for 1982; nine-tenths of one percent for 1983; and seventy-five one-hundredths of one percent for 1984 and each year thereafter*"

Page 74, line 36, after "percent" insert "*for 1982; 8.5 percent for 1983; and 9.5 percent for 1984 and each year thereafter*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 36, as follows:

Those who voted in the affirmative were:

Bang	Engler	Langseth	Pillsbury	Tennesen
Belanger	Frederick	Lindgren	Ramstad	Ulland
Benson	Frederickson	Menning	Renneke	
Berg	Kamrath	Olhoft	Rued	
Bernhagen	Knutson	Peterson, D.L.	Sieloff	
Bertram	Kronebusch	Petty	Taylor	

Those who voted in the negative were:

Berglin	Frank	Moe, D. M.	Schmitz	Vega
Brataas	Hanson	Moe, R. D.	Setzepfandt	Waldorf
Chmielewski	Hughes	Nelson	Sikorski	Wegener
Dahl	Johnson	Pehler	Solon	Willet
Davies	Knoll	Penny	Spear	
Davis	Kroening	Peterson, C.C.	Stern	
Dicklich	Lantry	Peterson, R.W.	Stokowski	
Dieterich	Luther	Purfeerst	Stumpf	

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

Mr. Taylor then moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 80, line 34, strike "15, or more,"

Page 80, line 35, strike "credit weeks" and strike "within the base"

Page 80, line 36, strike "period of employment" and insert "*a minimum of 20 credit weeks during the base period of a benefit year beginning during favorable economic conditions or a minimum of 15 credit weeks during the base period of a benefit year beginning during unfavorable economic conditions,*"

Page 81, line 1, strike "during his benefit"

Page 81, line 2, strike "year"

Page 82, after line 17, insert:

"(5) For purposes of this subdivision, there are "unfavorable economic conditions" beginning with the third week after any week for which the rate of insured unemployment as determined by section 268.071, subdivision 1,

clause (4), equals or exceeds four percent and 120 percent of the average of such rates for the corresponding 13 week period ending in each of the preceding two calendar years. Economic conditions are "favorable" beginning with any week when the requirements for "unfavorable economic conditions" are not met; or the 14th week after "unfavorable economic conditions" began, whichever occurs later."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 40, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kronebusch	Ramstad	Taylor
Belanger	Frederick	Langseth	Renneke	Ulland
Benson	Frederickson	Lindgren	Rued	
Berg	Kamrath	Peterson, D.L.	Schmitz	
Brataas	Knutson	Pillsbury	Sieloff	

Those who voted in the negative were:

Berglin	Hanson	Menning	Peterson, C.C.	Stern
Bertram	Hughes	Merriam	Peterson, R.W.	Stokowski
Chmielewski	Johnson	Moe, D. M.	Petty	Stumpf
Dahl	Knoll	Moe, R. D.	Purfeerst	Tennessen
Davies	Kroening	Nelson	Setzepfandt	Vega
Davis	Lantry	Olhoft	Sikorski	Waldorf
Dieterich	Lessard	Pehler	Solon	Wegener
Frank	Luther	Penny	Spear	Willet

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

Mr. Taylor then moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 80, line 34, strike "15" and insert "18"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Frederickson	Olhoft	Rued
Bang	Bertram	Kamrath	Peterson, D.L.	Sieloff
Belanger	Brataas	Kronebusch	Pillsbury	Taylor
Benson	Engler	Langseth	Ramstad	Ulland
Berg	Frederick	Lindgren	Renneke	

Those who voted in the negative were:

Berglin	Hanson	Menning	Peterson, R.W.	Stokowski
Chmielewski	Hughes	Merriam	Petty	Stumpf
Dahl	Johnson	Moe, D. M.	Purfeerst	Tennessen
Davies	Knoll	Moe, R. D.	Schmitz	Vega
Davis	Kroening	Nelson	Setzepfandt	Waldorf
Dicklich	Lantry	Pehler	Sikorski	Wegener
Dieterich	Lessard	Penny	Spear	Willet
Frank	Luther	Peterson, C.C.	Stern	

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

Mr. Taylor then moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March

12, 1982, as follows:

Page 96, line 14, delete "4" and insert "8"

Page 99, line 18, delete "4" and insert "8"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Ashbach	Bertram	Knutson	Pillsbury	Tennessen
Bang	Brataas	Kronebusch	Ramstad	Ulland
Belanger	Engler	Menning	Renneke	Wegener
Benson	Frederick	Merriam	Rued	
Berg	Frederickson	Olhoft	Sieloff	
Bernhagen	Kamrath	Peterson, D.L.	Taylor	

Those who voted in the negative were:

Berglin	Hanson	Luther	Petty	Stumpf
Chmielewski	Hughes	Moe, D. M.	Purfeerst	Vega
Dahl	Johnson	Moe, R. D.	Schmitz	Waldorf
Davies	Knoll	Nelson	Setzepfandt	Willet
Davis	Kroening	Pehler	Sikorski	
Dicklich	Langseth	Penny	Spear	
Dieterich	Lantry	Peterson, C.C.	Stern	
Frank	Lessard	Peterson, R.W.	Stokowski	

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

Mr. Taylor then moved to amend the amendment placed on H.F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 66, after line 22, insert:

"Sec. 2. Minnesota Statutes 1980, Section 268.04, Subdivision 23, is amended to read:

Subd. 23. "Unemployment". An individual shall be deemed "unemployed" in any week during which he performs no service and with respect to which no wages are payable to him, or in any week of less than full time work or a week of full time work by a seasonal worker if the wages payable to him with respect to such week are less than his weekly benefit amount. Any individual unemployed as a result of a uniform vacation shutdown shall not be deemed to be voluntarily unemployed. The commissioner may, in his discretion, prescribe regulations relating to the payment of benefits to such unemployed individuals."

Page 82, line 12, after "\$25" insert "or in the case of a seasonal worker, as defined in section 268.09, subdivision 2, earnings in excess of \$50"

Page 99, line 33, after the period, insert "Any wage equaling or exceeding the applicable state or federal minimum wage shall not be deemed an unsuitable wage for a seasonal worker in the off season. For purposes of this clause (a) "seasonal worker" means a claimant whose employer customarily suspends or significantly curtails operations for regularly recurring periods or whose usual occupation cannot be performed for any employer in the labor market area because climatic conditions prohibit performance of the normal duties of the occupation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 38, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Kamrath	Ramstad	Ulland
Bang	Bertram	Kronebusch	Renneke	
Belanger	Brataas	Menning	Rued	
Benson	Engler	Peterson, D.L.	Schmitz	
Berg	Frederickson	Pillsbury	Taylor	

Those who voted in the negative were:

Berglin	Hanson	Luther	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Moe, D. M.	Petty	Tennessen
Dahl	Johnson	Moe, R. D.	Purfeerst	Vega
Davies	Knoll	Nelson	Setzepfandt	Waldorf
Davis	Kroening	Olhoft	Sikorski	Wegener
Dicklich	Langseth	Pehler	Solon	Willet
Dieterich	Lantry	Penny	Spear	
Frank	Lessard	Peterson, C.C.	Stokowski	

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

Mr. Tennessen moved to amend the amendment placed on H. F. No. 1220, by the Committee on Rules and Administration, adopted by the Senate March 12, 1982, as follows:

Page 107, line 10, after the period, insert "*The data provided by the department of revenue shall be limited to the amount of gross income earned by an individual, the total amount of earnings from each employer and the employers' names. Upon receipt of the data, the department of economic security may not disseminate the data to any individual or agency except in connection with a prosecution for violation of the provisions of sections 268.03 to 268.24.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1220 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 32 and nays 32, as follows:

Those who voted in the affirmative were:

Bertram	Hughes	Merriam	Peterson, R.W.	Tennessen
Chmielewski	Knoll	Moe, R. D.	Petty	Waldorf
Dahl	Langseth	Nelson	Schmitz	Wegener
Davies	Lantry	Olhoft	Setzepfandt	Willet
Davis	Lessard	Pehler	Sikorski	
Dieterich	Luther	Penny	Spear	
Hanson	Menning	Peterson, C.C.	Stern	

Those who voted in the negative were:

Ashbach	Brataas	Kamrath	Purfeerst	Stumpf
Bang	Dicklich	Knutson	Ramstad	Taylor
Belanger	Engler	Kroening	Renneke	Ulland
Benson	Frank	Kronebusch	Rued	Vega
Berg	Frederick	Moe, D. M.	Sieloff	
Berglin	Frederickson	Peterson, D.L.	Solon	
Bernhagen	Johnson	Pillsbury	Stokowski	

So the bill, as amended, failed to pass.

RECONSIDERATION

Mr. Solon moved that the vote whereby H.F. No. 1220 failed to pass the Senate on March 12, 1982, be now reconsidered.

Mr. Moe, R.D. moved that the Senate do now recess until 1:30 a.m.

Mr. Ulland moved that the Senate do now adjourn until 11:00 a.m., Saturday, March 13, 1982. The motion did not prevail.

RECESS

The question recurred on the motion of Mr. Moe, R.D. that the Senate do now recess until 1:30 a.m. The motion prevailed.

The hour of 1:30 a.m. having arrived, the President called the Senate to order.

The question recurred on the motion of Mr. Solon to reconsider the vote whereby H.F. No. 1220 failed to pass the Senate on March 12, 1982. The motion prevailed.

H.F. No. 1220 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Moe, D. M.	Petty	Tennessee
Bertram	Knoll	Moe, R. D.	Schmitz	Waldorf
Chmielewski	Langseth	Nelson	Setzepfandt	Wegener
Dahl	Lantry	Olhoft	Sikorski	Willet
Davies	Lessard	Pehler	Solon	
Davis	Luther	Penny	Spear	
Dieterich	Menning	Peterson, C. C.	Stern	
Hanson	Merriam	Peterson, R. W.	Stokowski	

Those who voted in the negative were:

Ashbach	Brataas	Johnson	Pillsbury	Stumpf
Bang	Dicklich	Kamrath	Purfeerst	Taylor
Belanger	Engler	Knutson	Ramstad	Ulland
Benson	Frank	Kroening	Renneke	Vega
Berg	Frederick	Kronebusch	Rued	
Bernhagen	Frederickson	Peterson, D. L.	Sieloff	

So the bill, as amended, passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference

Committee on:

S.F. No. 639: Messrs. Schmitz, Stumpf and Vega.

S.F. No. 536: Messrs Chmielewski, Setzepfandt and Mrs. Brataas.

H.F. No. 1611: Messrs. Bang, Lessard and Peterson, R.W.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Without objection, the Senate reverted to Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1207: A bill for an act relating to intoxicating liquor; providing an exemption from the multiple interest limitation on off-sale licenses for pre-existing franchise agreements; authorizing the issuance of two additional wine licenses outside the liquor patrol limit of the city of St. Paul; amending Minnesota Statutes 1980, Section 340.13, Subdivision 3.

Senate File No. 1207 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1982

CONCURRENCE AND REPASSAGE

Mr. Stern moved that the Senate concur in the amendments by the House to S.F. No. 1207 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1207: A bill for an act relating to intoxicating liquor; providing an exemption from the multiple interest limitation on off-sale licenses for pre-existing franchise agreements; amending Minnesota Statutes 1980, Section 340.13, Subdivision 3.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 43 and nays 16, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kronebusch	Penny	Stokowski
Benson	Frank	Langseth	Petty	Stumpf
Berglin	Frederick	Lantry	Pillsbury	Tennessen
Bertram	Hanson	Lessard	Purfeerst	Vega
Chmielewski	Hughes	Luther	Schmitz	Waldorf
Dahl	Johnson	Moe, D. M.	Setzepfandt	Wegener
Davis	Knoll	Moe, R. D.	Sikorski	Willet
Dicklich	Knutson	Olhoft	Spear	
Dieterich	Kroening	Pehler	Stern	

Those who voted in the negative were:

Bang
Bernhagen
Brataas
Davies

Frederickson
Kamrath
Menning

Merriam
Peterson, C.C.
Peterson, D.L.

Peterson, R.W.
Ramstad
Renneke

Rued
Solon
Ulland

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Messrs. Dicklich, Johnson, Lessard, Solon and Ulland introduced—

Senate Resolution No. 84: A Senate resolution urging the President and Congress of the United States to resist attempts by the World Bank to assist on the construction of a taconite facility in Brazil.

Mr. Dicklich moved that Senate Resolution No. 84 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Mr. Lindgren was excused from this evening's Session at 12:30 a.m.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Saturday, March 13, 1982. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate