

FIFTY-FOURTH DAY

St. Paul, Minnesota, Monday, May 16, 1983

The Senate met at 1:00 p.m. and was called to order by the President.

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.

Prayer was offered by the Chaplain, Rev. Warren Sorteberg.

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

Adkins	Diessner	Kroening	Olson	Sietloff
Anderson	Dieterich	Kronebusch	Pehler	Solon
Belanger	Frank	Laidig	Peterson, C.C.	Spear
Benson	Frederick	Langseth	Peterson, D.C.	Storm
Berg	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Hughes	Luther	Petty	Ulland
Bertram	Isackson	McQuaid	Pogemiller	Vega
Brataas	Johnson, D.E.	Mehrkens	Purfeerst	Waldorf
Chmielewski	Johnson, D.J.	Merriam	Ramstad	Wegscheid
Dahl	Jude	Moe, D.M.	Reichgott	Willet
Davis	Kamrath	Moe, R.D.	Renneke	
DeCramer	Knaak	Nelson	Samuelson	
Dicklich	Knutson	Novak	Schmitz	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 10, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 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 pres-

ervation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	76	121	May 10	May 10
	194	122	May 10	May 10
	230	123	May 10	May 10
	513	124	May 10	May 10
	581	125	May 10	May 10
	673	126	May 10	May 10
	730	127	May 10	May 10
	760	128	May 10	May 10
	787	129	May 10	May 10
	954	130	May 10	May 10
	1062	131	May 10	May 10

Sincerely,

Joan Anderson Growe
Secretary of State

May 12, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 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 1983	Date Filed 1983
664		132	May 12	May 12
987		133	May 12	May 12
1067		134	May 12	May 12
1104		135	May 12	May 12
	190	136	May 12	May 12
	482	137	May 12	May 12
	684	138	May 12	May 12
	529	139	May 12	May 12
	592	140	May 12	May 12
	598	141	May 12	May 12
	830	142	May 12	May 12

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 12: A Senate concurrent resolution proclaiming September 25 to October 8 as Germanfest in Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

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. 161: A bill for an act relating to the city of Minneapolis; changing the position of cable communications officer to the unclassified service; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

Senate File No. 161 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 161 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 161: A bill for an act relating to the city of Minneapolis; changing the position of cable communications officer to the unclassified service; changing procedures for the appointment of certain positions; providing for the right to retain certain benefits for employees; permitting the transfer of certain employees to the community development agency; amending Laws 1969, chapter 937, section 1, subdivisions 9, as amended, and 17, and by adding a section and Laws 1980, chapter 595, section 2, subdivision 1, as amended.

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 40 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Novak	Schmitz
Belanger	Dieterich	Lantry	Pehler	Sieloff
Bertram	Frank	Lessard	Peterson, D.C.	Spear
Brataas	Freeman	Luther	Petty	Stumpf
Chmielewski	Hughes	Mehrkens	Pogemiller	Taylor
Dahl	Johnson, D.E.	Merriam	Purfeerst	Vega
Davis	Jude	Moe, D. M.	Reichgott	Waldorf
DeCramer	Kroening	Moe, R. D.	Samuelson	Willet

Those who voted in the negative were:

Anderson	Frederick	Knaak	McQuaid	Ramstad
Benson	Isackson	Knutson	Olson	Renneke
Berg	Kamrath	Laidig	Peterson, D.L.	Storm
Bernhagen				

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. 263: A bill for an act relating to insurance; health and accident; providing reimbursement for the services of certain licensed and certified registered nurses on an equal basis with other licensed health professional services; amending Minnesota Statutes 1982, sections 62A.03, subdivision 1; and 62A.15.

Senate File No. 263 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the House to S.F. No. 263 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 263 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Moe, R. D.	Schmitz
Anderson	Dieterich	Kroening	Novak	Sieloff
Belanger	Frank	Kronebusch	Olson	Spear
Benson	Frederick	Laidig	Peterson, D.C.	Storm
Berg	Frederickson	Langseth	Peterson, D.L.	Stumpf
Bernhagen	Freeman	Lantry	Petty	Vega
Bertram	Hughes	Lessard	Pogemiller	Waldorf
Brataas	Isackson	Luther	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Willet
Dahl	Jude	Mehrkens	Reichgott	
Davis	Kamrath	Merriam	Renneke	
DeCramer	Knaak	Moe, D. M.	Samuelson	

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. 529: A bill for an act relating to human rights; prohibiting discrimination because of disability; providing penalties; amending Minnesota Statutes 1982, sections 363.01, subdivision 25, and by adding subdivi-

sions; 363.02, subdivisions 1 and 5; 363.03, subdivisions 1, 3, 4, and 7; and repealing Minnesota Statutes 1982, section 363.03, subdivision 4a.

Senate File No. 529 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 529 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 529: A bill for an act relating to human rights; prohibiting discrimination because of disability; providing penalties; clarifying the meaning of a change in the time for filing suit in the district court; amending Minnesota Statutes 1982, sections 363.01, subdivision 25, and by adding subdivisions; 363.02, subdivisions 1 and 5; 363.03, subdivisions 1, 3, 4, and 7; and repealing Minnesota Statutes 1982, section 363.03, subdivision 4a.

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:

Adkins	Diessner	Knutson	Olson	Schmitz
Anderson	Dieterich	Kroening	Peterson, C.C.	Sieloff
Belanger	Frank	Laidig	Peterson, D.C.	Spear
Benson	Frederick	Langseth	Peterson, D.L.	Storm
Berg	Frederickson	Lantry	Peterson, R.W.	Stumpf
Bernhagen	Freeman	Luther	Petty	Taylor
Bertram	Hughes	McQuaid	Pogemiller	Vega
Brataas	Isackson	Mehrkens	Purfuerst	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Dahl	Jude	Moe, D. M.	Reichgott	Willet
Davis	Kamrath	Moe, R. D.	Renneke	
DeCramer	Knaak	Novak	Samuelson	

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 that the House refuses to concur in the Senate amendments to House File No. 380:

H.F. No. 380: A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

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

Staten, Ogren and Halberg have been appointed as such committee on the

part of the House.

House File No. 380 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 May 13, 1983

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 380, 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. 1283:

H.F. No. 1283: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

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

Carlson, L.; Rice; Welch; Swanson and Erickson have been appointed as such committee on the part of the House.

House File No. 1283 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 May 13, 1983

Mr. Waldorf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1283, 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 the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 828, 720 and 1308.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 828: A bill for an act relating to energy; providing an omnibus energy policy; appropriating money; amending Minnesota Statutes 1982, sections 16.02, by adding a subdivision; 116J.24, by adding a subdivision; 116J.27, subdivisions 2, 6, and by adding a subdivision; 116J.31; 116J.36; 156A.02, subdivision 6; 156A.10, subdivision 1; 216B.164, subdivisions 2, 5, and by adding a subdivision; 216B.44; 453.54, by adding a subdivision; and 471.345, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116J and 216B; repealing Minnesota Statutes 1982, sections 3.351 and 116J.27, subdivisions 5 and 7.

Mr. Moe, R.D. moved that H.F. No. 828 be laid on the table. The motion prevailed.

H.F. No. 720: A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota educational computing consortium; appropriating money; amending Minnesota Statutes 1982, sections 10A.01, subdivision 18; 120.81, subdivision 2; and 120.83, subdivision 1; proposing new law coded in chapter 120; repealing Minnesota Statutes 1982, sections 120.81, subdivision 1; and 120.82.

Referred to the Committee on Finance.

H.F. No. 1308: A bill for an act relating to appropriations; reducing appropriations for the fiscal year ending June 30, 1983; appropriating money; amending Minnesota Statutes 1982, section 41.61, subdivision 1; 270.18; repealing Minnesota Statutes 1982, section 41.61, subdivisions 2 and 3.

Mr. Moe, R.D. moved that H.F. No. 1308 be laid on the table. 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 referred

H.F. No. 1236 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.
1236	1109				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1236 be amended as follows:

Page 1, line 11, delete "lease or"

Page 1, line 12, delete "purchase"

Page 2, delete lines 12 to 18 and insert:

"(c) If the real property described in paragraph (b) is not sold or leased pursuant to the provisions of paragraph (b), the port authority or the city of Bloomington shall have the option to purchase or lease, in whole or in part, the real property at the metropolitan sports area not including the indoor public assembly facility and adjacent parking facilities on negotiated terms and conditions.

(d) Real property disposed of under this subdivision shall be subject to leases, agreements, or other written interests in force on the effective date of this act."

Page 2, line 21, delete "or"

Page 2, delete lines 23 to 29 and insert:

"This act is effective the day following final enactment. Section 2 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington."

And when so amended H.F. No. 1236 will be identical to S.F. No. 1109, and further recommends that H.F. No. 1236 be given its second reading and substituted for S.F. No. 1109, 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. 1149 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.
1149	731				

Pursuant to Rule 49, the Committee on Rules and Administration recom-

mends that H.F. No. 1149 be amended as follows:

Page 1, line 10, to page 2, line 20, delete section 1

Page 2, line 21, delete "Sec. 2." and insert "Section 1."

Page 2, lines 6 to 31, delete section 3

Amend the title as follows:

Page 1, lines 3 to 5, delete "providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens;"

Page 1, line 6, delete "sections 514.18;" and insert "section"

Page 1, lines 6 and 7, after "514.19" delete everything before the period

And when so amended H.F. No. 1149 will be identical to S.F. No. 731, and further recommends that H.F. No. 1149 be given its second reading and substituted for S.F. No. 731, 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. 559 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.
559	588				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 559 be amended as follows:

Page 1, line 11, strike "of the verdict or report" and insert "*the claim or cause of action accrues and harm or loss results*"

Page 1, line 13, after "judgment" insert "*, unless otherwise provided by law*"

Page 1, line 13, to page 2, line 6, delete new material and insert "*For judgments on workers' compensation claims interest accrues from the time of verdict or report. In the case of prejudgment interest, the court may reduce the amount of interest to conform to the circumstances of the case if it specifically finds that certain elements of the damages arose after the date the claim or cause of action accrued.*"

Page 2, line 7, after the period insert "*Unless otherwise provided by law or contract, other than an insurance contract.*"

Page 2, delete lines 24 to 26, and insert:

"This act is effective the day following final enactment and interest begins to accrue as of that date on all claims or causes of action regardless of when

the claims or causes accrued."

And when so amended H.F. No. 559 will be identical to S.F. No. 588, and further recommends that H.F. No. 559 be given its second reading and substituted for S.F. No. 588, 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. 253 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.
253	20				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 253 be amended as follows:

Amend the title as follows:

Page 1, line 3, after "term" insert "and duties"

Page 1, lines 4 and 5, delete "providing for the review of audit contracts;"

And when so amended H.F. No. 253 will be identical to S.F. No. 20, and further recommends that H.F. No. 253 be given its second reading and substituted for S.F. No. 20, 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. 1106 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for 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.
1106	1052				

and that the above 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. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1250 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1236, 1149, 559, 253 and 1106 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Jude moved that S.F. No. 1146 be taken from the table. The motion prevailed.

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 1146 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1146: A bill for an act relating to statutes; conforming certain laws to judicial decisions of unconstitutionality; correcting terms used to replace the word illegitimate; amending Minnesota Statutes 1982, sections 65B.51, subdivision 1; 154.03; 570.02, subdivision 2; and 573.01; and Laws 1983, chapter 7, sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, and 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Moe, R. D.	Samuelson
Anderson	Diessner	Kroening	Novak	Schmitz
Belanger	Frank	Kronebusch	Olson	Sieloff
Benson	Frederick	Laidig	Pehler	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Bernhagen	Freeman	Lantry	Peterson, D.L.	Stumpf
Bertram	Hughes	Lessard	Peterson, R.W.	Vega
Brataas	Isackson	Luther	Petty	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Dahl	Jude	Mehrkens	Purfeerst	Willet
Davis	Kamrath	Merriam	Ramstad	
DeCramer	Knaak	Moe, D. M.	Reichgott	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Adkins moved that H.F. No. 257 be taken from the table and referred to the Committee on Rules and Administration for comparison with S.F. No. 860, now on Special Orders. The motion prevailed.

S.F. No. 50 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 50

A bill for an act relating to crimes; providing for new crimes relating to

abuse of children; establishing willful and unlawful restraint as a crime; establishing malicious punishment as a crime; establishing neglect as a crime; providing penalties; amending Minnesota Statutes 1982, sections 260.315; 609.255; and 626.556, subdivision 12; proposing new law coded in Minnesota Statutes, chapter 609.

May 13, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S.F. No. 50, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S.F. No. 50 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 260.315, is amended to read:

260.315 [CONTRIBUTING TO NEGLECT OR DELINQUENCY.]

Any person who by act, word or omission encourages, causes or contributes to the neglect or delinquency of a child, ~~and such act, word or omission is not by other provisions of law declared to be a felony, shall be~~ *is* guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1982, section 609.255, is amended to read:

609.255 [FALSE IMPRISONMENT.]

Subdivision 1. [DEFINITION.] As used in this section, the following term has the meaning given it unless specific content indicates otherwise.

(a) “Caretaker” means an individual who has responsibility for the care of a child as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a child.

Subd. 2. [INTENTIONAL RESTRAINT.] Whoever, knowing he has no lawful authority to do so, intentionally confines or restrains a child not his own under the age of 18 years without his parent’s or legal custodian’s consent, or any other person without his consent, is guilty of false imprisonment and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$3,000, or both.

Subd. 3. [UNREASONABLE RESTRAINT OF CHILDREN.] A parent, legal guardian, or caretaker who intentionally subjects a child under the age of 18 years to unreasonable physical confinement or restraint by means including but not limited to, tying, locking, caging, or chaining for a prolonged period of time and in a cruel manner which is excessive under the circumstances and which results in substantial emotional harm, is guilty of unreasonable restraint of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both. If the confinement or restraint results in substantial bodily harm, that person may be sentenced to imprisonment for not more than three years or to pay-

ment of not more than \$3,000, or both.

Sec. 3. [609.376] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of sections 2 and 3 to 7, the following terms have the meanings given unless specific content indicates otherwise.

Subd. 2. [CHILD.] "Child" means any person under the age of 18 years.

Subd. 3. [CARETAKER.] "Caretaker" means an individual who has responsibility for the care of a child as a result of a family relationship or who has assumed responsibility for all or a portion of the care of a child.

Subd. 4. [COMPLAINANT.] "Complainant" means a person alleged to have been a victim of a violation of section 609.255, subdivision 3, section 4, or section 5, but need not be the person who signs the complaint.

Sec. 4. [609.377] [MALICIOUS PUNISHMENT OF A CHILD.]

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts, evidences unreasonable force or cruelty which causes substantial emotional harm to a child is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both. If the punishment results in substantial bodily harm, that person may be sentenced to imprisonment for not more than 3 years or to payment of not more than \$3,000, or both.

Sec. 5. [609.378] [NEGLECT OF A CHILD.]

(a) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and which deprivation substantially harms the child's physical or emotional health, or (b) a parent, legal guardian, or foster parent who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both. It is a defense to a prosecution under clause (b) that at the time of the neglect there was a reasonable apprehension in the mind of the defendant that acting to stop or prevent the neglect would result in substantial bodily harm to the defendant or the child in retaliation.

If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment shall constitute "health care" as used in clause (a) of this section.

Sec. 6. [609.379] [PERMITTED ACTIONS.]

Subdivision 1. [REASONABLE FORCE.] Reasonable force may be used upon or toward the person of a child without the child's consent when the following circumstance exists or the actor reasonably believes it to exist:

When used by a parent, legal guardian, teacher, or other caretaker of a child or pupil, in the exercise of lawful authority, to restrain or correct the child or pupil.

Subd. 2. [APPLICABILITY.] This section applies to sections 1 to 5 and section 626.556, subdivision 12.

Sec. 7. [609.38] [STAYED SENTENCE.]

For any violation of section 609.255, subdivision 3, section 4, or section 5 for which the sentencing guidelines establish a presumptive executed sentence, the court may stay imposition or execution of the sentence if it finds that a stay is in the best interest of the complainant or the family unit and that the defendant is willing to participate in any necessary or appropriate treatment. In determining an appropriate sentence when there is a family relationship between the complainant and the defendant, the court shall be guided by the policy of preserving and strengthening the family unit whenever possible.

Sec. 8. Minnesota Statutes 1982, section 626.556, subdivision 12, is amended to read:

Subd. 12. [DUTIES OF FACILITY OPERATORS.] Any operator, employee, or volunteer worker at any facility who intentionally neglects, physically abuses, or sexually abuses any child in the care of that facility may be charged with a violation of ~~section 609.23~~ *sections 2, 4 or 5*. Any operator of a facility who knowingly permits conditions to exist which result in neglect, physical abuse, or sexual abuse of a child in the care of that facility may be charged with a violation of ~~section 609.23~~ *or section 5*.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1983 and apply to crimes committed on or after that date."

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

Senate Conferees: (Signed) Eric D. Petty, Ember D. Reichgott, Jim Ramstad

House Conferees: (Signed) Janet Clark, Ken Nelson, Mary M. Forsythe

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 50 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. 50 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Olson	Sieloff
Anderson	Dieterich	Kroening	Pehler	Solon
Belanger	Frank	Kronebusch	Peterson, D. C.	Spear
Benson	Frederick	Laidig	Peterson, D. L.	Storm
Berg	Frederickson	Langseth	Peterson, R. W.	Stumpf
Bernhagen	Freeman	Lantry	Petty	Taylor
Bertram	Hughes	Lessard	Pogemiller	Vega
Brataas	Isackson	Luther	Purfeerst	Waldorf
Chmielewski	Johnson, D. E.	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D. J.	Mehrkens	Reichgott	Willet
Davis	Jude	Merriam	Renneke	
DeCramer	Kamrath	Moe, D. M.	Samuelson	
Dicklich	Knaak	Novak	Schmitz	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 892 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 892

A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

May 13, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S.F. No. 892, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 892 be amended as follows:

Page 1, line 24, delete "reinsurer" and insert "excess or stop-loss insurer"

Page 1, line 25, delete "who" and insert "that"

Page 2, line 2, delete "reinsurer" and insert "excess or stop-loss insurer"

Page 2, line 4, delete "a sample reinsurance" and insert "its proposed excess or stop-loss insurance"

Page 2, line 8, delete "this"

Page 2, line 9, delete "subdivision" and insert "sections 1 to 8"

Page 2, line 9, delete "reinsurance" and insert "excess or stop-loss insurance"

Page 2, line 21, delete "the provisions of"

Page 2, line 21, delete "72A.325" and insert "72A.32"

Page 3, line 5, after "subdivisions" insert "pursuant to section 475.66"

Page 3, line 8, delete "quarterly" and insert "annual"

Page 3, line 10, delete "quarter" and insert "calendar year"

Page 3, line 15, delete "appropriate"

Page 3, line 16, after "rules" insert ", including temporary rules,"

Page 3, line 16, after "solvency" insert "and operation"

Page 3, line 17, delete "of insurance may review and"

Page 3, delete lines 18 to 25 and insert "may examine the joint self-insurance plans pursuant to sections 60A.03 and 60A.31."

Page 3, line 26, delete "QUARTERLY"

Page 3, delete line 27

Page 3, line 28, delete "duties imposed by sections 1 to 8,"

Page 3, line 30, delete "immediately preceding"

Page 3, line 31, delete "quarterly"

Page 3, line 31, after "level" insert "for the most recently completed calendar year. This revenue must be deposited in the general fund"

Page 3, line 31, delete everything after the period

Page 3, delete lines 32 and 33

Page 4, after line 6, insert:

"Sec. 9. Minnesota Statutes 1982, section 471.617, subdivision 1, is amended to read:

Subdivision 1. A statutory or home rule charter city ~~or~~, county ~~or~~, school district, or instrumentality thereof which has more than 100 employees, may by ordinance or resolution self insure for any employee health benefits ~~except including long term disability and~~, but not for employee life benefits. Any self insurance plan shall provide all benefits which are required by law to be provided by group health insurance policies. Self insurance plans shall be certified as provided by section 62E.05. Employee wage deductions for the purpose of funding a self insured health benefit plan ~~shall be~~ are subject to the licensing provisions of section 60A.23, subdivision 7.

Sec. 10. Minnesota Statutes 1982, section 471.617, subdivision 2, is amended to read:

Subd. 2. Any two or more statutory or home rule charter cities ~~or~~, counties ~~or~~, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self insure for any employee health benefits ~~except including long term disability and~~, but not for employee life benefits, subject to the same requirements as an individual self insurer under subdivision 1. The commissioner of insurance is ~~authorized to promulgate administrative~~ may adopt rules, including emergency rules, pursuant to sections 14.01 to 14.70, providing standards or guidelines for the operation and

administration of self insurance pools.

Sec. 11. Minnesota Statutes 1982, section 471.617, subdivision 3, is amended to read:

Subd. 3. Any self insurance plan covering fewer than 1,000 employees shall include excess or stop-loss coverage; provided by a licensed insurance company or, an insurance company approved pursuant to section 60A.20, or service plan corporation, *but excess or stop-loss coverage need not be obtained for long term disability.*

This excess or stop-loss coverage shall cover all eligible claims incurred during the term of the policy or contract. In addition to excess or stop-loss coverage, the self insurance plan shall provide for reserving of an appropriate amount of funds to cover the estimated cost of claims incurred, but unpaid, during the term of the policy or contract which shall be added to the expected claim level. These funds shall be in addition to funds reserved to cover the claims paid during the term of the policy or contract. The excess or stop-loss coverage shall be provided at levels in excess of self insured retention which is appropriate, taking into account the number of covered persons in the group."

Page 4, line 8, delete "*This act is*" and insert "*Sections 6 and 9 to 11 are effective the day after final enactment. Sections 1 to 5, 7, and 8 are*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "quarterly"

Page 1, line 6, after the semicolon, insert "authorizing certain governmental subdivisions to self insure for long term disability coverage; amending Minnesota Statutes 1982, section 471.617, subdivisions 1, 2, and 3;"

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

Senate Conferees: (Signed) Eric D. Petty, Sam G. Solon, Duane D. Benson

House Conferees: (Signed) Thomas R. Berkelman, James Metzen, Adolph L. Kvam

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 892 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. 892 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kroening	Peterson, C. C.	Solon
Anderson	Frank	Kronebusch	Peterson, D. C.	Spear
Belanger	Frederick	Laidig	Peterson, D. L.	Storm
Benson	Frederickson	Langseth	Peterson, R. W.	Stumpf
Berg	Freeman	Lantry	Petty	Taylor
Bertram	Hughes	Lessard	Pogemiller	Vega
Brataas	Isackson	Luther	Purfeerst	Waldorf
Chmielewski	Johnson, D. E.	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D. J.	Moe, D. M.	Reichgott	Willet
Davis	Jude	Moe, R. D.	Renneke	
DeCramer	Kamrath	Novak	Samuelson	
Dicklich	Knaak	Olson	Schmitz	
Diessner	Knutson	Pehler	Sieloff	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 800 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 800

A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

May 12, 1983

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S.F. No. 800, 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. 800 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 145.32, is amended to read:

145.32 [OLD RECORDS MAY BE DESTROYED.]

Subdivision 1. [HOSPITAL RECORDS.] The superintendent or other chief administrative officer of any ~~such~~ public or private hospital, by and with the consent and approval of ~~such the~~ board of directors or other governing body ~~thereof of the hospital, is authorized to~~ may divest the files and records of ~~such that~~ hospital of any ~~such~~ individual case records bearing dates more than three years prior to the date of ~~such the~~ divestiture and, with ~~such that~~ consent and approval, ~~to may~~ destroy the ~~same~~ records. ~~Such~~ The records shall first have been transferred and recorded as authorized in section 145.30.

Portions of individual hospital medical records that comprise an individual permanent medical record, as defined by the commissioner of health, shall be retained as authorized in section 145.30. Other portions of the individual

medical record, including any miscellaneous documents, papers, and correspondence in connection with them, may be divested and destroyed after seven years without transfer to photographic film.

All portions of individual hospital medical records of minors shall be maintained for seven years following the age of majority.

Nothing in this section shall be construed to prohibit the retention of hospital medical records beyond the periods described in this section. Nor shall anything in this section be construed to prohibit patient access to hospital medical records as provided in section 144.335.

Subd. 2. [RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH.] The commissioner of health shall define by rule the term "individual permanent medical record" by enumerating the specific types of records or other information which, at a minimum, must be maintained on a permanent basis by the hospital."

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

Senate Conferees: (Signed) Randolph W. Peterson, Fritz Knaak, Michael O. Freeman

House Conferees: (Signed) John E. Brandl, James C. Swanson, Kathleen Blatz

Mr. Peterson, R.W. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 800 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. 800 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Novak	Samuelson
Anderson	Dieterich	Knutson	Olson	Schmitz
Belanger	Frank	Kroening	Pehler	Sieloff
Benson	Frederick	Kronebusch	Peterson, C.C.	Solon
Berg	Frederickson	Laidig	Peterson, D.C.	Spear
Bertram	Freeman	Langseth	Peterson, D.L.	Storm
Brataas	Hughes	Lessard	Peterson, R.W.	Stumpf
Chmielewski	Isackson	Luther	Petty	Taylor
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Vega
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Waldorf
DeCramer	Jude	Merriam	Ramstad	Wegscheid
Dicklich	Kamrath	Moe, R. D.	Renneke	Willet

So the bill, as amended by the Conference Committee, was repassed 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. 473: Messrs. Freeman, Luther, Ms. Reichgott, Messrs. Knaak and Ramstad.

S.F. No. 989: Messrs. Peterson, R.W.; Merriam and Sieloff.

S.F. No. 1189: Messrs. Freeman, Wegscheid and Anderson.

S.F. No. 923: Messrs. Wegscheid, Freeman and Knaak.

H.F. No. 653: Substitute the name of Ms. Peterson, D.C. for Mr. Luther and substitute the name of Mr. Johnson, D.E. for Mr. Peterson, D.L.

H.F. No. 1283: Messrs. Waldorf, Nelson, Dicklich, Hughes and Taylor.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 415: A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring approval of the Minneapolis city council of compensation and benefits of employees of the Minneapolis employees retirement fund board; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding a subdivision; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, section 136A.035.

Mr. Moe, D.M. moved to amend S.F. No. 415 as follows:

Amend the title as follows:

Page 1, delete lines 13 to 15 and insert "ratifying"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. then moved to amend S.F. No. 415 as follows:

Page 13, after line 5, insert:

"Sec. 11. Minnesota Statutes 1982, section 43A.17, is amended by adding a subdivision to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state may not exceed 90 percent of the salary of the governor, except as provided in this subdivision. The salary of a medical doctor occupying a position that the governing body of the political subdivision has determined requires an M.D. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not grant the increase until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation."

Page 27, line 31, before "Sections" insert "Section 11 is effective the day following final enactment and applies to salaries set or changed after that date."

Page 27, line 31, delete "13, 18, 28, and 29" and insert "14, 19, 29, and 30"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 21, delete "a subdivision" and insert "subdivisions"

Mr. Jude moved to amend the Moe, D.M. amendment to S.F. No. 415 as follows:

Page 1, line 8, after "state" insert "or the University of Minnesota"

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 9 and nays 53, as follows:

Those who voted in the affirmative were:

Adkins
Benson

Bertram
Frank

Jude
Knaak

Kroening
McQuaid

Schmitz

Those who voted in the negative were:

Anderson	Dieterich	Laidig	Pehler	Solon
Belanger	Frederick	Langseth	Peterson, C.C.	Spear
Berg	Frederickson	Lantry	Peterson, D.C.	Storm
Berglin	Freeman	Luther	Peterson, D.L.	Stumpf
Bernhagen	Hughes	Mehrkins	Peterson, R.W.	Taylor
Brataas	Isackson	Merriam	Petty	Vega
Dahl	Johnson, D.E.	Moe, D. M.	Pogemiller	Waldorf
Davis	Johnson, D.J.	Moe, R. D.	Ramstad	Wegscheid
DeCramer	Kamrath	Nelson	Reichgott	Willet
Dicklich	Knutson	Novak	Renneke	
Diessner	Kronebusch	Olson	Sieloff	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 695 at 3:10 p.m.:

Mrs. Lantry, Mr. Benson and Ms. Berglin. The motion prevailed.

Mr. Johnson, D.J. moved to amend the Moe, D.M. amendment to S.F. No. 415 as follows:

Page 1, line 13, delete everything after the period

Page 1, delete lines 14 to 24

The motion did not prevail. So the amendment to the Moe, D.M. amendment was not adopted.

The question recurred on the Moe, D.M. amendment.

The roll was called, and there were yeas 43 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Kroening	Novak	Sieloff
Benson	Diessner	Kronebusch	Pehler	Storm
Berg	Frank	Laidig	Peterson, C.C.	Stumpf
Berglin	Frederick	Langseth	Peterson, D.L.	Vega
Bernhagen	Frederickson	Lantry	Peterson, R.W.	Waldorf
Bertram	Freeman	Lessard	Reichgott	Wegscheid
Dahl	Hughes	Luther	Renneke	Willet
Davis	Isackson	Moe, D. M.	Samuelson	
DeCramer	Johnson, D.J.	Nelson	Schmitz	

Those who voted in the negative were:

Adkins	Johnson, D.E.	Knutson	Moe, R. D.	Pogemiller
Belanger	Jude	McQuaid	Olson	Ramstad
Brataas	Kamrath	Mehrkins	Peterson, D.C.	Spear
Dieterich	Knaak	Merriam	Petty	

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 415 as follows:

Page 9, line 27, after the third comma, insert "and"

Page 9, delete lines 28 and 29 and insert "court."

Page 10, line 11, after the third comma, insert "and"

Page 10, line 12, delete “, constitutional officers, and legislators”

Page 10, line 17, delete the comma

Page 10, line 18, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Knutson	Peterson, D.L.	Storm
Benson	Frederickson	Kronebusch	Peterson, R.W.	Waldorf
Bernhagen	Isackson	Laidig	Ramstad	Wegscheid
Bertram	Jude	McQuaid	Renneke	
DeCramer	Kamrath	Mehrkens	Samuelson	
Dicklich	Knaak	Olson	Sieloff	

Those who voted in the negative were:

Anderson	Frank	Lessard	Pehler	Solon
Berg	Freeman	Luther	Peterson, C.C.	Spear
Berglin	Hughes	Merriam	Peterson, D.C.	Stumpf
Dahl	Johnson, D.E.	Moe, D. M.	Petty	Vega
Davis	Johnson, D.J.	Moe, R. D.	Pogemiller	Willet
Diessner	Langseth	Nelson	Reichgott	
Dieterich	Lantry	Novak	Schmitz	

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

Mr. Dicklich moved to amend S.F. No. 415 as follows:

Page 2, line 15, delete “governor” and insert “commissioner of employee relations”

Page 2, line 16, delete “agency head”

Page 3, lines 22 to 26, delete the new language and insert “*commissioner of employee relations shall set the salary rate for the positions listed in this section by ascertaining the average increase granted to the largest group of employees covered by a collective bargaining agreement pursuant to section 179.74. The salary rates once determined by the commissioner shall be submitted to the legislative commission on employee relations as provided by section 43A.18, subdivision 5.*”

Page 6, delete lines 24 to 26

Page 6, line 27, delete “\$57,500-\$70,000”

Page 6, line 36, delete “\$50,000-\$60,000”

Page 7, line 21, delete “\$40,000-\$52,500”

Page 8, line 8, strike “following” and “are provided”

Page 8, line 9, strike the colon and insert “*shall be set as provided in subdivision 1.*”

Page 8, lines 10 to 18, delete the new language and strike the old language

Page 8, line 25, strike “following” and “are provided”

Page 8, line 26, before the colon insert “*shall be set as provided in subdivision 1*”

Page 9, delete lines 7 to 9

Page 9, line 11, delete everything after "council"

Page 9, lines 13, 15, and 18, delete everything after "commission"

Pages 9 and 10, delete section 6

Page 15, line 27, strike "GOVERNOR" and insert "COMMISSIONER OF EMPLOYEE RELATIONS"

Page 15, line 28, strike "governor" and insert "commissioner of employee relations"

Page 15, line 30, delete the new language

Page 15, strike lines 32 and 33

Page 15, line 34, strike "governor" and insert "commissioner"

Page 15, line 35, strike the comma and insert "and"

Page 15, line 36, strike everything after "finance"

Page 16, line 1, strike "relations"

Page 16, line 13, strike "governor" and insert "commissioner"

Page 16, line 14, after "in" insert "section 15A.081,"

Page 16, line 14, delete "8" and insert "I"

Page 16, line 20, delete "governor's" and insert "commissioner's"

Page 16, line 24, delete "governor" and insert "commissioner"

Page 27, line 31, delete "13, 18," and insert "12, 17, 27; and"

Page 27, line 31, delete ", and 29"

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 5, delete everything after the first semicolon

Page 1, line 6, delete everything before "prohibiting"

Page 1, line 9, delete everything after the semicolon

Page 1, line 10, delete "certain salaries;"

Page 1, delete line 29

Page 1, line 30, delete "15A;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 49, as follows:

Those who voted in the affirmative were:

Berglin
Davis

DeCramer
Dicklich

Johnson, D.J.
Knaak

Peterson, C.C.
Samuelson

Stumpf
Willet

Those who voted in the negative were:

Adkins	Dieterich	Kronebusch	Moe, R. D.	Reichgott
Anderson	Frank	Laidig	Nelson	Renneke
Benson	Frederick	Langseth	Olson	Schmitz
Berg	Frederickson	Lantry	Pehler	Solon
Bernhagen	Freeman	Lessard	Peterson, D.C.	Spear
Bertram	Hughes	Luther	Peterson, D.L.	Storm
Brataas	Isackson	McQuaid	Peterson, R.W.	Vega
Chmielewski	Johnson, D.E.	Mehrkens	Petty	Waldorf
Dahl	Jude	Merriam	Pogemiller	Wegscheid
Diessner	Kroening	Moe, D. M.	Ramstad	

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

Ms. Berglin moved to amend S.F. No. 415 as follows:

Page 9, after line 22, insert:

“Sec. 6. Minnesota Statutes 1982, section 15A.081, is amended by adding a subdivision to read:

Subd. 8. [EXPENSE ALLOWANCE.] Positions listed in subdivision 1 and the president of each state university are authorized an annual expense allowance not to exceed \$500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and post audit. The commissioner of finance may promulgate rules to assure the proper expenditure of these funds, and to provide for reimbursement.”

Page 27, line 29, delete “section” and insert “sections 16A.16, 136.063 and”

Page 27, line 29, delete “is” and insert “are”

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 5, after the first semicolon, insert “providing an expense allowance;”

Page 1, line 20, before the semicolon, insert “, and by adding a subdivision”

Page 1, line 30, delete “section” and insert “sections 16A.16; 136.063; and”

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend S.F. No. 415 as follows:

Page 9, line 31, delete “two members” and insert “one member”

Page 9, line 31, delete “12” and insert “14”

Page 9, lines 32 and 33, delete “two members” and insert “one member”

Page 10, line 1, delete “six members” and insert “one member from each congressional district”

Mr. Waldorf requested division of the amendment as follows:

First portion:

Page 9, line 31, delete "*two members*" and insert "*one member*"

Page 9, lines 32 and 33, delete "*two members*" and insert "*one member*"

Second portion:

Page 9, line 31, delete "*12*" and insert "*14*"

Page 10, line 1, delete "*six members*" and insert "*one member from each congressional district*"

The question was taken on the adoption of first portion of the Johnson, D.E. amendment. The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the adoption of the second portion of the Johnson, D.E. amendment.

The roll was called, and there were yeas 54 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Olson	Samuelson
Anderson	Diessner	Knutson	Pehler	Schmitz
Belanger	Frank	Kroening	Peterson, C.C.	Sieloff
Benson	Frederick	Kronebusch	Peterson, D.C.	Solon
Berg	Frederickson	Laidig	Peterson, D.L.	Spear
Bernhagen	Freeman	Lantry	Peterson, R.W.	Stumpf
Bertram	Hughes	Lessard	Petty	Vega
Brataas	Isackson	Luther	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
Dahl	Jude	Mehrkins	Reichgott	Willet
Davis	Kamrath	Novak	Renneke	

Those who voted in the negative were:

Berglin	Dieterich	Johnson, D.J.	Merriam	Moe, D. M.
Dicklich				

The motion prevailed. So the second portion of the Johnson, D.E. amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 415, as follows:

Page 17, line 2, after the period, insert "*By January 1, 1985, at least 20 percent of the persons designated for inclusion in the career executive service must be women. By January 1, 1987, at least 40 percent of the persons designated for inclusion in the career executive service must be women.*"

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "*requiring the percentage of women in the career executive service to be increased;*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 54 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Mehrrens	Schmitz
Anderson	Dieterich	Knaak	Novak	Sieloff
Belanger	Frank	Knutson	Olson	Solon
Berg	Frederick	Kroening	Peterson, C.C.	Spear
Berglin	Frederickson	Kronebusch	Peterson, D.C.	Storm
Bernhagen	Freeman	Laidig	Peterson, D.L.	Stumpf
Chmielewski	Hughes	Langseth	Petty	Vega
Dahl	Isackson	Lantry	Pogemiller	Waldorf
Davis	Johnson, D.E.	Lessard	Ramstad	Wegscheid
DeCramer	Johnson, D.J.	Luther	Reichgott	Willet
Dicklich	Jude	McQuaid	Renneke	

Those who voted in the negative were:

Benson	Bertram	Merriam	Peterson, R.W.	Samuelson
--------	---------	---------	----------------	-----------

The motion prevailed. So the amendment was adopted.

S.F. No. 415 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 30, as follows:

Those who voted in the affirmative were:

Belanger	Freeman	Merriam	Pogemiller	Stumpf
Berg	Hughes	Moe, D. M.	Purfeerst	Vega
Berglin	Knaak	Moe, R. D.	Reichgott	Waldorf
Chmielewski	Knutson	Nelson	Schmitz	Wegscheid
Dahl	Kroening	Novak	Sieloff	
Diessner	Lantry	Peterson, D.C.	Solon	
Dieterich	Lessard	Peterson, R.W.	Spear	
Frederick	Luther	Petty	Storm	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	Langseth	Peterson, D.L.
Anderson	DeCramer	Johnson, D.J.	McQuaid	Ramstad
Benson	Dicklich	Jude	Mehrrens	Renneke
Bernhagen	Frank	Kamrath	Olson	Samuelson
Bertram	Frederickson	Kronebusch	Pehler	Taylor
Brataas	Isackson	Laidig	Peterson, C.C.	Willet

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

SPECIAL ORDER

H.F. No. 575: A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11,

and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on H.F. No. 575. The Sergeant at Arms was instructed to bring in the absent members.

CALL OF THE SENATE

Mr. Sieloff imposed a call of the Senate for the balance of today's proceedings. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Mr. Sieloff moved that the vote whereby S.F. No. 415 was passed by the Senate on May 16, 1983, be now reconsidered.

The question was taken on the adoption of the motion.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 24 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Isackson	Kronebusch	Peterson, D.L.	Stumpf
Benson	Johnson, D.E.	Laidig	Ramstad	Taylor
Berg	Jude	McQuaid	Renneke	Ulland
Brataas	Kamrath	Mehrkins	Sieloff	Vega
Frederickson	Kroening	Olson	Storm	

Those who voted in the negative were:

Adkins	Dicklich	Knutson	Novak	Samuelson
Belanger	Diessner	Langseth	Pehler	Schmitz
Berglin	Dieterich	Lantry	Peterson, C. C.	Spear
Bernhagen	Frank	Lessard	Peterson, D. C.	Waldorf
Bertram	Frederick	Luther	Peterson, R. W.	Wegscheid
Chmielewski	Freeman	Merriam	Petty	Willet
Dahl	Hughes	Moe, D. M.	Pogemiller	
Davis	Johnson, D. J.	Moe, R. D.	Purfeerst	
DeCramer	Knaak	Nelson	Reichgott	

The motion did not prevail.

The question recurred on H.F. No. 575.

Mr. Chmielewski moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 117, line 4, delete "*employer or*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 105, line 14, after "*data*" insert "*which is not directly*" and delete "*previous*" and insert "*current*"

Page 105, line 15, delete everything before "*shall*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 52, line 29, delete "*, without further*"

Page 52, line 30, delete "*adjustments under section 176.645,*"

Page 52, line 33, after "*shall*" insert "*not*"

Page 135, delete section 160

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 40, delete "*176.645, subdivision 1;*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 9, line 9, delete "*to*" and insert "*for*"

Page 21, lines 4 and 13, after "*chapter*" insert "*who regularly practice in the area of workers' compensation*"

Page 21, lines 10 and 19, after the period insert "*These rules shall be consistent with section 214.12.*"

Page 30, line 20, delete "*concurrently with*" and strike "*temporary partial*"

Page 30, line 21, strike "*disability*"

Page 33, line 33, strike the second comma

Page 33, line 34, strike the comma

Page 35, line 9, after "fund" reinstate the comma

Page 35, line 30, after "fund" reinstate the comma and after "or" insert "if"

Page 37, line 4, reinstate the comma

Page 37, line 7, strike the comma

Page 37, line 8, strike the comma

Page 37, line 34, after "party" insert a comma

Page 37, line 35, strike the comma

Page 37, line 36, strike the comma

Page 40, line 3, after "to" insert "the"

Page 40, line 19, after "judge" delete the comma

Page 41, line 9, after "decision" insert "by a compensation judge or district court judge"

Page 41, line 23, after the comma, insert "or if an objection is filed under subdivision 1, clause (b)."

Page 42, line 30, strike "of the department of labor and industry"

Page 43, line 15, strike "benefits" and insert "compensation"

Page 46, line 19, after the period insert:

"(b)" and delete "this" and insert "the"

Page 46, line 20, after "period" insert "described in clause (a)"

Page 47, line 5, after the period insert "The beginning of the 90-day period shall commence on the day this report is served on the employee for the purpose of determining whether a job offer consistent with the requirements of this subdivision is made."

Page 47, after line 5, insert:

"(c) The job which is offered or procured by the employer or accepted by the employee under clause (b) does not necessarily have to commence immediately but shall commence within a reasonable period after the end of the 90-day period described in clause (a). Temporary total compensation shall not cease under this subdivision until the job commences."

Page 47, line 6, delete "(b)" and insert "(d)"

Page 47, line 15, delete "(c)" and insert "(e)"

Page 47, line 16, after the period, begin a new paragraph

Page 47, line 25, delete the comma and insert a semicolon

Page 47, line 27, after "subdivision" insert a semicolon and delete "this" and insert "a"

Page 47, line 28, after "employer" insert "which meets the requirements

of this subdivision”

Page 47, line 29, delete everything after the period

Page 47, delete lines 30 to 33 and insert “*In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon reaching maximum medical improvement the provisions of subdivisions 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.*”

Page 48, line 1, after “*and*” insert “*the employee*”

Page 48, line 2, after the comma insert “*although*”

Page 48, line 3, after “*subdivision*” insert a comma

Page 48, line 4, delete “*return to*” and insert “*employee actually commences*”

Page 51, line 15, after “*compensation*” insert “*as determined*”

Page 51, line 27, delete “*or has received*” and insert “*periodic*”

Page 52, line 29, after “*due*” insert a comma

Page 52, line 30, after “*176.645*” insert a comma

Page 53, line 7, delete “*weekly*” and insert “*periodic*”

Page 79, line 18, delete “*made*” and insert “*provided*”

Page 85, line 15, delete “*1*” and insert “*2*”

Page 85, line 16, delete “*122*” and insert “*138*”

Page 86, lines 28, 29, and 30, delete “*two persons*” and insert “*one person*”

Page 107, line 27, strike “*thereof*” and insert “*of the state*”

Page 116, line 18, delete “*subdivision*” and insert “*subdivisions*” and after “*9*” insert “*and 11*”

Page 117, line 4, delete “*employer or*” and insert “*employer's*”

Page 117, line 10, after “*or*” insert “*the*”

Page 140, line 15, delete “*and*” and after “*176.241;*” insert “*176.242; and 176.243*”

Page 141, line 6, delete “*1*” and insert “*2*” and delete “*68*” and insert “*82*”

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 7, delete section 4

Page 148, line 24, after “*1982,*” insert “*79.211, subdivision 1;*”

Renumber the sections in sequence and 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 40 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kamrath	Mehrkens	Renneke
Belanger	Diessner	Knaak	Moe, R. D.	Solon
Berg	Dieterich	Knutson	Olson	Storm
Bernhagen	Frederick	Kronebusch	Peterson, C.C.	Stumpf
Bertram	Hughes	Laidig	Peterson, D.L.	Taylor
Brataas	Isackson	Langseth	Petty	Ulland
Chmielewski	Johnson, D.E.	Lessard	Purfeerst	Wegscheid
Davis	Jude	McQuaid	Ramstad	Willet

Those who voted in the negative were:

Adkins	Frank	Lantry	Novak	Schmitz
Berglin	Freeman	Luther	Peterson, D.C.	Sieloff
Dahl	Johnson, D.J.	Merriam	Peterson, R.W.	Spear
Dicklich	Kroening	Moe, D. M.	Pogemiller	Vega

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 6, after line 16, insert:

“Sec. 2. Minnesota Statutes 1982, section 79.01, subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] The word “insurance” means workers’ compensation insurance and ~~insurance covering any part of the liability of an employer exempted from insuring his liability for compensation, as provided in section 476.184 and~~ includes a program of self insurance, self insurance revolving fund or pool established under section 471.981.”

Page 11, line 6, strike “Each self-insurer”

Page 11, line 7, strike everything before “each”

Page 11, line 11, strike “(a)”

Page 11, line 16, strike the comma

Page 11, strike lines 17 to 19

Page 11, line 20, strike everything before the period

Page 15, after line 3, insert:

“Sec. 9. Minnesota Statutes 1982, section 79.34, subdivision 3, is amended to read:

Subd. 3. An insurer may withdraw from the reinsurance association only upon ceasing to be authorized by license issued by the commissioner to transact workers’ compensation insurance in this state and when all workers’ compensation insurance policies issued by such insurer have expired; ~~a self-insurer may withdraw from the reinsurance association only upon~~

ceasing to be approved to self-insure workers' compensation liability in this state pursuant to section 176.181.

An insurer or self-insurer which withdraws or whose membership in the reinsurance association is terminated shall continue to be bound by the plan of operation. Upon withdrawal or termination, all unpaid premiums which have been charged to the withdrawing or terminated member shall be payable as of the effective date of the withdrawal or termination."

Page 18, line 2, delete "13" and insert "10"

Page 18, line 6, strike ", at least one, but not more than" and delete "three" and strike ", of whom"

Page 18, line 7, strike "shall represent self-insurers,"

Page 107, after line 12, insert:

"Sec. 111. Minnesota Statutes 1982, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state; or obtain a written order from the commissioner of insurance exempting the employer from insuring his liability for compensation and permitting him to self-insure the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of insurance shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of insurance, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of his operations which may be determined by the commissioner of insurance to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of insurance, showing his financial ability to pay the compensation; whereupon by written order the commissioner of insurance may make an exemption as he deems proper. The commissioner of insurance may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of insurance may revoke his order granting an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of insurance may require the employer to furnish security the commissioner of insurance considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of insurance shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of insurance may by written order to the

state treasurer require him to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of insurance and awards made against any such self-insurer by the commissioner of insurance shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of insurance and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of insurance, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award; the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of insurance. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of insurance is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of insurance may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of insurance.

(c) To carry out the purposes of this subdivision, the commissioner of insurance may promulgate administrative rules, including emergency rules, pursuant to sections 14.01 to 14.70. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this

~~subdivision."~~

Page 149, after line 4, insert:

"Sec. 173. [INSTRUCTION TO REVISOR.]

Wherever in chapters 79 and 176 the terms "self insurer", "group self insurer" and similar terms occur, when referring to the exemption of private employers from the requirement to purchase insurance pursuant to Minnesota Statutes 1982, section 176.181, those terms shall be stricken if the remaining context is clear and free from ambiguity."

Renumber the sections in sequence and 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 4 and nays 59, as follows:

Messrs. Dieterich; Knutson; Peterson, C.C. and Stumpf voted in the affirmative.

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Novak	Samuelson
Anderson	Diessner	Kronebusch	Olson	Schmitz
Belanger	Frank	Laidig	Pehler	Sieloff
Benson	Frederick	Langseth	Peterson, D.C.	Solon
Berg	Frederickson	Lantry	Peterson, D.L.	Spear
Berglin	Freeman	Lessard	Peterson, R.W.	Storm
Bernhagen	Hughes	Luther	Petty	Taylor
Bertram	Isackson	McQuaid	Pogemiller	Ulland
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Vega
Dahl	Jude	Merriam	Ramstad	Wegscheid
Davis	Kamrath	Moe, R. D.	Reichgott	Willet
DeCramer	Knaak	Nelson	Renneke	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 92 at 6:00 p.m.:

Messrs. Nelson; Merriam; Peterson, D.L.; Pehler and Peterson, R.W. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Wegscheid moved that the following members be excused for a Conference Committee on S.F. No. 652 at 6:00 p.m.:

Messrs. DeCramer, Merriam, Berg, Davis and Wegscheid. The motion prevailed.

Mr. Pehler moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 153, after line 30, insert:

"Sec. 9. [176A.09] [PRIVATE INDEPENDENT INSURANCE

AGENTS.]

Private independent insurance agents licensed to sell workers' compensation insurance in this state may sell insurance coverage for the fund according to rules adopted by the board. The board shall by rule also establish a schedule of commissions which the fund will pay for the services of an agent. A commission shall not be more than the cost per hour for a fund employee to perform the same services."

Renumber the sections in sequence

Correct internal cross references

Mr. Peterson, R.W. moved to amend the Pehler amendment to H.F. No. 575, the unofficial engrossment, as follows:

Page 1, line 9, delete "A"

Page 1, delete lines 10 and 11

The motion prevailed. So the amendment to the Pehler amendment was adopted.

The question recurred on the Pehler amendment, as amended.

The roll was called, and there were yeas 35 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Peterson, C.C.	Samuelson
Berglin	Freeman	Lessard	Peterson, D.C.	Schmitz
Bertram	Hughes	Luther	Peterson, R.W.	Spear
Chmielewski	Isackson	Moe, D. M.	Petty	Stumpf
Dahl	Jude	Moe, R. D.	Pogemiller	Waldorf
Davis	Knaak	Nelson	Purfeerst	Wegscheid
DeCramer	Kroening	Pehler	Reichgott	Willett

Those who voted in the negative were:

Anderson	Dieterich	Knutson	Merriam	Storm
Belanger	Frank	Kronebusch	Olson	Taylor
Benson	Frederick	Laidig	Peterson, D.L.	Ulland
Berg	Frederickson	Lantry	Ramstad	Vega
Bernhagen	Johnson, D.E.	McQuaid	Renneke	
Dicklich	Kamrath	Mehrkens	Sieloff	

The motion prevailed. So the amendment, as amended, was adopted.

Mr. Frederick moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Pages 149 to 155, delete Article 3

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:

Anderson	DeCramer	Knaak	Olson	Storm
Belanger	Frederick	Knutson	Peterson, D.L.	Taylor
Benson	Frederickson	Kronebusch	Ramstad	Ulland
Berg	Isackson	Laidig	Renneke	
Bernhagen	Johnson, D.E.	McQuaid	Schmitz	
Bertram	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, D.C.	Spear
Berglin	Freeman	Luther	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Merriam	Petty	Vega
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	Waldorf
Davis	Jude	Moe, R. D.	Purfeerst	Wegscheid
Dicklich	Kroening	Novak	Reichgott	Willet
Diessner	Langseth	Pehler	Samuelson	
Dieterich	Lantry	Peterson, C.C.	Solon	

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

Mr. Berg moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 154, delete section 10

Page 154, line 22, delete "1983" and insert "1987"

Page 154, line 30, delete "1986" and insert "1990"

Page 155, line 13, delete "1983" and insert "1987"

Renumber the sections in sequence and 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 29 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Jude	McQuaid	Schmitz
Belanger	DeCramer	Kamrath	Mehrkens	Sieloff
Benson	Frederick	Knaak	Oison	Storm
Berg	Frederickson	Knutson	Peterson, D.L.	Taylor
Bernhagen	Isackson	Kronebusch	Ramstad	Ulland
Bertram	Johnson, D.E.	Laidig	Renneke	

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, D.C.	Spear
Berglin	Freeman	Merriam	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Moe, D. M.	Petty	Vega
Dahl	Johnson, D.J.	Moe, R. D.	Pogemiller	Waldorf
Davis	Kroening	Nelson	Purfeerst	Wegscheid
Dicklich	Langseth	Novak	Reichgott	Willet
Diessner	Lantry	Pehler	Samuelson	
Dieterich	Lessard	Peterson, C.C.	Solon	

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Wegscheid moved that the vote whereby the first Peterson, C.C. amendment to H.F. No. 575 was adopted on May 16, 1983, be now reconsidered. The motion prevailed.

The question recurred on the first Peterson, C.C. amendment.

Mr. Wegscheid requested division of the amendment as follows:

First portion:

Page 7, delete section 4

Renumber the sections in sequence and correct internal references

Amend the title accordingly

Second portion:

Page 148, line 24, after "1982," insert "79.211, subdivision 1;"

The question was taken on the adoption of the first portion of the Peterson, C.C. amendment.

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Pehler	Stumpf
Anderson	Diessner	Kronebusch	Peterson, C.C.	Taylor
Benson	Frederick	Laidig	Peterson, D.L.	Ulland
Berg	Frederickson	Langseth	Purfeerst	Vega
Bernhagen	Isackson	Lessard	Ramstad	Willet
Bertram	Johnson, D.E.	McQuaid	Renneke	
Brataas	Jude	Mehrkins	Schmitz	
Chmielewski	Kamrath	Moe, R. D.	Sieloff	
Davis	Knaak	Olson	Solon	

Those who voted in the negative were:

Belanger	Hughes	Moe, D. M.	Reichgott	Wegscheid
Dahl	Kroening	Novak	Samuelson	
Dicklich	Lantry	Peterson, D.C.	Spear	
Frank	Luther	Peterson, R.W.	Storm	
Freeman	Merriam	Petty	Waldorf	

The motion prevailed. So the first portion of the Peterson, C.C. amendment was adopted.

The question was taken on the adoption of the second portion of the Peterson, C.C. amendment.

Mr. Wegscheid moved that those not voting be excused from voting. The motion did not prevail.

Mr. Peterson, C.C. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Kamrath	McQuaid	Renneke
Benson	DeCramer	Knaak	Mehrkins	Schmitz
Berg	Frederick	Kronebusch	Olson	Stumpf
Bernhagen	Frederickson	Laidig	Peterson, C.C.	Taylor
Bertram	Isackson	Langseth	Peterson, D.L.	Ulland
Brataas	Johnson, D.E.	Lessard	Ramstad	

Those who voted in the negative were:

Adkins	Freeman	Moe, D. M.	Pogemiller	Vega
Belanger	Hughes	Moe, R. D.	Purfeerst	Waldorf
Berglin	Jude	Nelson	Reichgott	Wegscheid
Chmielewski	Knutson	Novak	Samuelson	Willet
Dahl	Kroening	Pehler	Sieloff	
Dicklich	Lantry	Peterson, D.C.	Solon	
Diessner	Luther	Peterson, R.W.	Spear	
Frank	Merriam	Petty	Storm	

The motion did not prevail. So the second portion of the Peterson, C.C.

amendment was not adopted.

Mr. Anderson moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 154, delete lines 5 and 6 and insert *"the commissioner of finance the amount of \$1,176,900 in fiscal year 1985 for the purpose"*

Page 154, line 9, delete *"If the appropriation for either year is"*

Page 154, delete line 10

Page 154, line 11, delete *"for it."*

Page 154, line 22, delete *"1983"* and insert *"1984"*

Page 154, line 30, delete *"1986"* and insert *"1987"*

Page 155, line 13, delete *"1983"* and insert *"1984"*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Storm
Belanger	Frederick	Knaak	Olson	Taylor
Benson	Frederickson	Kronebusch	Ramstad	Ulland
Bernhagen	Isackson	Laidig	Renneke	
Bertram	Johnson, D.E.	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Langseth	Moe, R. D.	Schmitz
Chmielewski	Freeman	Lantry	Novak	Stumpf
Dahl	Hughes	Lessard	Peterson, D.C.	Vega
Davis	Jude	Luther	Petty	Waldorf
Diessner	Kroening	Moe, D. M.	Reichgott	Willet

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1259 at 7:00 p.m.:

Messrs. Johnson, D.J.; Peterson, C.C.; Dieterich; Novak and Ms. Berglin. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on H.F. No. 1283 at 8:00 p.m.:

Messrs. Waldorf, Hughes, Nelson, Dicklich and Taylor. The motion prevailed.

Mr. Taylor moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 44, delete lines 22 to 32 and insert:

"0- 40 500
 41- 50 600
 51- 60 700
 61- 75 800
 76-100 1200"

Page 45, delete lines 13 to 28 and insert:

"0- 40 50,000
 41- 50 75,000
 51- 60 100,000
 61- 75 200,000
 76-100 400,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	Olson	Storm
Belanger	Brataas	Knaak	Peterson, D.L.	Stumpf
Benson	Frederick	Kronebusch	Ramstad	Taylor
Berg	Frederickson	Laidig	Renneke	Ulland
Bernhagen	Isackson	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Lessard	Pehler	Vega
Chmielewski	Freeman	Luther	Peterson, D.C.	Waldorf
Dahl	Hughes	Merriam	Peterson, R.W.	Wegscheid
Davis	Jude	Moe, D. M.	Petty	Willet
DeCramer	Kroening	Moe, R. D.	Reichgott	
Diessner	Lantry	Nelson	Schmitz	

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

Mrs. Brataas moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 84, line 23, delete "An"

Page 84, delete lines 24 to 33

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

Mr. Belanger moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 54, line 33, delete "that"

Page 54, delete lines 34 to 36

Page 55, delete lines 1 to 14 and insert "*the compensation payable for the permanent partial disability pursuant to this section shall be equal to the proportion of the disability which is not attributable to the pre-existing disability.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Isackson	McQuaid	Renneke
Belanger	Brataas	Kamrath	Mehrkens	Sieloff
Benson	DeCramer	Knaak	Olson	Storm
Berg	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Bernhagen	Frederickson	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Freeman	Lessard	Pehler	Vega
Chmielewski	Hughes	Luther	Peterson, D.C.	Wegscheid
Dahl	Jude	Merriam	Peterson, R.W.	Willet
Davis	Kroening	Moe, D. M.	Petty	
Diessner	Langseth	Moe, R. D.	Reichgott	
Frank	Lantry	Nelson	Schmitz	

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

Mr. Sieloff moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 23, after line 35, insert:

“Sec. 24. Minnesota Statutes 1982, section 176.001, is amended to read:

176.001 [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176. *It is the specific intent of the legislature that workers' compensation cases shall be decided on their merits and that the common law rule of "liberal construction" based on the supposed "remedial" basis of workers' compensation legislation shall not apply in such cases. The workers' compensation system in Minnesota is based on a mutual renunciation of common law rights and defenses by employers and employees alike. Employees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the provisions of this chapter, and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed as well. Accordingly, the legislature hereby declares that the workers' compensation laws are not remedial in any sense and are not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the employer to be favored over those of the employee on the other hand.*”

Page 29, after line 21, insert:

“Sec. 30. Minnesota Statutes 1982, section 176.021, subdivision 1a, is amended to read:

Subd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence, and in accordance with the principles laid down in section 176.001. Preponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

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

on an even-handed basis in accordance with the principles laid down in section 176.001."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, ~~1986~~ 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 2. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. *As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is*

bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association shall is not be deemed a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association shall are not be subject to chapter chapters 13, 14, and 15. The reinsurance association shall be is exempt from taxation under the laws of this state and all property owned by the association shall be is exempt from taxation. The reinsurance association shall is not be obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 3. Minnesota Statutes 1982, 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~~ lower 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~~ higher retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. *For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association.* 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. 4. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance

association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:

(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3 but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and

(b) the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.

Sec. 5. Minnesota Statutes 1982, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

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

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

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

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than the prefunded limit, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the ~~total standard earned premium~~ *exposure base* of all members during the period to which the reinsurance association premium will apply; ~~as determined by the commissioner.~~ *The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to*

audit, and degree of risk refinement. Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. ~~An equitable basis for determining standard earned premium for self-insurers shall be established by the commissioner.~~ The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

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

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

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association ~~and~~. *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and*

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

Sec. 6. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and ~~shall be~~ is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board ~~shall consist~~ consists of nine directors and the ~~commissioner~~ commissioners of insurance ~~who shall be an ex officio member and labor and industry, both of whom are voting members.~~ Four members of the board shall represent insurers, three members of the board shall represent employers, at least one, but not more than two of whom shall represent self-insurers, and two members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of insurance shall appoint the employer and employee directors, for the terms authorized in the plan of operation. Each board member ~~shall be~~ is entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board ~~shall constitute~~ *constitutes* a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 7. Minnesota Statutes 1982, section 79.51, subdivision 2, is amended to read:

Subd. 2. [TRANSITION PERIOD; RULES GOVERN.] Insurance rates from July 1, 1983, to December 31, ~~1985~~ 1983, shall be determined in accordance with rules adopted by the commissioner. The rules shall require (1) that a hearing be held pursuant to the provisions of section 79.071 to consider any petition requesting modification of rates and (2) that following the hearing the commissioner shall adopt a schedule of rates.

Sec. 8. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

- (1) Data reporting requirements, including types of data reported, such as loss and expense data;
- (2) Experience rating plans;
- (3) Retrospective rating plans;
- (4) General expenses and related expense provisions;
- (5) Minimum premiums;
- (6) Classification systems and assignment of risks to classifications;
- (7) Loss development and trend factors;
- (8) The workers' compensation reinsurance association;
- (9) Restrictions, prohibitions, and requirements with respect to the activities of the workers' compensation insurers rating association of Minnesota during the period from July 1, 1983 to January 1, ~~1986~~ 1984;
- (10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;
- (11) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;
- (12) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and
- (13) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.

(b) The rules shall provide for the following:

- (1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship during the transition period;
- (2) Adequate safeguards against excessive or discriminatory rates in workers' compensation during the transition period;
- (3) Encouragement of workers' compensation insurance rates which are

as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules and making legislative recommendations pursuant to this section; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

(c) The rules shall expire on January 1, 1986 1984.

Sec. 9. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

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; 79.31; 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 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 10. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. ~~There is created as a separate appellate tribunal for workers' compensation, the workers' compensation court of appeals.~~

~~The workers' compensation court of appeals shall be composed of five judges each serving in the unclassified service of the state civil service. Of the five judges, at least three shall be learned in the law. Each judge of the workers' compensation court of appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified.~~

Sec. 11. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which ~~shall consist~~ consists of five representatives of employers and five representatives of employees and ~~three~~ five nonvoting members representing the general public. The council may consult with ~~the judges of the workers' compensation court of appeals~~ any party it so desires. ~~The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059. The council is not subject to~~

section 15.059, subdivision 5.

Sec. 12. Minnesota Statutes 1982, section 175.08, is amended to read:

175.08 [OFFICE.]

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

Sec. 13. Minnesota Statutes 1982, section 175.10, is amended to read:

175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of ~~the workers' compensation court of appeals and the workers' compensation division~~ shall be open to the public and may be adjourned from time to time. All the proceedings of ~~the workers' compensation court of appeals and the division~~ shall be shown on their records, which shall be public records.

Sec. 14. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; *and*

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division; *and;*

(c) ~~separate and limit the functions and responsibilities of the existing workers' compensation court of appeals to those appropriate to an independent appellate reviewing body.~~

The commissioner ~~of the department of labor and industry~~ as head of the workers' compensation division is the administrator of the workers' compensation division. ~~He~~ *The commissioner* shall possess only ~~such~~ *the* powers and shall perform only ~~such~~ *the* duties as ~~are specifically~~ prescribed by law.

Sec. 15. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner ~~of the department of labor and industry~~ shall keep a full and true record of all proceedings of the workers' compensation division ~~and the workers' compensation court of appeals~~, issue all necessary processes, writs, warrants, and notices which the division ~~or workers' compensation court of appeals~~ *are* is required or authorized to issue and generally

act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner of the department of labor and industry.

Sec. 16. Minnesota Statutes 1982, section 176.001, is amended to read:

176.001 [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176. *It is the specific intent of the legislature that workers' compensation cases shall be decided on their merits and that the common law rule of "liberal construction" based on the supposed "remedial" basis of workers' compensation legislation shall not apply in such cases. The workers' compensation system in Minnesota is based on a mutual renunciation of common law rights and defenses by employers and employees alike. Employees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the provisions of this chapter, and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed as well. Accordingly, the legislature hereby declares that the workers' compensation laws are not remedial in any sense and are not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the employer to be favored over those of the employee on the other hand.*

Sec. 17. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.

Sec. 18. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.

Sec. 19. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or lasting significant improvement to a personal injury can reasonably be anticipated, based upon reasonable medical probability.

Sec. 20. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the

number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.

Sec. 21. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

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

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

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

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

(d) 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.

(e) Individuals who are independent contractors as defined by rules adopted by the commissioner.

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.

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. 22. Minnesota Statutes 1982, section 176.021, subdivision 1a, is amended to read:

ucbSubd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence, and in accordance with the principles laid down in section 176.001. Pre-

ponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

Questions of law arising under chapter 176 shall be determined ~~in accordance with the rules of construction generally applied to all other civil matters on an even-handed basis in accordance with the principles laid down in section 176.001.~~

Sec. 23. Minnesota Statutes 1982, 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 section 176.101.~~ If doubt exists as to the eventual permanent partial disability, payment ~~for the economic recovery compensation or impairment compensation, whichever is due,~~ pursuant to ~~subdivision 3a section 176.101,~~ shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. ~~Prior to or at the time of any tender commencement of the lump sum payment of economic recovery compensation or impairment compensation,~~ the employee and employer shall be furnished with a copy of the medical report upon which the payment is based ~~and all other medical reports which the insurer has that indicate a permanent partial disability rating,~~ together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. ~~Compensation for permanent partial disability After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability and temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, and as provided in subdivision 3a section 176.101. Compensation for permanent partial disability Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101, subdivision 5, and as provided in subdivision 3a section 176.101. Compensation for permanent partial disability Economic recovery compensation or impairment compensation pursuant to section 176.101 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 economic recovery compensation or impairment compensation against liability for temporary total or permanent total disability. Liability on the part of an employer or his the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing~~

product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and ~~shall be compensation is payable accordingly, subject to subdivision 3a section 176.101. Permanent partial disability~~ *Economic recovery compensation or impairment compensation* is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to ~~subdivision 3a section 176.101~~. The right to receive temporary total, temporary partial, ~~permanent partial~~ or permanent total disability payments ~~shall vest vests~~ in the injured employee or ~~his the employee's~~ dependents under this chapter or, if none, in ~~his the employee's~~ legal heirs at the time the disability can be ascertained and the right ~~shall is not be~~ abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability is ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101.

Sec. 24. Minnesota Statutes 1982, 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; 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; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83*; 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 em-

ployer 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 *except that a written election is not required for a person who is otherwise excluded from this chapter by this section.* This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 25. Minnesota Statutes 1982, section 176.061, is amended to read:

176.061 [THIRD PARTY LIABILITY.]

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

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or ~~his the~~ employee's dependents, in case of death, brings an action for the recovery of damages, the amount thereof, the manner in which, and the persons to whom the same are payable, shall be as provided in this chapter. In no case shall ~~such the~~ party be liable to any person other than the employee or ~~his the~~ employee's dependents for any damages resulting from ~~such the~~ injury or death.

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

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

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only where the employer liable for benefits and the other party legally liable for damages are insured or self-

insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time ~~thereof of the injury~~.

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

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

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of ~~his an~~ employee which was caused under circumstances which created a legal liability for damages on the part of a party

other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of ~~such the~~ premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause ~~shall be~~ *are* for the benefit of the employer and the provisions of subdivision 6 ~~shall be~~ *are* not be applicable to ~~such the~~ damages.

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

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

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or settlement ~~thereof of an action~~ under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or ~~his the employee's~~ dependents or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

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

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

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

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

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

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment ~~or payment of any other compensation~~ under this chapter ~~shall is~~ not be affected by the fact that ~~his the~~ employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, ~~shall have~~ *has* a separate additional cause of

action against ~~such~~ the third party to recover any amounts paid for medical treatment or for other compensation payable under this section resulting from the negligence of ~~such~~ the third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against ~~such~~ the third party or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses or other compensation shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay compensation or for medical treatment of the injured employee and ~~shall~~ does not affect the amount of periodic compensation to be paid.

Subd. 8. [STATE AS EMPLOYER.] In every case arising under subdivision 5 when the state is the employer and a settlement between the third party and the employee is made it is not valid unless prior notice thereof is given to the state within a reasonable time. If the state pays compensation to the employee under the provisions of this chapter and becomes subrogated to the rights of the employee or his dependents any settlement between the employee or his dependents and the third party is void as against the state's right of subrogation. When an action at law is instituted by an employee or his dependents against a third party for recovery of damages a copy of the complaint and notice of trial or note of issue in such action shall be served on the state. Any judgment rendered therein is subject to a lien of the state for the amount to which it is entitled to be subrogated under the provisions of subdivision 5.

Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity unless prior notice was given. When an action at law is instituted by an employee or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the employer for the amount to which it is entitled to be subrogated or indemnified under the provisions of subdivision 5.

Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.] In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or ~~his~~ the employee's dependents or has a right of indemnity, all notices required to be given the state shall be served on the attorney general and the commissioner of the department of labor and industry.

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B

or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability economic recovery compensation, impairment compensation, medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 26. Minnesota Statutes 1982, 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~~ employee at the time of injury and the wage ~~he~~ the employee is able to earn in ~~his~~ the employee's partially disabled condition. This compensation shall be paid during the period of disability *except as provided in section 176.101*, 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 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. 27. Minnesota Statutes 1982, section 176.101, subdivision 3, is amended to read:

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

(1) For the loss of a thumb, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 65 weeks 13 percent of the whole body;

(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 eight percent of the whole body;

(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 seven percent of the whole body;

(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 five percent of the whole body;

(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 four percent of the whole body;

(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 seven percent of the whole body;

(9) (7) 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 *three percent of the whole body;*

(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) (8) 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 *40 percent of the whole body;*

(13) (9) 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 *44 percent of the whole body;*

(14) (10) For the loss of an arm, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 270 weeks *54 percent of the whole body;*

(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) (11) 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 *28 percent of the whole body;*

(17) (12) 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 *33 percent of the whole body;*

(18) (13) 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 *40 percent of the whole body;*

(19) (14) 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 *44 percent of the whole body;*

(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) (15) For the loss of an eye, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 160 weeks *32 percent of the whole body;*

(22) (16) For the complete permanent loss of hearing in one ear, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 85 weeks *17 percent of the whole body;*

(23) (17) For the complete permanent loss of hearing in both ears, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 170 weeks *34 percent of the whole body;*

(24) (18) 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 95 percent of the whole body;

(25) (19) 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 95 percent of the whole body;

(26) (20) 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 90 percent of the whole body;

(27) (21) 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 80 percent of the whole body;

(28) (22) 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 100 percent of the whole body;

(29) (23) For the loss of two hands, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(30) (24) 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 100 percent of the whole body;

(31) (25) For the loss of two feet, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(32) (26) 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 100 percent of the whole body;

(33) (27) 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 100 percent of the whole body;

(34) (28) 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 100 percent of the whole body;

(35) (29) 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 100 percent of the whole body;

(36) (30) 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 100 percent of the whole body;

(37) (31) 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 100 percent of the whole body;

(38) (32) For loss of the voice mechanism, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(39) (33) For head injuries, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury for that proportion of 500 weeks 100 percent 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) (34) 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 wage at time of injury for that proportion of 500

weeks; not to exceed 500 weeks 100 percent, 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) (35) 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 2/3 percent of the daily wage at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines; not exceeding 90 weeks 18 percent of the whole body;

(42) (36) For permanent partial disability resulting from injury to the back, 66 2/3 percent of the daily wage at the time of injury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals 70 percent of the whole body;

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

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

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

(45) (38) 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 as determined by rules adopted by the commissioner;

(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) (39) For permanent partial disability resulting from injury to the body as a whole due to burns, $66 \frac{2}{3}$ percent of the daily wage at the time of injury, for that proportion of 350 weeks 70 percent 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) In all cases of permanent partial disability not enumerated in this schedule the compensation shall be $66 \frac{2}{3}$ percent of the difference between the daily wage of the worker at the time of the injury and the daily wage he is able to earn in his partially disabled condition; subject to a maximum equal to the statewide average weekly wage; and continue during disability; not to exceed 350 weeks; and if the employer does not furnish the worker with work which he can do in his permanently partially disabled condition and he is unable to secure such work with another employer after a reasonably diligent effort, the employee shall be paid at his or her maximum rate of compensation for total disability.

Sec. 28. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be $66 \frac{2}{3}$ percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

<i>Percent of disability</i>	<i>Weeks of compensation</i>
0-35	500
36-45	600
46-55	700
56-70	800
71-80	1000
81-100	1200

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 29. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<i>Percent of disability</i>	<i>Amount</i>
0-35	60,000
36-45	75,000
46-55	85,000
56-70	100,000
71-80	150,000
81-100	240,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 30. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.

Sec. 31. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If the injury results in a permanent partial disability, the employee shall receive compensation as provided in this section.

Sec. 32. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this section. If prior to the termination of this 90-day period the employee retires or the employer fur-

nishes work to the employee that the employee can do in his or her physical condition or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease. If the injury resulted in permanent partial disability, the employee shall receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation for the same disability. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided in this section.

(b) If the job offered under clause (a) is not the job the employee had at the time of injury it shall state any information necessary to fully and completely inform the employee of the job duties and responsibilities and shall agree to pay temporary partial compensation if appropriate.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(c) Self employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 33. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3f. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and begins work at that job, the impairment compensation shall be paid in a lump sum 30 calendar days after the return to work.

Sec. 34. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.

Sec. 35. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3h. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins

to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and amount as temporary total compensation was paid.

(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(d) Upon the employee's return to work pursuant to this section the employer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 36. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3i. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job, that employee shall receive compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan or 90 days after the employee has ceased work because of medical inability to continue, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no such job is offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section except that this economic recovery compensation shall be reduced by the impairment compensation previously received by the employee for the same disability.

Sec. 37. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3j. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] If an employee has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employee shall receive any unemployment compensation the employee is eligible for pursuant to chapter 268. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compen-

sation is payable under this chapter because of the seasonal layoff.

Sec. 38. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3k. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer for reasons other than the employee is in an approved retraining program, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was paid. Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 39. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3l. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work.

Sec. 40. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3m. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3 and who has refused the offer and who subsequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.

Sec. 41. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3n. [INABILITY TO RETURN TO WORK.] (a) An employee who is permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving or has received economic recovery com-

pensation and is determined to be permanently totally disabled no offset shall be taken against permanent total compensation for the compensation paid. No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) If the employee has or is receiving impairment compensation and is determined to be permanently totally disabled no credit shall be taken for the compensation received. If any of this compensation remains to be paid, it shall cease and clause (d) of this subdivision applies.

(d) An employee who has received economic recovery compensation or impairment compensation and who meets the criteria under clause (b) or (c) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation or impairment compensation for that disability.

(e) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.

Sec. 42. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3o. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.

Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3p. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is only payable at the same intervals and in the same amount as temporary total compensation was paid. Economic recovery compensation shall not be paid in a lump sum except as provided in this subdivision. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due shall be paid in a lump sum 30 days after the employee has returned to work.

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3q. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the weekly economic recovery or impairment compensation

that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.

(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the youngest child is no longer dependent after which time payments and future entitlement to the compensation ceases.

(c) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined by section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.

(d) If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3r. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] No additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3s. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least 110 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 110 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3t. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3u. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e.

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability, the compensation payable for the permanent partial disability pursuant to this section shall be equal to the proportion of the disability which is not attributable to the preexisting disability.

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4b. [LEGISLATIVE INTENT.] The legislature reaffirms its intent that the reduction of compensation benefits pursuant to subdivision 4 is applicable after an employee has received a total of \$25,000 of weekly compensation including compensation under subdivisions 1, 2, and 4 of this section.

Sec. 51. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which he the employee is entitled for said the injury the compensation rate for temporary total, temporary partial, ~~retraining~~, a permanent partial or permanent total disability or economic recovery compensation shall be the larger of either the statewide average weekly wage or the employees weekly wage, but in no case shall the compensation exceed the maximum weekly compensation rate payable under this chapter.

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who is eligible to receive social security old age insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 53. Minnesota Statutes 1982, 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 the employee may be returned return to a job related to his the employee's former employment or to a job in another work area which produces an economic status as close as possible to that he the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is per-

mitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 54. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner of labor and industry shall hire a director of medical care and rehabilitation services in the classified service. The commissioner of labor and industry is responsible for supervising shall monitor medical care and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of medical care and rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter. The commissioner of labor and industry may hire qualified personnel and shall hire a medical consultant to assist in his duties under this section and may delegate his duties and performance.

The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.

The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.

Sec. 55. Minnesota Statutes 1982, 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, four members representing employers and four members representing labor. The members shall be appointed by the governor commissioner 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 eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivision 9; (b) hold appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals regarding fee disputes, penalties, discipline, certification approval or revocation of certification approval hearings; (e) of registration of qualified rehabilitation consultants and approved vendors. The panel shall continuously study rehabilitation services and delivery and (d) develop and recommend 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. 56. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of three members designated by the review panel. Each three-member panel shall consist of one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation. The determination of the three-member panel shall be by a majority vote and the determination shall represent the determination of the rehabilitation review panel. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision.

Sec. 57. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] Within 30 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 45 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. (a) An employer or insurer shall provide rehabilitation consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivi-

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

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

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection.

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

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

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

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

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

Sec. 58. Minnesota Statutes 1982, 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 em-

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 employer to hire the employee for on the job training. This incentive may be in the form of reducing the on the job training employer's wages paid to the employee to a level which is 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.

Sec. 59. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner of labor and industry shall determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivision 9 to which an employee is entitled. 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 in the same manner as other matters appealed to the court. 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. 60. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 6a. [ELIGIBILITY DETERMINATION.] The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.

Sec. 61. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer or, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation ser-

vice to the commissioner of labor and industry, insurer and, employer or employee of an employee's progress under a plan.

Sec. 62. Minnesota Statutes 1982, 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 upon the commissioner's own request,~~ 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 the employee 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 ~~45~~ 30 days of the decision.

Sec. 63. Minnesota Statutes 1982, 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 daycare~~ when rehabilitation requires residence away from the employee's customary residence; ~~and~~

(d) Reasonable costs of travel and custodial 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 during any rehabilitation program, 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

~~(d)~~ (f) Any other expense agreed to be paid.

Sec. 64. Minnesota Statutes 1982, 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.*

Sec. 65. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [**COMPENSATION DURING REHABILITATION RETRAINING.**] *The insurer or employer shall pay up Retraining is limited 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.*

Sec. 66. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [**APPLICABILITY OF SECTION.**] *This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.*

Sec. 67. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 13. [**DISCONTINUANCE.**] *All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner 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. A discontinuance under this section is governed by section 176.242.*

Sec. 68. [176.103] [**MEDICAL HEALTH CARE REVIEW.**]

Subdivision 1. [**PURPOSE.**] *It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.*

Subd. 2. [**SCOPE.**] *The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers, and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider*

from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee, one person representing chiropractic, one person representing hospital administration, and seven medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed.

The board shall review and make a determination with respect to appeals from the commissioner's decision regarding medical care, quality control and monitoring of medical care, and any other disputes or issues regarding care provided by hospitals and health care providers. The board shall also hear appeals from the commissioner regarding the eligibility of medical providers to receive payment for services to injured employees and any other determinations made by the commissioner pursuant to subdivision 2. The board shall also advise the commissioner on policies affecting medical care for injured employees, and shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and monitoring of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of

a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

Sec. 69. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4 prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation and other rehabilitation services. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is established is governed by section 176.102.

Sec. 70. Minnesota Statutes 1982, 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 loss of function of a part of the body, including internal organs, described in section 176.101, subdivision 3 and any other body part not listed in section 176.101, subdivision 3 which the commissioner deems appropriate.

Temporary rules shall be adopted for this purpose not later than January 1, 1985. Prior to the adoption of these rules, at least two public hearings shall be held by the commissioner, in addition to the requirements of sections 14.29 to 14.36. Notwithstanding sections 14.29 to 14.36, the temporary rules adopted under this subdivision shall be effective until superseded by permanent rules. The rules shall 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.

Disability ratings and schedules shall be based on objective medical evidence.

The rules shall:

(a) be workable and simple with respect to the evaluation of functional disability;

(b) require consistency of the procedures with accepted medical standards; utilize standards established in Wisconsin Administrative Code, sections Ind. 80.25 to 80.33, inclusive;

(c) prohibit the consideration of symptomatology which is not substantiated by objective medical evidence;

(d) attempt to reduce litigation;

(e) require that all disability amounts shall be rounded to the nearest five percent.

Sec. 71. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] (a) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

(b) A dependent surviving spouse who has not accepted a lump sum settlement pursuant to clause (a)(1) and who remarries shall receive the lesser of either:

(1) A lump sum settlement equal to two full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) The remaining weekly workers' compensation benefits pursuant to clause (a)(2) at 50 percent of the daily wage, including adjustments as provided in section 176.645.

Sec. 72. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at a rate which is 16 $\frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, computed without regard to section 176.645; or

(2) weekly benefits at a rate which is 16 $\frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

(b) A surviving spouse who remarries shall receive:

(1) Compensation, for the benefit of the dependent child, according to the allocation provided in subdivision 10, until the child is no longer a dependent as defined in subdivision 1; and

(2) A lump sum settlement, for the benefit of the surviving spouse, equal to

two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable under clause (a) and the amount payable to the dependent child pursuant to clause (b)(1).

Sec. 73. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] (a) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66 2/3 percent of the daily wage at the time of the injury of the deceased until the youngest dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the last surviving child was a dependent, computed without regard to section 176.645; or

(2) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

(b) A surviving spouse who remarries shall receive compensation, for the benefit of the children, allocated according to subdivision 10, until the youngest dependent child is no longer dependent as defined in subdivision 1 and, for the benefit of the surviving spouse, a lump sum settlement equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable pursuant to clause (a) and the amount payable to the dependent children allocated according to subdivision 10, computed without regard to section 176.645.

Sec. 74. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

Subd. 9a. [REMARriage OF SPOUSE.] *Remarriage of a surviving spouse who is receiving benefits under subdivisions 6, 7, or 8 has no effect on the spouse's right to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.*

Sec. 75. Minnesota Statutes 1982, 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 its 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. 76. Minnesota Statutes 1982, 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~~ is allowed for the three calendar 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 the~~ disability continues for 10 calendar days or longer, ~~such the~~ compensation ~~shall be~~ is computed from the commencement of the disability. Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.

Sec. 77. [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

Subd. 2. [PAYMENTS TO FUND, DEATH.] 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 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner less than \$1,000.

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation, medical or rehabilitative services under sections 176.101, 176.102, 176.111, or 176.135, the employer shall pay to the commissioner a lump sum amount determined by the commissioner pursuant to subdivision 4 without any interest deduction. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.

Subd. 4. [DETERMINATION OF AMOUNT OF PAYMENT.] The amount payable by the employer to the special compensation fund under subdivision 3 shall be determined by the commissioner pursuant to section 176.83.

Subd. 5. [TIME OF INJURY.] Subdivisions 2 and 3 apply to all workers' compensation payments paid under sections 176.101, 176.102, 176.111, or 176.135, for an injury or death occurring on or after the effective date of this

section.

Payments made for personal injuries that occurred prior to the effective date of this section shall be assessed at the rate in effect on the date of payment.

Subd. 6. [PAYMENTS OUT OF FUND.] The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter. These benefits are payable in the same manner as other payments of compensation.

Subd. 7. [REFUNDS.] In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special compensation fund shall be designated a party in an action regarding any right, obligation, and liability of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

(a) sue and be sued in its own name;

(b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;

(c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter; and

(d) take any other action which an insurer is permitted by law to take in operating within this chapter.

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Subd. 11. [ADMINISTRATIVE PROVISIONS.] 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.

Subd. 12. [REPORT OF COMMISSIONER.] The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.

Subd. 13. [EMPLOYER REPORTS.] All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.

Sec. 78. Minnesota Statutes 1982, 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~~ *the employer* shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 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 schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer ~~shall be~~ *is* liable for ~~such the~~ compensation, medical expense, and ~~retraining~~ *rehabilitation* attributable to the permanent partial disability, and ~~he~~ may be reimbursed from the special compensation fund only for compensation paid in excess of ~~such the~~ disability.

Sec. 79. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

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

Sec. 80. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury ~~shall result~~ *results* in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment *registered with the special compensation fund*, the employer shall pay all compensation provided by this chapter, ~~but~~ *and* shall be reimbursed from the special compensation fund for ~~such the~~ compensation ~~only where the permanent physical impairment contributing to the second injury is diabetes, hemophilia or seizures ex-~~

cept that this reimbursement shall not be made for cardiac disease or a condition registered pursuant to clause (t) or (u) unless the commissioner by rule provides otherwise.

Sec. 81. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

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

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

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner ~~of labor and industry~~ prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report *or record* made prior to the injury indicating the pre-existing physical impairment.

Sec. 82. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in ~~his~~ *its* employment any person who has a physical impairment shall file a formal registration for ~~each such~~ *the* employee with the commissioner ~~of the department of labor and industry in such~~ *on a form as prescribed by the commissioner may require*.

Sec. 83. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

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

(a) Registration ~~shall be~~ *is* accompanied by satisfactory evidence of ~~such~~ *the* physical impairment;

(b) Registration ~~shall be~~ *is* in effect as long as ~~said~~ *the* impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner ~~of the department of labor and industry~~ with a registration card evidencing the ~~fact of~~ registration, and ~~such~~ *other* facts as the commissioner ~~of the department of labor and industry~~ deems advisable.

Sec. 84. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, ~~he~~ *the employer* shall file with the commissioner ~~of the department of labor and industry~~ written notice of intention to claim reimbursement in accordance with the rules ~~and regulations of adopted by~~ *of adopted by* the commissioner ~~of the department of labor and industry~~.

Sec. 85. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an oc-

cupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in ~~such~~ the occupational disease, no reimbursement shall be paid to the employer.

Sec. 86. Minnesota Statutes 1982, 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 except 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) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,

~~(t)~~ (t) 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

~~(u)~~ (u) Any other physical impairments of a permanent nature which the workers' compensation court of appeals commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

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

Sec. 87. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury *prior to the effective date of clause (b)* 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 in this section* after 104 weeks have elapsed and for the remainder of ~~his~~ *the* total disablement. Regardless of the number of weeks of total disability, no totally disabled person ~~shall be~~ *is* ineligible for supplementary benefits after four years have elapsed since the first date of ~~his~~ *the* total disability, *except as provided by clause (b)*, provided that all periods of disability are caused by the same injury.

(b) *No employee injured after July 1, 1981, shall be eligible to receive supplementary benefits.*

Sec. 88. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded to the nearest whole dollar.

Sec. 89. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The commissioner ~~of labor and industry~~ shall administer the reopened case fund *as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.*

Sec. 90. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish ~~such~~ any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. ~~Such~~ *This* treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer ~~shall be~~ *is* liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable

value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of a ~~compensation judge~~ *the commissioner or medical services review board* with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.

Sec. 91. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

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

Sec. 92. Minnesota Statutes 1982, 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 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, medical services review board~~, 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 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. *If upon the effective date of this section this study has already been conducted by the commissioner of insurance, the commissioner is not required to conduct the study.*

The commissioner of ~~insurance~~ shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, 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 sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Any rules adopted by the commissioner of insurance pursuant to this section shall be adopted by the commissioner of labor and industry and may be amended, modified, or repealed only by the commissioner of labor and industry.

Sec. 93. [176.138] [MEDICAL DATA; ACCESS.]

Notwithstanding any other laws related to the privacy of medical data, except federal law, or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.

Sec. 94. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, ~~his~~ the right to compensation may be suspended by order of the division, a compensation judge or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while ~~he~~ the employee continues in ~~such~~ the

refusal.

Sec. 95. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF EXAMINING PHYSICIANS HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner of the department of labor and industry, compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats or who makes, examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by him the physician or health care provider in the course of such the treatment or examination relative to the injury or disability resulting therefrom from the injury only if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all medical evidence must be submitted by written report as prescribed by the chief hearing examiner. A party may cross examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross examined by the adverse party. All written medical evidence must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.

Sec. 96. Minnesota Statutes 1982, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or his the employee's survivors, and received in good faith by the employee or his the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 97. Minnesota Statutes 1982, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE RE-

QUIRED.]

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. 98. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee ~~shall sustain~~ *sustains an injury* arising out of and in the course of ~~his~~ employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or ~~his~~ *the employee's* dependents shall nevertheless receive benefits as provided for ~~therein in this chapter~~ from the special compensation fund, and the ~~state treasurer as custodian of such fund shall have~~ *commissioner has a cause of action against such the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover such the moneys shall be instituted unless the custodian commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.*

Sec. 99. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or ~~his~~ *the employee's* dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but ~~the self-insurer fails to be paid them pay the benefits,~~ the employee or ~~his~~ *the employee's* dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive ~~such the~~ benefits from the special compensation fund; ~~and. The state treasurer as custodian of such fund shall have~~ *commissioner has a cause of action against such the self-insuring employer for reimbursement; for all moneys benefits and other expenditures paid out or to be paid out and, in the discretion of the court, as the self-insurer is liable for punitive damages in an additional amount not to exceed 50 percent of the total of all moneys benefits and other expenditures paid out or to be paid out. The commissioner shall institute an action to recover such moneys shall be instituted the total expenditures from the fund unless the custodian commissioner determines that no recovery is possible. All moneys*

proceeds recovered shall be deposited in the general fund.

Sec. 100. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Sec. 101. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 4. If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 102. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.

Sec. 103. [176.186] [RECORDS FROM OTHER STATE AGENCIES.]

Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 13 and shall be used only for insurance verification by the commissioner.

Sec. 104. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The

decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis.

Sec. 105. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Sec. 106. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Sec. 107. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 108. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.

Sec. 109. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

Subd. 2. [COMMENCEMENT OF PROCEEDINGS.] Such The commis-

sioner of insurance may act under subdivision 1 or subdivision 1a upon his own motion, the recommendation of the commissioner of the department of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.

Sec. 110. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] The commissioner may send reports to the commissioner of insurance regarding compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.

Sec. 111. Minnesota Statutes 1982, section 176.221, is amended to read:

176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation due pursuant to section 176.101, subdivision 4, 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 If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be discontinued terminated upon notice of discontinuance pursuant to section 176.241 the filing of a notice of denial of liability. Upon the determination termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days after the date on which the first payment was due of notice to or knowledge by the employer of the injury, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days from the date the request for extension is made. The application or grant of extension does not release the employer of the obligation to commence payment under subdivision 1 or to continue payments.

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, sub-

division 9 pursuant to subdivision 1, or to file a denial of liability within the 14-day period referred to in subdivision 1, or to request an extension of time within 30 days after the date on which the first payment was due. he it 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 to receive up to the date compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.

Subd. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] Where an employer or insurer has been granted an extension of time within which to determine liability and fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 or to file a denial of liability within such extended period, he shall make the payments provided in subdivision 3.

Subd. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer has failed to make the payments required by subdivision 3 or subdivision 4 within 30 days from the end of the period or the extended period, the division may require him to pay to the special compensation fund, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, a sum equal to double the total amount of compensation to which the employee is entitled because of the injury. In addition, the person responsible for compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled.

Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by subdivisions subdivision 3 to 5, and any increase in benefit payments provided by section 176.225, subdivision 5, against either the employer or the insurer depending upon to whom the delay is attributable in making payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9. The insurer is not liable for a penalty payment assessed against it even if the delay is attributable to the employer.

An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivision 9, economic recovery compensation or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining rehabilitation expenses under

176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent ~~per annum~~ *a year* from the due date to the date the payment is made *or the rate set by section 549.09, subdivision 1, whichever is greater.*

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of *the filing of* an appropriate order by the division *or a compensation judge*, unless the order is ~~to be~~ appealed; or ~~where~~ *if* a different time period is provided by this chapter.

Sec. 112. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the division, *a compensation judge*, 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.

Sec. 113. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer ~~has become subject to~~ *is liable for* the payment provided by subdivision 1, the division, *a compensation judge*, or the workers' compensation court of appeals upon appeal may examine the books and records of the ~~person~~ *employer or insurer* relating to the payment of compensation, and may require ~~him~~ *the employer or insurer* to furnish any other information relating to the payment of compensation.

Sec. 114. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.] ~~Where~~ *If* an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of ~~his~~ books and records, or fails to furnish ~~such~~ information as required, the commissioner *or the chief hearing examiner* shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file ~~such~~ a written complaint.

Sec. 115. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR SURGEONS OTHER HEALTH CARE PROVIDERS TO REPORT INJURIES.] ~~Where~~ A physician or surgeon, chiropractor, or other health care provider who has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, he shall report to the commissioner of the department of labor and industry all facts relating to the nature and extent of the injury and disability, and the treatment provided for the injury or disability, within ten days after ~~he~~ the health care provider has received a written request for ~~such~~ the information from the commissioner of the department of labor and industry or any member or employee thereof an authorized representative of the commissioner.

Sec. 116. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner of the department of labor and industry, or any member or employee thereof, an authorized representative may require the filing of such supplementary reports of accidents as ~~it deems~~ is deemed necessary to provide information required by law.

Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Sec. 117. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner of the department of labor and industry shall by rule prescribe forms for use in making the reports required by this section. The first report of injury form which the employer submits with reference to an accident shall include a declaration by the employer that he will of a promise to pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.

Sec. 118. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner of the department of labor and industry under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics.

The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or his a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from his the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 119. Minnesota Statutes 1982, section 176.231, subdivision 10, is

amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] ~~Where~~ *If an employer, physician, or surgeon has failed chiropractor, or other health provider fails 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 or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$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. 120. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except ~~where~~ *when* the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division *or compensation judge* as provided in the following subdivisions.

Sec. 121. Minnesota Statutes 1982, section 176.241, is amended to read:

176.241 [NOTICE TO DIVISION OF INTENTION TO DISCONTINUE COMPENSATION PAYMENTS.]

Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] Where an employee claims that the right to compensation continues, the employer may not discontinue payment of compensation until he provides the employee with notice in writing of his intention to do so, together with a statement of facts clearly indicating the reasons for the discontinuance. A copy of the notice shall be provided to the division by the employer.

The notice to the employee and the copy to the division shall state the date of intended discontinuance and the reason for the action. The notice to the employee and the copy to the division shall be accompanied by a statement of facts in support of the discontinuance of compensation payments and whatever medical reports are in the possession of the employer bearing on the physical condition of the employee at the time of the proposed discontinuance.

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except where the commissioner orders otherwise, until the copy of

the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division as provided in the following subdivisions.

Subd. 3. [COPY OF NOTICE TO EMPLOYEE, INVESTIGATION, HEARING.] When the employer has reason to believe compensation may be terminated within the requirements of this chapter, notice shall be given to the employee informing the employee of his right to object to the discontinuance and providing instructions as to how to contact the employer or insurer regarding the discontinuance and the procedures related to initiation of a claim. The commissioner shall make an investigation to determine whether the right to compensation has terminated. If it appears from the investigation that the right to compensation may not have terminated, the commissioner shall refer the matter to the chief hearing examiner in order that a hearing before a compensation judge may be scheduled, to determine the right of the employee, or his dependent, to further compensation.

The hearing shall be held within a ~~reasonable time~~ 30 days after the division has received the notice of discontinuance. The compensation judge shall give eight days notice of the hearing to interested parties.

Subd. 4. [ORDER.] When the hearing has been held, ~~and he has duly considered the evidence~~ *duly considered*, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. ~~Where If the order confirms a termination of compensation, the commissioner of labor and industry shall notify the employer of the action. This notification the service and filing of the order~~ *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 compensation judge to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 122. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]

Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employer by whom the employee is employed 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.

Subd. 2. [NOTICE TO COMMISSIONER.] If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has taken or intends to take regarding payment of compensation. A

copy of this notice shall be served by the insurer by certified mail to the employee.

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligations of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.

Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.

Subd. 6. [DECISION AS NOTICE.] If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.

Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] If an insurer has not voluntarily recommenced compensation following the employee's cessation of work the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be recommenced.

Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.

Subd. 9. [APPLICATION OF SECTION.] This section applies only when the employee has received at least 60 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.

Subd. 10. [NOTICE FORMS.] A notice under this section shall be on a form prescribed by the commissioner.

Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.

Subd. 12. [APPLICATION.] This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.

Sec. 123. Minnesota Statutes 1982, section 176.271, is amended by adding a subdivision to read:

Subd. 3. Notwithstanding any other provision to the contrary, no attorney employed by the state of Minnesota may represent any person in any action or matter under this chapter other than the state, as defined in section 79.34, subdivision 1.

Sec. 124. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment to an order, decision, or award, it shall be filed immediately with the commissioner. ~~Where~~ If the commissioner, compensation judge, office of administrative hearings, or workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment thereto, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the time ~~date~~ the ~~same~~ order was filed.

Sec. 125. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or ~~by such other means~~ otherwise as the commissioner of the department of labor and industry directs or the chief hearing examiner may by rule direct. Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that ~~he~~ that party did not receive it or that it had been delayed in transit for an unusual or unreasonable period of time. In case of ~~such~~ non-receipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner of the department of labor and industry and the chief hearing examiner shall ~~keep a careful record of each service including the time when made~~ ensure that proof of service of all papers and notices served by their respective agencies is placed in the official file of the case.

Sec. 126. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 127. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within ~~twenty~~ 20 days after ~~he~~ has

been served with a copy service of the petition, an adverse party ~~may shall~~ serve and file a ~~verified~~ answer to the petition. ~~When he files the answer,~~ The party shall also serve a copy of the answer on the petitioner or his the petitioner's attorney.

Within five days after he has been served with a copy of the answer, the petitioner may file a ~~verified~~ reply admitting or denying new matter set forth in the answer.

Sec. 128. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

~~Where~~ If an adverse party has ~~failed~~ fails to file and serve an answer; if and the petitioner presents proof of ~~such~~ this fact, the ~~commissioner~~ or compensation judge ~~shall may~~ enter whatever award or order to which the 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 the commissioner~~ shall request the chief hearing examiner to assign the matter to a compensation judge to ~~summarily hear and determine the same for an immediate hearing and to promptly make an prompt~~ award or other 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 the~~ petitioner's attorney written notice of this deficiency. The petitioner may thereupon ~~serve and~~ file another petition as in the case of an original petition.

Sec. 129. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] ~~When the reply has been filed or the time has expired in which to file a reply~~ Upon receipt of a matter from the commissioner, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 as ~~expressed in section 476.004~~ and the requirements of section 176.306.

Subd. 2. [PLACE.] Unless otherwise ordered by the ~~commissioner of the department of labor and industry or compensation judge~~ chief hearing examiner, the hearing shall be held in the county where the injury or death occurred.

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least ~~five~~ 30 days prior to the date of hearing, the ~~workers' compensation division~~ chief hearing examiner shall mail a notice of the time and place of hearing to each interested party. *This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 130. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

~~Where~~ A person who has an interest in any matter before the workers'

compensation court of appeals, or commissioner, or compensation judge of such a ~~character~~ that ~~he~~ *the person* may either gain or lose by an order or decision, ~~he~~ may intervene in the proceeding by filing an application in writing stating the facts which show ~~such~~ *the* interest.

The commissioner of the department of labor and industry and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 131. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, *relevant* evidence produced at the hearing, ~~and, as soon after the hearing as possible, make findings of fact, conclusions of law,.~~ *All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.*

No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 132. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or ~~his~~ *the appellant's* attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which ~~he~~ *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; *and*
- (4) ~~the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,~~
- ~~(5)~~ any other ground upon which the appeal is taken.

Sec. 133. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;
- (3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25; and
- (4) Submit a request that the chief hearing examiner order the preparation of a transcript of ~~that part of the hearing delineated in the notice of appeal.~~

~~A party who desires a transcript of more of the hearing than has been requested by the appellant shall, within five working days of service of the notice of appeal, make a request of the chief hearing examiner that the additional testimony be transcribed.~~

The first party requesting the preparation of the transcript or any part to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 134. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of ~~appeals~~ *appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:*

- (1) disregard the findings of fact which the compensation judge has made;
- (2) examine the record;
- (3) substitute for the findings of fact made by the compensation judge such findings as the total evidence requires; and,
- (4) make an award or disallowance of compensation or other order as the facts and findings require.

Sec. 135. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before ~~himself~~ the commissioner *and shall provide a stenographer or an audio magnetic recording device to make a the record of the proceedings before him.*

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge ~~and shall fix the amount of this charge which shall be set by the commissioner.~~ Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.

Sec. 136. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER OF DEPARTMENT OF LABOR AND INDUSTRY.]

Any decision or determination of the commissioner of the ~~department of labor and industry~~ affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by ~~such~~ the determination may appeal to the workers' compensation court of appeals *by filing a notice of appeal with the commissioner* in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 137. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except ~~where~~ *when* a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or ~~where~~ *if* as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five *working* days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make ~~such~~ findings of fact, conclusions of law, and *an order of award or disallowance of compensation or other order as based on the pleadings and the evidence produced and as required by the provisions of this chapter shall require or rules adopted under it.*

Sec. 138. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.*

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Sec. 139. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge ~~or~~, a settlement judge, *or the workers' compensation court of appeals* shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 140. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, *upon the filing of a petition by any party to the settlement and after a hearing on the petition*, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. *In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.*

Sec. 141. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, *a compensation judge* and the workers' compensation court of appeals have the same powers and duties in matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise ~~herein~~ *in this chapter*, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 142. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] *If* the commissioner

~~of the department of labor and industry shall hold determines that a formal hearing on the objections which have been filed to the proposed order where the circumstances warrant such is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. The hearing shall be before a compensation judge.~~

Sec. 143. Minnesota Statutes 1982, 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, 3a, and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed six 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. 144. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] The employer liable for the compensation for a personal injury under this chapter is the employer in whose employment the employee was last exposed to the hazard of the occupational disease claimed, if the employment was for six months or more, whether intermittent or consecutive. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer or self-insurer who was on the risk during the employee's last exposure as defined in this subdivision to the hazard of the occupational disease claimed is the liable party.

Sec. 145. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease shall be 66-2/3 percent of the employee's weekly wage on the date of last exposure to the hazard in the employment of the liable employer as defined in subdivision 10 of the occupational disease claimed, subject to a maximum compensation equal to the maximum compensation in effect on the date of the last exposure provided that the employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.

Sec. 146. [176.83] [RULES.]

In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner may adopt, amend, or repeal rules to implement the provisions of this chapter. The rules shall have the force and effect of law and are binding on a compensation judge, workers' compensation court of appeals, the rehabilitation review panel, and the medical services advisory board and shall include but not be limited to:

(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services including registration fees to be paid by rehabilitation consultants and approved vendors under section 176.102. Registration fees set by the commissioner shall be set so that the total fees received approximate the amount appropriated for the function, plus the portion of general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Subsequent fee adjustments may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102. These rules may also establish criteria regarding "reasonable moving expenses" under the section. The rules may also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation pursuant to this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant, provided that in absence of such rules this consultation shall be conducted pursuant to the provisions of this chapter governing rehabilitation consultation;

(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;

(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.

The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;

(d) rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation 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 and accepted rehabilitation standards.

If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost 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 procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program.

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

The rules adopted under this clause shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause;

(e) rules establishing procedures and standards for the certification of physicians, chiropractors, podiatrists, and other health care providers, including rules related to additional training and continuing education, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter;

(f) rules necessary for implementing and administering the provisions of sections 176.001, 176.131, 176.132, 176.134, 176.242, 176.243, 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111;

(g) procedures required for the implementation and administration of section 176.129 including, but not limited to, determining the method by which an employer will be assessed for payments due under section 176.129, subdivision 3, and the amount of the assessment. In adopting the rule regarding the assessment, the commissioner shall consider among other things, the expenditures to be made from the fund in the next calendar year, the current fund balance, and future expenditure trends;

(h) rules establishing standards or criteria under which a physician, podiatrist, or chiropractor is selected or under which a change of physician, podiatrist, or chiropractor is allowed under section 176.135, subdivision 2;

(i) rules to govern the procedure for intervention pursuant to section 176.361;

(j) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(k) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "independ-

dent contractor'';

(l) rules necessary for implementation of the provisions of section 176.101, subdivision 3, shall include the provisions contained in the Manual for Orthopaedic Surgeons in Evaluating Permanent Physical Impairment, published by the American Academy of Orthopaedic Surgeons, which are in effect as of the effective date of this act. The provisions adopted by reference herein shall be effective the same day as the provisions of section 176.101, subdivision 3;

(m) forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter; or

(n) any other rules necessary to implement, administer, or clarify the intent of a provision of chapter 176 which are not inconsistent with the law.

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be imposed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

Sec. 147. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102, 176.103, 176.221, 176.241, 176.242, and 176.243, shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

Sec. 148. [176.85] [PENALTIES; APPEALS.]

Subdivision 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and

provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to sections 176.102 or 176.103.

Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.

Sec. 149. Minnesota Statutes 1982, 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 shutdown; 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 *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3j*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period 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.

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. 150. Minnesota Statutes 1982, section 471.982, subdivision 2, is amended to read:

Subd. 2. The commissioner of insurance is authorized to ~~promulgate~~ *adopt* administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section ~~and. In developing the rules under this section, the commissioner shall at a minimum require consider~~ the following:

(a) *The requirements for self-insuring pools of political subdivisions shall be no more nor less restrictive than the requirements for self-insuring pools of private employers;*

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

(c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

(d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

(e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

(f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

(g) Premiums shall ~~either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings neither excessive, inadequate, nor unfairly discriminatory;~~

(h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

- ~~(h)~~ (i) Each pool shall be audited annually by a certified public accountant;
- ~~(i)~~ (j) *Whether* limitations on the payment of dividends to pool members ~~may be established as~~ are necessary to assure the solvency of the pool;
- ~~(j)~~ (k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;
- ~~(k)~~ (l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;
- ~~(l)~~ (m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;
- ~~(m)~~ (n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;
- ~~(n)~~ (o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 151. [CITY OF DULUTH; GROUP WORKERS' COMPENSATION SELF INSURANCE POOLS.]

Subdivision 1. [PILOT STATE FUND.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self insurance pool with private employers located in the city of Duluth to self insure workers' compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

- (a) Qualifications for group self insurer membership, including underwriting standards.*
- (b) The method of selecting the board of directors, including the directors' terms of office.*
- (c) The procedure for amending the bylaws or plan of operation.*
- (d) Investment of assets of the fund.*
- (e) Frequency and extent of loss control or safety engineering services provided to members.*
- (f) A schedule for payment and collection of premiums.*
- (g) Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.*
- (h) Delineation of authority granted to the administrator.*
- (i) Delineation of authority granted to the service company.*
- (j) Basis for determining premium contributions by members including any experience rating program.*
- (k) Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.*

(l) Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.

(m) Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 152. [APPROPRIATIONS; COMPLEMENT INCREASE.]

Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$2,159,901	\$2,516,169

The approved complement of the department of labor and industry is increased by 103 of which 3.8 shall be federally funded. The increased complement shall be allocated as follows:

- (1) workers' compensation administration, 1;
- (2) records and compliance, 15;
- (3) rehabilitation service, 20;
- (4) legal services, 1;
- (5) settlement and docket, 3;
- (6) mediation and arbitration, 6;
- (7) research and education, 15;
- (8) information management service, 6;
- (9) state employee fund, 6;
- (10) occupational safety and health consultation, 2;
- (11) general support, 9; and
- (12) special compensation fund, 19.

The appropriation provided by this clause (a) is for the purpose of paying for the increased complement and expenses related to their duties.

(b) There is appropriated to the department of labor and industry for the

fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$437,500	\$875,000

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$476,985	\$449,855

The funds appropriated by this clause (c) are to be deposited in the special compensation fund to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$127,400	\$130,050

The approved complement of the office of administrative hearings is increased by four. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$230,818	\$239,620

The approved complement of the insurance division of the department of commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.

Subd. 4. [ATTORNEY GENERAL.] There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$204,500	\$206,062

The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.

Sec. 153. [REPEALER.]

Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed.

Sec. 154. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of the act shall remain valid, unless the court finds the valid provisions of the act are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 155. [176.1011] [PERMANENT PARTIAL DISABILITY, WHOLE BODY SCHEDULE.]

Subdivision 1. [GENERAL.] For permanent partial disability the percentage loss of a part of the body as it relates to the whole body is as indicated in this section.

Subd. 2. [MEMBERS.] (a) For the loss of a hand, not including wrist movement, 42 percent of the whole body;

(b) For the loss of a hand, including wrist movement, 48 percent of the whole body;

(c) For the loss of an arm, 60 percent of the whole body;

(d) For the loss of a foot, including ankle movement, 32 percent of the whole body;

(e) For loss of a leg, if enough remains to permit the use of an effective artificial member, 40 percent of the whole body;

(f) For the loss of a leg so close to the hip that no effective artificial member can be used, 50 percent of the whole body;

(g) For loss of the great toe, eight percent of the whole body;

(h) For loss of a toe other than the great toe, three percent of the whole body.

Subd. 3. [VISION.] For the complete loss of vision, 85 percent of the whole body. In determining the degree of vision impairment as it relates to complete loss of vision, clauses (1) to (6) must be used.

(1) [MAXIMUM AND MINIMUM LIMITS OF THE PRIMARY COORDINATE FACTORS OF VISION.] In order to determine the various degrees of visual efficiency, normal or maximum, and minimum, limits for each coordinate function must be established those being, the 100 percent point and the zero percent point.

(a) [MAXIMUM LIMITS.] The maximum efficiency for each of these is established by existing and accepted standards.

1. [CENTRAL VISUAL ACUITY.] The ability to recognize letters or characters which subtend an angle of five minutes, each unit part of which subtends a one-minute angle at the distance viewed is accepted as standard. Therefore a 20/20 Snellen or A.M.A. and a 14/14 A.M.A. are employed as the maximum acuity of central vision, or 100 percent acuity for distance vision and near vision respectively.

2. [FIELD VISION.] A visual field having an area which extends from the point of fixation outward 65 degrees, down and out 65 degrees, down 55 degrees, down and in 5 degrees, inward 45 degrees, in and up 45 degrees, upward 45 degrees, and up and out 55 degrees is accepted as 100 percent industrial visual field efficiency.

3. [BINOCULAR VISION.] Maximum binocular vision is present if there is absence of diplopia in all parts of the field of binocular fixation, and if the two eyes give useful binocular vision.

(b) [MINIMUM LIMITS.] The minimum limit, or the zero percent of the coordinate functions of vision, is established at that degree of efficiency which reduces vision to a state of industrial uselessness.

1. [CENTRAL VISUAL ACUITY.] The minimum limit of this function is established as the loss of light perception, light perception being qualitative vision. The practical minimum limit of quantitative visual acuity is established as the ability to distinguish form. Experience, experiment, and authoritative opinion show that for distance vision 20/200 Snellen or A.M.A. Chart is 80 percent loss of visual efficiency, 20/380 is 96 percent loss, and 20/800 is 99.9 percent loss, and that for near vision 14/141 A.M.A. Reading Card is 80 percent loss of visual efficiency, 14/266 is 96 percent loss, and 14/560 is 99.9 percent loss. Table 1 shows the percentage loss of visual efficiency corresponding to the Snellen and other notations for distance and for near vision, for the measurable range of quantitative visual acuity.

2. [FIELD VISION.] The minimum limit for this function is established as a concentric central contraction of the visual field to five degrees. This degree of contraction of the visual field of an eye reduces the visual efficiency to zero.

3. [BINOCULAR VISION.] The minimum limit is established by the presence of diplopia in all parts of the motor field, or by lack of useful binocular vision. This condition constitutes 50 percent motor field efficiency.

TABLE 1

Percentage of Central Visual Efficiency Corresponding to
Specified Readings for Distance and for Near Vision for
Measurable Range of Quantitative Visual Acuity

A.M.A. Test Chart or Snellen Reading for Distance	A.M.A. Card Reading for Near	Percentage of Visual Efficiency	Percent- age Loss of Vision
20/20	14/14	100.00	0.0
20/15	14/17.5	95.7	4.3
20/25.7	—	95.0	5.0
20/30	14/21	91.5	8.5
20/32.1	—	90.0	10.0
20/35	14/24.5	7.5	12.5
20/38.4	—	85.0	15.0
20/40	14/28	83.6	16.4
20/44.9	14/31.5	80.0	20.0
20/50	14/35	76.5	23.5
20/52.1	—	75.0	25.0

20/60	14/42	69.9	30.1
20/60.2	—	70.0	30.0
20/68.2	—	65.0	35.0
20/70	14/49	64.0	36.0
20/77.5	—	60.0	40.0
20/80	14/56	58.5	41.5
20/86.8	—	55.0	45.0
20/90	14/63	53.4	46.6
20/97.5	—	50.0	50.0
20/100	14/70	48.9	51.1
20/109.4	—	45.0	55.0
20/120	14/84	40.9	59.1
—	14/89	38.4	61.6
20/122.5	—	40.0	60.0
20/137.3	—	35.0	65.0
20/140	14/98	34.2	65.8
20/155	—	30.0	70.0
20/160	14/112	28.6	71.4
20/175	—	25.0	75.0
20/180	14/126	23.9	76.1
20/200	14/141	20.0	80.0
20/220	14/154	16.7	83.3
20/240	14/168	14.0	86.0
14/178	—	12.3	87.7
20/260	14/182	11.7	88.3
20/280	14/196	9.7	90.3
20/300	14/210	8.2	91.8
20/320	14/224	6.8	93.2
20/340	14/238	5.7	94.3
20/360	14/252	4.8	95.2
20/380	14/266	4.0	96.0
20/400	14/280	3.3	96.7
20/450	14/315	2.1	97.9
20/500	14/350	1.4	98.6
20/600	14/420	0.6	99.4
20/700	14/490	0.3	99.7
20/800	14/560	0.1	99.9

Where distance vision is less than 20/200 and the A.M.A. Chart is used, readings will be at ten feet. The percentage of efficiency and loss may be obtained from this table by comparison with corresponding readings on the basis of 20 feet, interpolating between readings if necessary. In view of the lack of uniform standards among the various near vision charts, readings for near vision, within the range of vision covered thereby, are to be according to the American Medical Association Rating Reading Card of 1932.

(2) [MEASUREMENT OF COORDINATE FACTORS OF VISION AND THE COMPUTATION OF THEIR PARTIAL LOSS.] (a) [CENTRAL VISUAL ACUITY.] 1. Central visual acuity shall be measured both for distance and for near, each eye being measured separately, both with and without correction. Where the purpose of the computation is to determine loss of vision resulting from injury, if correction is needed for a presbyopia due to age or for some other condition clearly not due to the injury, the central visual acuity "without correction," as the term is used in this section, shall be measured with a correction applied for the presbyopia or other preexisting condition but without correction for any condition which may

have resulted from the injury. The central visual acuity with correction shall be measured with correction applied for all conditions present.

2. The percentage of central visual acuity efficiency of the eye for distance vision shall be based on the best percentage of central visual acuity between the percentage of central visual acuity with and without correction. No subtraction for glasses may be taken at more than 25 percent, or less than five percent, of total central visual acuity efficiency. If a subtraction of five percent reduces the percentage of central visual acuity efficiency below that obtainable without correction, the percentage obtainable without correction shall be adopted unless correction is necessary to prevent eye strain or for other reasons.

3. The percentage of central visual acuity efficiency of the eye for near vision shall be based on a similar computation from the near vision readings, with and without correction.

4. The percentage of central visual acuity efficiency of the eye in question shall be the result of the weighted values assigned to these two percentages for distance and for near. A onefold value is assigned to distance vision and a twofold value to near vision. If the central visual efficiency for distance is 70 percent and that for near is 40 percent, the percentage of central visual efficiency for the eye in question would be:

Distance (taken once)	70 percent
Near (taken twice)	40
	40
	150 divided by 3 = 50 percent
	central visual acuity efficiency

5. The Snellen test letters or characters as published by the Committee on Compensation for Eye Injuries of the American Medical Association and designated "Industrial Vision Test Charts" subtend a five-minute angle, and their component parts a one-minute angle. These test letters or the equivalent are to be used at an examining distance of 20 feet for distant vision (except as otherwise noted on the chart where vision is very poor), and 14 inches for near vision, from the patient. The illumination is to be not less than three-foot candles, nor more than ten-foot candles on the surface of the chart.

6. Table 1 shows the percentage of central visual acuity efficiency and the percentage loss of efficiency, both for distance and for near, for partial loss between 100 percent and zero vision for either eye.

(b) [FIELD VISION.] 1. The extent of the field of vision shall be determined by the use of the usual perimetric test methods, a white target being employed which subtends a one-degree angle under illumination of not less than three-foot candles, and the result plotted on the industrial visual field chart. The readings should be taken, if possible, without restriction to the field covered by the correction worn.

2. The amount of radial contraction in the eight principal meridians shall be determined. The sum of the degrees of field vision remaining on these meridians, divided by 420 (the sum of the eight principal radii of the industrial visual field) will give the visual field efficiency of one eye in percent, except that a concentric central contraction of the field to a diameter of five degrees reduces the visual efficiency to zero.

3. Where the impairment of field is irregular and not fairly disclosed by the eight radii, the impaired area should be sketched upon the diagram on the report blank, and the computation be based on a greater number of radii, or

otherwise, as may be necessary to a fair determination.

(c) [BINOCULAR VISION.] 1. Binocular vision shall be measured in all parts of the motor field, recognized methods being used for testing. It shall be measured with any useful correction applied.

2. Diplopia may involve the field of binocular fixation entirely or partially. When diplopia is present, this shall be plotted on the industrial motor field chart. This chart is divided into 20 rectangles, four by five degrees in size. The partial loss due to diplopia is that proportional area which shows diplopia as indicated on the plotted chart compared with the entire motor field area.

3. If diplopia involves the entire motor field, causing an irremediable diplopia, or when there is absence of useful binocular vision due to lack of accommodation or other reason, the loss of coordinate visual efficiency is equal to 50 percent loss of the vision existing in one eye (ordinarily the injured, or the more seriously injured, eye). If the diplopia is partial, the loss in visual efficiency shall be proportional and based on the efficiency factor value of one eye as stated in table 2. If useful correction is applied to relieve diplopia, five percent of total motor field efficiency of one eye shall be deducted from the percent of the efficiency obtainable with the correction. A correction which does not improve motor field efficiency by at least five percent of total will not ordinarily be considered useful.

TABLE 2

Loss in Binocular Vision

No loss	equals	100.0%	Motor Field Efficiency
1/20	equals	99.0	Motor Field Efficiency
2/20	equals	97.7	Motor Field Efficiency
3/20	equals	96.3	Motor Field Efficiency
4/20	equals	95.0	Motor Field Efficiency
5/20	equals	93.7	Motor Field Efficiency
6/20	equals	92.3	Motor Field Efficiency
7/20	equals	90.7	Motor Field Efficiency
8/20	equals	89.0	Motor Field Efficiency
9/20	equals	87.3	Motor Field Efficiency
10/20	equals	85.7	Motor Field Efficiency
11/20	equals	83.7	Motor Field Efficiency
12/20	equals	81.7	Motor Field Efficiency
13/20	equals	79.7	Motor Field Efficiency
14/20	equals	77.3	Motor Field Efficiency
15/20	equals	75.0	Motor Field Efficiency
16/20	equals	72.7	Motor Field Efficiency
17/20	equals	69.7	Motor Field Efficiency
18/20	equals	66.0	Motor Field Efficiency
19/20	equals	61.0	Motor Field Efficiency
20/20	equals	50.0	Motor Field Efficiency

(3) [INDUSTRIAL VISUAL EFFICIENCY OF ONE EYE.] The industrial visual efficiency of one eye is determined by obtaining the product of the computed coordinate efficiency values of central visual acuity, of field of vision, and of binocular vision. Thus, if central visual acuity efficiency is 50 percent, visual field efficiency is 80 percent and the binocular vision efficiency is 100 percent, the resultant visual efficiency of the eye will be 50 times 80 times 100 equals 40 percent. Should useful binocular vision be absent in all of the motor field so that binocular efficiency is reduced to 50

percent, the visual efficiency would be 50 times 80 times 50 equals 20 percent.

(4) [COMPUTATION OF COMPENSATION FOR IMPAIRMENT OF VISION.] When the percentage of industrial visual efficiency of each eye has been determined, it is subtracted from 100 percent. The difference represents the percentage impairment of each eye for industrial use. These percentages are applied directly to the specific schedules of chapter 176.

(5) [TYPES OF OCULAR INJURY NOT INCLUDED IN THE DISTURBANCE OF COORDINATE FACTORS.] Certain types of ocular disturbance are not included in the foregoing computations and these may result in disabilities, the value of which cannot be computed by any scale as yet scientifically possible of deduction. These are disturbances of accommodation not previously provided for in these rules, of color vision, of adaptation to light and dark, metamorphopsia, entropion, ectropion, lagophthalmos, epiphora, and muscle disturbances not included under diplopia. For these disabilities additional compensation shall be awarded, but in no case shall the additional award make the total compensation for loss in industrial visual efficiency greater than that provided by law for total permanent disability.

(6) [MISCELLANEOUS RULES.] (a) Compensation shall not be computed until all adequate and reasonable operations and treatment known to medical science have been attempted to correct the defect. Prior to the final examination on which compensation is to be computed, at least three months shall have elapsed after the last trace of visible inflammation has disappeared. If in cases of disturbance of extrinsic ocular muscles, optic nerve atrophy, injury of the retina, sympathetic ophthalmia, and traumatic cataract, at least 12 months and preferably not more than 16 months shall intervene before the examination is made on which final compensation is to be computed. In case the injury is one which may cause cataract, optic atrophy, disturbance of the retina, or other conditions, which may further impair vision after the time of the final examination, a note of that fact should be made by the examining physician on his report.

(b) In cases of additional loss in visual efficiency, when it is known that there was present a preexisting subnormal vision, compensation shall be based on the loss incurred as a result of eye injury or occupational condition specifically responsible for the additional loss. If there exists no record or no adequate and positive evidence of preexisting subnormal vision, it shall be assumed that the visual efficiency prior to any injury was 100 percent. An examining physician must carefully distinguish, in regard to each of the coordinate factors, between impairments resulting from the injury and impairments not so resulting. Other impairments should be reported separately.

Subd. 4. [AUDITORY.] For complete loss of hearing, 35 percent of the whole body. In determining the degree of hearing loss as it relates to complete hearing loss, clauses (1) to (9) must be used:

(1) [HARMFUL NOISE.] Hearing loss resulting from hazardous noise exposure depends upon several factors, namely, the overall intensity (sound pressure level), the daily exposure, the frequency characteristic of the noise spectrum and the total lifetime exposure. Noise exposure level of 90 decibels or more as measured on the A scale of a sound level meter for eight hours a day is considered to be harmful.

(2) [MEASUREMENT OF NOISE.] *Noise shall be measured with a sound level meter which meets ANSI standard S1.4-1971 and shall be measured on the "A" weighted network for "slow response". Noise levels reaching maxima at intervals of one second or less shall be classified as being continuous. The measurement of noise is primarily the function of acoustical engineers and properly trained personnel. Noise should be scientifically measured by properly trained individuals using approved calibrated instruments which at the present time include sound level meters, octave band analyzers and oscilloscopes, the latter particularly for impact-type noises.*

(3) [MEASURE OF HEARING ACUITY.] *The use of pure tone air conduction audiometry performed under proper testing conditions is recommended for establishing the hearing acuity of workers. The audiometer should be one which meets the specifications of ANSI standard S3.6-1969 (4). The audiometer should be periodically calibrated. Preemployment records should include a satisfactory personal and occupational history on hearing status. Otological examination should be made where indicated.*

(4) [FORMULA FOR MEASURING HEARING IMPAIRMENT.] *For the purpose of determining the hearing impairment, pure tone air conduction audiometry is used, measuring all frequencies between 500 and 6,000 Hz. This formula uses the average of the three speech frequencies of 1,000, 2,000, and 3,000 Hz. Audiometric measurement for these three frequencies averaging 35 decibels or less on the ANSI calibration does not constitute any practical hearing impairment. A table for evaluating hearing impairment based upon the average readings of these three frequencies follows below. No deduction is made for presbycusis.*

(5) [DIAGNOSIS AND EVALUATION.] *The diagnosis of occupational hearing loss is based upon the occupational and medical history, the results of the otological and audiometric examinations and their evaluation.*

(6) [TREATMENT.] *There is no known medical or surgical treatment for improving or restoring hearing loss due to hazardous noise exposure.*

(7) [ALLOWANCE FOR TINNITUS.] *In addition to the above impairment, if tinnitus has permanently resulted due to work exposure, an allowance of five percent loss of hearing impairment for the affected ear or ears shall be computed.*

(8) [HEARING IMPAIRMENT TABLE.]

Average Decibel Loss ANSI	Percent of Compensable Hearing Impairment	Average Decibel Loss ANSI	Percent of Compensable Hearing Impairment
35	0	66	54.25
36	1.75	67	56.00
37	3.50	68	57.75
38	5.25	69	59.50
39	7.00	70	61.25
40	8.75	71	63.00
41	10.50	72	64.75
42	12.25	73	66.50
43	14.00	74	68.25
44	15.75	75	70.00
45	17.50	76	71.75

46	19.25	77	73.50
47	21.00	78	75.25
48	22.75	79	77.00
49	24.50	80	78.75
50	26.25	81	80.50
51	28.00	82	82.25
52	29.75	83	84.00
53	31.50	84	85.75
54	33.25	85	87.50
55	35.00	86	89.25
56	36.75	87	91.00
57	38.50	88	92.75
58	40.25	89	94.50
59	42.00	90	96.25
60	43.75	91	98.00
61	45.50	92	99.75
62	47.25	92	99.75
63	49.00	92	99.75
64	50.75	92	99.75
65	52.50	92	99.75

(9) [METHOD FOR DETERMINING PERCENT OF HEARING IMPAIRMENT.] Obtain for each ear the average hearing level in decibels at the three frequencies, 1,000, 2,000, and 3,000 Hz.

See table for converting to percentage of hearing impairment in each ear.

To determine the percentage of impairment for both ears, multiply the lesser loss by four, add the greater loss and divide by five.

Subd. 5. [HEAD INJURIES.] (a) For head injuries, the percentage of permanent partial disability to the whole body multiplied by 95 percent. The percentage shall be determined from competent testimony at a hearing before a compensation judge or by the workers' compensation court of appeals in cases upon appeal except in cases where clause (b) is applicable.

(b) Skull defect:

Percent	Percent	Unfilled defect	Filled defect
1 square inch		10 whole body	3 whole body
2 square inches		15 whole body	4 whole body
3 square inches		20 whole body	5 whole body
5 square inches		25 whole body	7 whole body
8 or more square inches		30 whole body	10 whole body

Subd. 6. [INTERNAL ORGANS.] For permanent partial disability to an internal organ, until the commissioner adopts a schedule of degree of disability for internal organs, that percent, not to exceed 100 percent, which is percent of permanent partial disability caused to the whole body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals.

Subd. 7. [DISFIGUREMENT; SCARRING.] 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, the percentage the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal

determines, not exceeding 15 percent of the whole body.

Subd. 8. [BURNS.] For permanent partial disability resulting from injury to the body as a whole due to thermal injury from extreme heat, radiation, cold, or chemical resulting in permanent injury to the skin including heat intolerance, cold intolerance, and loss of durability; skin sensitivity and altered sweating with apocrine gland dysfunction; decreased sensation of the hand not directly related to nerve injury; and pain, loss of pigment, contracture and edema, that proportion of 70 percent 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 percentage to be in addition to the rating the employee would otherwise be entitled to for loss of use of a member in accordance with this section.

Subd. 9. [ORTHOPAEDIC INJURIES.] For the purpose of chapter 176, unless the context requires otherwise "manual" means the "manual for orthopaedic surgeons in evaluating permanent physical impairment" published by the American Academy of Orthopaedic Surgeons. The manual is incorporated by reference into this chapter. Unless a contrary provision specifically exists in this chapter or in rules, the manual shall be used to determine all permanent partial disabilities which are specifically listed in the manual. The most recent manual as of May 1, 1983, shall be used for purposes of this subdivision and future amended versions shall not be used. All references to percent of permanent physical impairment and loss of physical function in the manual are the proportion that the specified impairment bears to the entire member unless otherwise specified in the manual. The proportion that the member bears to the whole body is to be determined pursuant to this subdivision.

Subd. 10. [CENTRAL NERVOUS SYSTEM.] For permanent partial disability to the central nervous system the percentage of disability of the whole body is as listed in the following:

DISABILITY — PERCENT OF WHOLE BODY

A. Trigeminal

- (1) Unilateral sensory loss — 5 percent
- (2) Bilateral sensory loss — 20 percent
- (3) Trigeminal neuralgia — 20 percent
- (4) Atypical facial pain — 10 percent
- (5) Unilateral motor loss — 5 percent
- (6) Bilateral motor loss — 30 percent

B. Facial

- (1) Total loss of taste — 3 percent
- (2) Unilateral motor loss — 10 percent
- (3) Bilateral motor loss — 25 percent

C. Vestibular loss (bilateral) — 20 percent

D. Vertigo

- (1) Interference with operating motor vehicle or riding a bicycle — 8 percent

(2) *Cannot perform activities of daily living without assistance except self-care, household duties, walking on the street, riding in a car — 25 percent*

(3) *Cannot perform activities of daily living without assistance except self-care — 35 percent*

(4) *Same as (3) and confined to premises — 60 percent*

E. Glossopharyngeal, Vagus, Crainial Accessory

(1) *Swallowing impairment due to any one or two combinations of these nerves:*

(a) *diet restricted to semi-solids — 10 percent*

(b) *diet restricted to liquids — 25 percent*

(c) *diet by tube feeding or gastrostomy — 50 percent*

(2) *Speech impairment due to any one or two combinations of these nerves:*

(a) *can produce speech for all to most needs — 0-2 percent*

(b) *can produce speech for many needs — 5 percent*

(c) *can produce speech for some needs — 15 percent*

(d) *can produce speech for few needs — 25 percent*

(e) *cannot produce speech for any needs — 33 percent*

F. Hypoglossal

(1) *Bilateral paralysis*

Swallowing impairment

(a) *diet restricted to semi-solids — 10 percent*

(b) *diet restricted to liquids — 25 percent*

(c) *diet by tube feeding or gastrostomy — 50 percent*

(2) *Speech impairment*

(a) *can produce speech for all to most needs — 0-2 percent*

(b) *can produce speech for many needs — 5 percent*

(c) *can produce speech for some needs — 15 percent*

(d) *can produce speech for few needs — 25 percent*

(e) *cannot produce speech for any needs — 33 percent*

G. Spinal Cord and Brain

Supporting objective neurological findings are presupposed.

(1) *Spinal cord*

Use of lower extremities

(a) *can stand but walks with difficulty — 15 percent*

(b) *can stand but walks only on the level — 30 percent*

(c) *can stand but cannot walk — 45 percent*

(d) *can neither stand nor walk — 65 percent*

(2) Use of upper extremities

	<i>Percentage (Preferred extremity)</i>	<i>(Nonpreferred extremity)</i>	<i>(Both)</i>
<i>(a) some difficulty with digital dexterity</i>	10	5	15
<i>(b) has no digital dexterity</i>	20	10	30
<i>(c) has difficulty with self care</i>	30	20	50
<i>(d) cannot carry out self care</i>	50	35	85

*(3) Respiration**(a) Difficulty only where extra exertion required — 5 percent**(b) restricted to limited ambulation — 25-50 percent**(c) restricted to bed — 75 percent**(d) has no spontaneous respiration — 95 percent**(4) Urinary Bladder function**(a) impairment in form of urgency — 5 percent**(b) good reflex activity without voluntary control — 20 percent**(c) poor reflex activity and no voluntary control — 35 percent**(d) no reflex or voluntary control — 50 percent**(5) Anorectal function**(a) limited voluntary control — 5 percent**(b) has reflex regulation but no voluntary control — 15 percent**(c) no reflex regulation or voluntary control — 20 percent*

	<i>Percentage</i>
--	-------------------

<i>Sexual function</i>	
<i>Mild difficulties</i>	5

<i>Reflex function possible</i>	
<i>Mild difficulties</i>	5

<i>Reflex function possible</i>	
<i>but no awareness</i>	20

<i>No sexual function</i>	30
---------------------------	----

*H. Brain - Supporting objective evidence of structural injury, neurological deficit or psychomotor findings is required**(1) community disturbances, mild difficulties — 5 percent**(2) Comprehends but requires adaptive communication — 20 percent**(3) comprehends but cannot produce sufficient or appropriate language — 30 percent*

(4) cannot comprehend or produce intelligible or appropriate language — 60 percent

(5) cannot comprehend or produce language — 95 percent

(6) complex integrated cerebral function disturbances

- must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

- functional overlay or primary psychiatric disturbances shall not be rated under this category.

(a) can carry out daily living tasks — 10 percent

(b) needs some supervision — 30 percent

(c) needs confinement — 65 percent

(d) cannot care for self — 95 percent

(7) Emotional disturbances (personality changes)

- must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

(a) only present under unusual stress — 10 percent

(b) present in mild to moderate degree under ordinary stress — 30 percent

(c) present in moderate to severe degree under ordinary stress — 55 percent

(d) severe degree; continually endangers self or others — 95 percent

(8) Consciousness mental content

- must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

(a) mild confusion — 40 percent

(b) moderate confusion — 60 percent

(c) lethargy — 80 percent

(d) stupor — 95 percent

(e) coma — 95 percent

(9) Memory function

(a) able to carry out limited vocational tasks with supporting devices — 15 percent

(b) needs direction but can carry through tasks — 30 percent

(c) needs supervised living and vocational supervision — 65 percent

(d) cannot remember from moment to moment — 95 percent

(10) Paralysis

(a) one side of body

(1) slight — 20 percent

(2) moderate — 55 percent

(3) severe — 95 percent

(11) Epilepsy

(a) well controlled on medication for one year or more. Able to enter work force but with restrictions — 10 percent

(b) not well controlled. Spells interfering with activities at least once a year — 15 percent

(c) poorly controlled, having several spells per year, with moderate interference with daily living — 35 percent

(d) requires supervised, protective care or confinement — 75 percent

(e) totally incapacitated — 95 percent

I. Headaches

vascular with nausea - vomiting — 5 percent

Subd. 11. [LOSS OF USE OF MEMBER.] 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.

Subd. 12. [MEMBER NOT IN SCHEDULE.] In cases of permanent partial disability to a body part not listed in this schedule or the manual, the percentage loss of function which the disability bears to the whole body shall be determined pursuant to rules adopted by the commissioner.

Subd. 13. [INJURY TO MORE THAN ONE BODY PART.] If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B(1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts incurred as described above, A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions."

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing for comprehensive reform of all aspects of workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 79.071, subdivision 1; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 2 and 3; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.001; 176.011, by adding subdivisions; 176.012; 176.021, subdivisions 1a and 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, 18, and by adding a subdivision; 176.121;

176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241; 176.271, by adding a subdivision; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 268.08, subdivision 3; and 471.982, subdivision 2; Laws 1981, chapter 346, section 145; proposing new law coded in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	Mehrkens	Sieloff
Belanger	Brataas	Knaak	Olson	Storm
Benson	Frederick	Kronebusch	Peterson, D.L.	Ulland
Berg	Frederickson	Laidig	Ramstad	
Bernhagen	Isackson	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Frank	Lessard	Pehler	Solon
Chmielewski	Freeman	Luther	Peterson, D.C.	Stumpf
Dahl	Jude	Merriam	Peterson, R.W.	Vega
Davis	Kroening	Moe, D. M.	Petty	Wegscheid
DeCramer	Langseth	Moe, R. D.	Purfeerst	Willet
Diessner	Lantry	Nelson	Schmitz	

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

Mrs. Brataas moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 43, delete section 39 and insert:

"Sec. 39. Minnesota Statutes 1982, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, *an employee shall receive 66 2/3 percent of the daily employee's gross weekly wage at the time of injury up to a maximum of 100 percent of the statewide average weekly wage.*

(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 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 shall be paid during the period of disability; payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 40. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM BENEFIT.] If an employee earns less than 50 percent of the statewide average weekly wage at the time of injury and if the employee's weekly income provides for at least 80 percent of the employee's own support or 80 percent of the support of the employee and his or her family, then the minimum weekly compensation benefits for temporary total disability shall be the employee's gross weekly wage at the time of injury.

Compensation payable under subdivisions 1 and 1a shall be paid during the period of disability, at the same intervals when the wage was payable."

Renumber the sections in sequence and 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 24 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	Mehrkens	Sieloff
Belanger	Brataas	Knaak	Olson	Storm
Benson	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berg	Frederickson	Laidig	Ramstad	Ulland
Bernhagen	Isackson	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Moe, R. D.	Purfeerst
Chmielewski	Frank	Lessard	Pehler	Schmitz
Dahl	Freeman	Luther	Peterson, D.C.	Solon
Davis	Jude	Merriam	Peterson, R.W.	Vega
DeCramer	Kroening	Moe, D. M.	Petty	Wegscheid

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

Mr. Ramstad moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 125, after line 31, insert:

"Sec. 140. Minnesota Statutes 1982, section 176.271, is amended by adding a subdivision to read:

Subd. 3. Notwithstanding any other provision to the contrary, no attorney employed by the state of Minnesota may represent any person in any action or matter under this chapter, other than the state, as defined in section 79.34, subdivision 2."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

Mr. Frederick moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 75, after line 31, insert:

“Sec. 67. [176.1012] [TOTAL DISABILITY OFFSET.]

Any total disability benefits 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 total disability benefit 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 the employee was required to make contributions to finance the benefit coverage for which an offset pursuant to this section is required, the amount of the benefit payment which will reduce the total disability benefit 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 payable and the remainder after all reductions shall be the reduced benefit payable.”

Renumber the sections in sequence and 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 24 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Isackson	McQuaid	Renneke
Belanger	Brataas	Kamrath	Mehrkens	Sieloff
Benson	DeCramer	Knaak	Olson	Storm
Berg	Frederick	Kronebusch	Peterson, D.L.	Ulland
Bernhagen	Frederickson	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Freeman	Luther	Purfeerst	Wegscheid
Chmielewski	Jude	Merriam	Reichgott	Willet
Dahl	Kroening	Moe, D. M.	Schmitz	
Davis	Langseth	Moe, R. D.	Solon	
Diessner	Lantry	Peterson, D.C.	Stumpf	
Frank	Lessard	Petty	Vega	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on S.F. No. 1234:

Messrs. Samuelson; Johnson, D.E.; Spear; Dicklich and Knutson. The motion prevailed.

Mrs. Brataas moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 43, after line 7, insert:

“Sec. 39. [176.099] [SAFETY VIOLATIONS, CHANGE IN BENEFITS.]

Subdivision 1. [EMPLOYER VIOLATION.] If a personal injury is caused by the failure of the employer to comply with any statute, rule, or standard of the department, compensation and death benefits as provided in this chapter shall be increased ten percent but not more than a total increase of \$10,000. Failure of an employer reasonably to enforce compliance by employees with a statute, rule, or standard of the department shall constitute failure by the employer to comply.

Subd. 2. [EMPLOYEE VIOLATION.] If a personal injury is caused by the failure of the employee to use safety devices where provided in accordance with any statute, rule, or standard of the department and adequately maintained, and their use is reasonably enforced by the employer, or if a personal injury results from the employee's failure to obey any reasonable rule adopted and reasonably enforced by the employer for the safety of the employee and of which the employee has notice, the compensation and death benefit provided in this chapter shall be reduced ten percent but the total reduction shall not exceed \$10,000.”

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

Mr. Peterson, C.C. moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 7, after line 19, insert:

“Sec. 5. Minnesota Statutes 1982, section 79.211, subdivision 2, is amended to read:

Subd. 2. [DIVISION OF PAYROLL.] An insurer shall permit an employer

to divide his payroll among the rating classifications most closely fitting the work actually performed by each employee in a four-hour block or more for purposes of premium calculation when the employer's records provide adequate support for a division."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 20, after line 6, insert:

"Sec. 14. Minnesota Statutes 1982, section 79.53, is amended to read:

79.53 [PREMIUM CALCULATION.]

Subdivision 1. [METHOD OF CALCULATION.] Each insurer shall establish premiums to be paid by an employer according to its filed rates and rating plan as follows:

Rates shall be applied to an exposure base to yield a base premium which may be further modified by merit rating, premium discounts, and other appropriate factors contained in the rating plan of an insurer to produce premium. Nothing in this chapter shall be deemed to prohibit the use of any premium, provided the premium is not excessive, inadequate or unfairly discriminatory.

Subd. 2. [STUDY; REPORT.] The commissioner of insurance shall conduct a comparative actuarial study of the exposure bases of employers located within and outside of the seven county metropolitan area. In addition to the factors required to be considered by a data service organization under section 79.61, subdivision 1, the study shall include the activity permitted under section 79.61, subdivision 2, and specifically, shall include a comparative study of the incidence of litigation in relationship to first reports of injuries as between employers within and outside the metropolitan area.

For the purposes of this section, "metropolitan area" has the meaning as defined in section 473.121, subdivision 2.

A report on the study shall be made by the commissioner to the legislature by January 15, 1984."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 575 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 28 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Merriam	Peterson, R. W.	Stumpf
Bertram	Hughes	Moe, D. M.	Petty	Waldorf
Dahl	Jude	Moe, R. D.	Purfeerst	Wegscheid
Davis	Langseth	Nelson	Schmitz	Willet
DeCramer	Lessard	Novak	Solon	
Diessner	Luther	Pehler	Spear	

Those who voted in the negative were:

Anderson	Dicklich	Kamrath	Mehrkins	Renneke
Belanger	Frank	Knaak	Olson	Samuelson
Benson	Frederick	Knutson	Peterson, C.C.	Sieloff
Berg	Frederickson	Kroening	Peterson, D.C.	Storm
Berglin	Freeman	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Isackson	Laidig	Pogemiller	Ulland
Brataas	Johnson, D.E.	Lantry	Ramstad	Vega
Chmielewski	Johnson, D.J.	McQuaid	Reichgott	

So the bill, as amended, failed to pass.

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 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. 1012: A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

Senate File No. 1012 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1012, 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. 77.

H.F. No. 77: A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

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

Kostohryz, Metzen, Osthoff, Jensen and Redalen have been appointed as such committee on the part of the House.

House File No. 77 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 May 16, 1983

Mr. Purfeerst moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 77, 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 House File No. 300.

H.F. No. 300: A bill for an act relating to energy; creating the Minnesota energy authority; establishing a program of loans and financial assistance for households and municipalities; authorizing the issuance of bonds; appropriating money; transferring powers; amending Minnesota Statutes 1982, sections 116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 216B.16, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding a subdivision; and 474.01, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116H; 216B; and 462A.

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

Otis, Norton, Sarna, Wenzel and Rice have been appointed as such com-

mittee on the part of the House.

House File No. 300 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 May 16, 1983

Mr. Vega moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 300, 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 House File No. 1290:

H.F. No. 1290: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

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

Kahn; Battaglia; Rice; Carlson, D. and Bishop have been appointed as

such committee on the part of the House.

House File No. 1290 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 May 16, 1983

Mr. Kroening moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1290, 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pehler moved that H F. No. 720 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 794. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that 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.

Messrs. Bertram, Berg, Lessard, Anderson and Chmielewski introduced—

S.F. No. 1251: A bill for an act relating to dramshop liability; creating an interim study commission on dramshop liability.

Referred to the Committee on Judiciary.

Mr. Petty, Ms. Peterson, D.C.; Mr. Spear, Ms. Berglin and Mr. Pogemiller introduced—

S.F. No. 1252: A bill for an act relating to food; regulating the bulk sale of food; proposing new law coded in Minnesota Statutes, chapter 31.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Renneke introduced—

S.F. No. 1253: A bill for an act relating to criminal procedure; repealing the law which requires a defendant to sign and receipt for a statement or confession as a condition of the statement's or confession's admissibility at trial; repealing Minnesota Statutes 1982, section 611.033.

Referred to the Committee on Judiciary.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1254: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing

issuance of state bonds; appropriating money; amending Minnesota Statutes 1982, section 473.436, subdivision 5.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

S.F. No. 265: A bill for an act relating to public welfare; establishing limitations on the number of beds in the state program for mentally retarded persons; establishing reimbursement rates for residential, training and habilitation services; transferring certain appropriations to medical assistance; establishing case management services and screening teams; appropriating money; amending Minnesota Statutes 1982, sections 252.24, subdivision 1; 252.28; 256B.02, subdivision 8; 256B.19, by adding a subdivision; and 256E.06, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 252 and 256B.

Mr. Johnson, D.E. moved to amend S.F. No. 265 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [252.291] [LIMITATION ON DETERMINATION OF NEED.]

Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of public welfare shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for mentally retarded persons or for an increase in the licensed capacity of an existing facility if the total of certified intermediate care beds for mentally retarded persons in community facilities and state hospitals would exceed 7,500 beds. “Certified bed” means an intermediate care bed for the mentally retarded certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982.

Subd. 2. [MONITORING.] The commissioner of public welfare, in coordination with the commissioner of health, shall implement mechanisms to monitor and analyze the effects of the bed moratorium in the different geographic areas of the state. The commissioner of public welfare shall submit to the legislature annually beginning January 15, 1984, an assessment of the impact of the moratorium by geographic areas.

Sec. 2. [256B.092] [HOME AND COMMUNITY SERVICES FOR MENTALLY RETARDED PERSONS.]

Subdivision 1. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for mentally retarded persons.

A “service under waiver” means home or community based service authorized under the United States Code, title 42, section 1396n(c), as

amended through December 31, 1982, and defined in the Minnesota state plan for the provision of medical assistance services. "Services under waiver" include at least: case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community based alternative services under the federal waiver plan does not exceed the cost of intermediate care services that would have been provided in the absence of the services authorized by the waivers. The commissioner shall report to the legislature by the beginning of the 1984 regular session regarding legislation required to implement the waiver or waivers.

Subd. 2. [FEDERAL REQUIREMENTS.] If any provision of the approved waiver is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.

Subd. 3. [RULES.] After the waiver is approved the commissioner shall adopt an implementation plan and temporary and permanent rules to establish required controls, procedures, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan. Immediately after application for the waiver is submitted, the proposed implementation plan and the proposed rules shall be written in cooperation with representatives of the counties, providers, and advocates of mentally retarded persons.

Sec. 3. [APPROPRIATION.]

\$400,000 is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1985 to match federal money available for costs in establishing a client information system and positions needed to administer the mental retardation program.

(a) The approved complement of the department of public welfare is increased by 15 full-time positions for the home and community based services waiver program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community based alternatives, and management of the mental retardation medical assistance program.

(b) This appropriation for development and implementation shall be expended only with the approval of the governor after consulting with the legislative advisory commission as provided in section 3.30. Release of this money is also contingent upon submission of a plan prepared by the commissioner. The plan must describe the following:

- (1) the organization, deployment, and responsibilities of requested staff;
- (2) specification of all other administrative costs associated with the program;

(3) how the information system will be integrated into the community services information system, the medicaid management information system, and any other data processing operations of the department;

(4) the methods for implementing the system; and

(5) the projected costs for the maintenance and operation of the system.

The plan must be submitted to the chairs of the house appropriations and senate finance committees."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 40, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Isackson	Kronebusch	Purfeerst
Anderson	Bertram	Johnson, D.E.	Mehrkins	Renneke
Benson	Frederick	Kamrath	Novak	Samuelson
Berg	Frederickson	Knutson	Peterson, D.L.	Stumpf

Those who voted in the negative were:

Belanger	Dieterich	Langseth	Olson	Reichgott
Berglin	Frank	Lantry	Pehler	Sieloff
Chmielewski	Freeman	Lessard	Peterson, C.C.	Solon
Dahl	Johnson, D.J.	Luther	Peterson, D.C.	Spear
Davis	Jude	McQuaid	Peterson, R.W.	Storm
DeCramer	Knaak	Merriam	Petty	Vega
Dicklich	Kroening	Moe, D. M.	Pogemiller	Wegscheid
Diessner	Laidig	Moe, R. D.	Ramstad	Willet

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

S.F. No. 265 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 51 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Peterson, C.C.	Solon
Anderson	Frederick	Lantry	Peterson, D.C.	Spear
Belanger	Frederickson	Lessard	Peterson, D.L.	Storm
Berglin	Freeman	Luther	Peterson, R.W.	Taylor
Bernhagen	Hughes	McQuaid	Petty	Vega
Chmielewski	Johnson, D.J.	Merriam	Pogemiller	Wegscheid
Davis	Jude	Moe, D. M.	Purfeerst	Willet
DeCramer	Knaak	Moe, R. D.	Ramstad	
Dicklich	Knutson	Novak	Reichgott	
Diessner	Kroening	Olson	Schmitz	
Dieterich	Laidig	Pehler	Sieloff	

Those who voted in the negative were:

Benson	Brataas	Kamrath	Mehrkins	Samuelson
Berg	Isackson	Kronebusch	Renneke	Stumpf
Bertram	Johnson, D.E.			

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 511: A bill for an act relating to low-level radioactive waste;

entering the Midwest Interstate Low-Level Radioactive Waste Compact; assessing certain low-level radioactive waste generators; providing for enforcement of the compact; providing for civil and criminal penalties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

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 61 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Peterson, C.C.	Spear
Anderson	Dieterich	Langseth	Peterson, D.C.	Storm
Belanger	Frank	Lantry	Peterson, D.L.	Stumpf
Benson	Frederick	Lessard	Peterson, R.W.	Taylor
Berg	Freeman	Luther	Petty	Ulland
Berglin	Hughes	McQuaid	Pogemiller	Vega
Bernhagen	Johnson, D.E.	Mehrrens	Purfeerst	Waldorf
Brataas	Jude	Merriam	Ramstad	Wegscheid.
Chmielewski	Kamrath	Moe, D. M.	Reichgott	Willet
Dahl	Knaak	Moe, R. D.	Samuelson	
Davis	Knutson	Novak	Schmitz	
DeCramer	Kroening	Olson	Sieloff	
Dicklich	Kronebusch	Pehler	Solon	

Messrs. Bertram, Frederickson, Isackson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 102: A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 550; proposing new law coded as Minnesota Statutes, chapter 583.

Mr. Dicklich moved to amend H. F. No. 102 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 47.20, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS.] A lender making a conventional loan shall comply with the following:

(1) The promissory note and mortgage evidencing a conventional loan shall be printed in not less than the equivalent of 8 point type, .075 inch computer type, or elite-size typewritten numerals, or shall be legibly

handwritten.

(2) The mortgage evidencing a conventional loan shall contain a provision whereby the lender agrees to furnish the borrower with a conformed copy of the promissory note and mortgage at the time they are executed or within a reasonable time after recordation of the mortgage.

(3) The mortgage evidencing a conventional loan shall contain a provision whereby the lender, if it intends to foreclose, agrees to give the borrower written notice of any default under the terms or conditions of the promissory note or mortgage, by sending the notice by certified mail to the address of the mortgaged property or ~~such other~~ *another* address as the borrower ~~may have designated~~ *designates* in writing to the lender. The lender need not give the borrower the notice required by this paragraph if the default consists of the borrower selling the mortgaged property without the required consent of the lender. The mortgage shall further provide that the notice shall contain the following provisions:

- (a) the nature of the default by the borrower,
- (b) the action required to cure the default,
- (c) a date, not less than ~~30~~ *60* days from the date the notice is mailed by which the default must be cured,
- (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by the mortgage and sale of the mortgaged premises, ~~and~~
- (e) that the borrower has the right to reinstate the mortgage after acceleration, and
- (f) that the borrower has the right to bring a court action to assert the nonexistence of a default or any other defense of the borrower to acceleration and sale.

Sec. 2. Minnesota Statutes 1982, section 550.18, is amended to read:

550.18 [NOTICE OF SALE.]

Before the sale of property on execution notice shall be given as follows:

- (1) If the sale be of personal property, by giving ten days posted notice of the time and place thereof;
- (2) If the sale ~~be is~~ of real property, on execution or on judgment, by ~~six~~ *six* ~~weeks~~ *60 days* posted and published notice of the time and place thereof, describing the property with sufficient certainty to enable a person of common understanding to identify it.

An officer who sells without ~~such~~ *the* notice shall forfeit \$100 to the party aggrieved, in addition to his actual damages; ~~and~~ . A person who before the sale or the satisfaction of the execution, and without the consent of the parties, takes down or defaces the notice posted, shall forfeit \$50; ~~but~~ . The validity of the sale shall not be affected by either act, either as to third persons or parties to the action.

Sec. 3. Minnesota Statutes 1982, section 559.21, subdivision 1, is amended to read:

Subdivision 1. [DEFAULT; TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest in it executed after August 1, 1976, and prior to May 1, 1980, whereby the vendor has a right to terminate it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than 30 percent of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 45 days after service of the notice if the purchaser has paid 30 percent, or more, but less than 50 percent of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 60 days after service of the notice if *(a) the property is a homestead as defined in section 9 provided that this clause does not apply to earnest money contracts, purchase agreements, or exercised options, or (b) the purchaser has paid 50 percent, or more, of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser complies with the conditions and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$75 when the amount in default is less than \$750, and of \$200 when the amount in default is \$750 or more; provided, however, that* . No amount is required to be paid for attorneys' fees *as provided hereunder,* unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

Sec. 4. Minnesota Statutes 1982, section 559.21, subdivision 1a, is amended to read:

Subd. 1a. [DEFAULT; TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest in it, executed on or prior to August 1, 1976, whereby the vendor has a right to terminate it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate *(a) 30 days after the service of the notice, or (b) in the case of homestead property as defined in section 9 that the contract will terminate 60 days after service of the notice provided that this clause does not apply to earnest money contracts, purchase agreements, or exercised options,* unless prior thereto the purchaser complies with the conditions and pays the costs of service, together with an amount to apply on attorneys' fees actually expended or incurred, of \$50 when the amount in default is less than \$500, and of \$100 when the amount in default is \$500 or more; *provided, however, that* . No amount shall be required to be paid for attorneys' fees *as provided hereunder,* unless some part of the conditions of default *shall have* has existed at least 45 days prior to the date of service of the notice. The notice must be given notwithstanding any provisions in the contract to the contrary, and shall be served within the state in the same manner as a summons in the district court, without the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice without the state may be proved by the affidavit of the person making it, made before an authorized officer having a seal, and within the state by an affidavit or by the return of the sheriff of any county.

Sec. 5. Minnesota Statutes 1982, section 559.21, subdivision 2, is amended to read:

Subd. 2. [NOTICE; TIME OF TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest ~~therein~~ *in it* executed on or after May 1, 1980, whereby the vendor has a right to terminate ~~the same~~ *it*, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than ten percent of the purchase price, exclusive of interest ~~thereon~~ *on it*, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 60 days after service of the notice if (a) *the property is a homestead as defined in section 9 provided that this clause does not apply to earnest money contracts, purchase agreements, or exercised options, or to property which is subject to clause (3), or (b) the purchaser has paid ten percent, or more, but less than 25 percent of the purchase price, exclusive of interest thereon on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 90 days after service of the notice if the purchaser has paid 25 percent, or more, of the purchase price, exclusive of interest thereon on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser complies with the conditions and makes all payments due and owing to the vendor under the contract through the date payment is made and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$125 when the amount in default is less than \$750, and of \$250 when the amount in default is \$750 or more; provided, however, that . No amount is required to be paid for attorneys' fees as provided hereunder,* unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

Sec. 6. Minnesota Statutes 1982, section 580.03, is amended to read:

580.03 [NOTICE OF SALE; SERVICE ON OCCUPANT.]

~~Six weeks'~~ *Sixty days'* published notice shall be given that ~~such the~~ mortgage will be foreclosed by sale of the mortgaged premises or some part thereof, and at least ~~four weeks~~ *40 days* before the appointed time of sale a copy of ~~such the~~ notice shall be served in like manner as a summons in a civil action in the district court upon the person in possession of the mortgaged premises, if ~~the same they~~ *they* are actually occupied. If there ~~be~~ *is* a building on ~~such the~~ premises used by a church or religious corporation, for its usual meetings, service upon any officer or trustee of ~~such the~~ corporation shall be a sufficient service upon it.

Sec. 7. Minnesota Statutes 1982, section 580.23, subdivision 2, is amended to read:

Subd. 2. [SPECIAL REDEMPTION PERIOD.] Notwithstanding the provisions of subdivision 1 ~~hereof~~, when lands have been sold in conformity with the ~~preceding sections~~ *provisions* of this chapter the mortgagor, his personal representatives or assigns, within 12 months after ~~such the~~ sale, may redeem ~~such the~~ lands in accordance with the provisions of payment of subdivision 1 ~~thereof~~, if:

(a) The mortgage was executed prior to July 1, 1967; ~~or~~;

(b) The amount claimed to be due and owing as of the date of the notice of foreclosure sale is less than 66 2/3 percent of the original principal amount secured by the mortgage; ~~or~~;

(c) The mortgaged premises, as of the date of the execution of the mortgage, exceeded ten acres in size; *or*

(d) *The mortgaged premises are a homestead as defined in section 9.*

Sec. 8. [583.01] [LEGISLATIVE FINDINGS.]

The legislature finds that the number of unemployed persons in this state has reached the highest level since the Depression of the 1930's; that farm commodity prices are below the break even point for the cost of production; that the number of mortgage loans currently in default due to the unemployment of the principal wage earner has reached critical levels; and that by reason of these conditions and the high rates of interest on mortgage loans, many of the citizens of this state will be unable for extended periods of time, to meet payments of taxes, interest, and principal of mortgages on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract termination, and judicial sales. The legislature further finds that these conditions have resulted in an emergency of a nature that justifies and validates legislation for the extension of the time prior to foreclosure and execution sales and for other relief.

Sec. 9. [583.02] [DEFINITION.]

The term "homestead" means residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

Sec. 10. [583.03] [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 8 to 17 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 9, including: (a) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (b) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 8 to 17 do not apply to mortgages or contracts for deed made after the effective date of sections 8 to 17, nor to mortgages or contracts for deed made before the effective date of sections 8 to 17, which are renewed or extended after the effective date of sections 8 to 17 for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after the effective date of sections 8 to 17.

Sec. 11. [583.04] [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Subdivision 1. [PRIOR TO SALE.] Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the

notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure of a homestead be postponed for up to one year. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of the effective date of sections 8 to 17, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 180 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Subd. 2. [SUBSEQUENT TO SALE.] If prior to the effective date of sections 8 to 17 a mortgage on a homestead is foreclosed and the period of redemption has not expired, the period of redemption may be extended for up to 180 days. The mortgagor or owner in possession of the property shall petition the district court on not less than ten days' written notice to the mortgagee or his attorney before the expiration of the period of redemption for an order extending the period of redemption. Upon service of the petition, the running of the period of redemption is tolled and is stayed until the court makes its order upon the petition.

Subd. 3. [LIMITATION.] No court shall allow a delay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Subd. 4. [HEARING TO BE HELD WITHIN 30 DAYS.] The hearing on the petition must be held within 30 days after the filing of the petition. The order must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 12. [583.05] [REQUIRED FINDINGS.]

The court may grant the relief provided in sections 8 to 11 only if it finds:

(1) that the petitioner is unemployed, underemployed or facing economic problems due to low farm commodity prices;

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed; and

(3) that the relief requested is necessitated by general economic conditions.

If the court grants or denies a delay in the sale, the mortgagee shall publish

notice of the new sale date as provided in section 580.03.

Sec. 13. [583.06] [PARTIAL PAYMENT REQUIRED.]

Subdivision 1. [DETERMINATION OF AMOUNT.] A petition pursuant to section 11 must also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed or mortgage and must direct the contract vendee or mortgagor to pay all taxes and interest and all or a reasonable part of the income or rental value for the payment of interest or principal at the times and in the manner determined by the court. In determining the amount of income or rental value to be paid, the court may consider the relative financial conditions and resources of the parties and the ability of the mortgagor or contract vendee to pay. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee or mortgagor of an amount at the times and in the manner that the court determines just and equitable. In the case of contracts for deed, the court shall insure that the level of payment required by the contract vendee does not cause undue hardship to the vendor.

Subd. 2. [DEFAULT; WASTE.] If the mortgagor or contract vendee commits waste or defaults in the payments ordered, the mortgagee may immediately commence foreclosure proceedings as provided in section 580.03, and the contract vendor may terminate the contract 30 days after the default. If default is claimed because of waste, the mortgagee or contract vendor may commence foreclosure proceedings or terminate the contract immediately after the filing of an order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or by sections 8 to 17, has expired.

Subd. 3. [MODIFICATION.] Upon the application of either party before the expiration of the extended period prior to the sale, contract termination, or termination of redemption period and upon the presentation of evidence that the terms for partial payment fixed by the court are no longer just and reasonable, the court may modify the terms, in the manner the changed circumstances and conditions require.

Subd. 4. [HEARING TO BE HELD WITHIN 30 DAYS.] The hearing on the request for modification must be held within 30 days after the filing of the petition. The order must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 14. [583.07] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement of it, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case may be.

Sec. 15. [583.08] [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a postponement in the foreclosure sale pursuant to section 11, the redemption period pursuant to section 580.23 shall be reduced

by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days.

Sec. 16. [583.09] [LIMITATIONS.]

No delay, postponement, or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought without reasonable allowance to justify the exercise of the police power authorized in sections 8 to 17, or which would cause irreparable harm or undue hardship to any mortgagee, contract vendor, judgment creditor, or their successors or assigns. The remedies authorized by sections 8 to 17 are available to a mortgagor or contract vendee only one time on any piece of property.

Sec. 17. [583.10] [INCONSISTENT LAWS SUSPENDED.]

With respect to property for which relief is granted under sections 8 to 17, every law, to the extent that it is inconsistent with sections 8 to 17, is suspended during the effective period of sections 8 to 17.

Sec. 18. [REPEALER.]

Sections 8 and 10 to 17 are repealed effective July 1, 1984. Any relief ordered by a court pursuant to sections 8 to 17 continues in effect for the period ordered by the court, but not more than one year after the date of the initial order.

Sec. 19. [EFFECTIVE DATE.]

This act is effective the day following final enactment. The provisions of sections 1 to 7 apply to all proceedings initiated on or after the effective date of this act. Section 7 also applies to any redemption period for a homestead which has not expired prior to the effective date of this act."

Amend the title as follows:

Delete the title and insert:

"A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; extending the redemption period for homesteads; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, subdivision 8; 550.18; 559.21, subdivisions 1, 1a, and 2; 580.03; and 580.23, subdivision 2; proposing new law coded as Minnesota Statutes, chapter 583."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Moe, D. M.	Renneke
Anderson	Dicklich	Knutson	Moe, R. D.	Schmitz
Belanger	Diessner	Kroening	Novak	Sieloff
Benson	Frank	Kronebusch	Pehler	Solon
Berg	Frederick	Laidig	Peterson, C. C.	Spear
Berglin	Frederickson	Langseth	Peterson, D. C.	Stumpf
Bernhagen	Freeman	Lantry	Peterson, D. L.	Taylor
Bertram	Hughes	Lessard	Peterson, R. W.	Ulland
Brataas	Isackson	Luther	Petty	Vega
Chmielewski	Johnson, D. E.	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D. J.	Mehrkens	Purfeerst	Wegscheid
Davis	Jude	Merriam	Reichgott	Willet

Messrs. Knaak and Storm voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend H.F. No. 102 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 47.20, is amended by adding a subdivision to read:

Subd. 15. Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 5, mailed after the effective date of this section and prior to May 1, 1984, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default.

Sec. 2. Minnesota Statutes 1982, section 559.21, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 5, shall terminate until 60 days after service of notice if the notice is served after the effective date of this section and prior to May 1, 1984 or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60 or 90 day period. This subdivision shall not apply to earnest money contracts, purchase agreements, or exercised options.

Sec. 3. [580.181] [TEMPORARY MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, the sale on execution or on judgment of homestead property as defined in section 5, after the effective date of this section and prior to May 1, 1984, may be held only after posted and published notice for eight weeks of the time and place of the sale, describing the property with sufficient certainty to enable a person of common understanding to identify it.

Sec. 4. [583.01] [LEGISLATIVE FINDINGS.]

The legislature finds that the number of unemployed persons in this state has reached the highest level since the Depression of the 1930's; that farm commodity prices are below the break even point for the cost of production; that the number of mortgage loans currently in default due to the unemployment of the principal wage earner has reached critical levels; and that by reason of these conditions and the high rates of interest on mortgage loans,

many of the citizens of this state will be unable for extended periods of time, to meet payments of taxes, interest, and principal of mortgages on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract termination, and judicial sales. The legislature further finds that these conditions have resulted in an emergency of a nature that justifies and validates legislation for the extension of the time prior to foreclosure and execution sales and for other relief.

Sec. 5. [583.02] [DEFINITIONS.]

As used in sections 4 to 15, the term "homestead" means residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

Sec. 6. [583.03] [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 1 to 15 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 5, including: (a) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (b) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 1 to 15 do not apply to mortgages or contracts for deed made after the effective date of sections 1 to 15, nor to mortgages or contracts for deed made before the effective date of sections 1 to 15, which are renewed or extended after the effective date of sections 1 to 15 for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after the effective date of sections 1 to 15. No court shall allow a stay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Sec. 7. [583.04] [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of the effective date of sections 4 to 15, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement.

As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Sec. 8. [583.05] [COURT MAY ORDER DELAY IN SALE; FINDINGS.]

The court may order a delay in the sale or contract termination as provided in sections 4 to 15 only if it finds:

(1) that the petitioner is unemployed, underemployed or facing economic problems due to low farm commodity prices;

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed; and

(3) that there is a reasonable probability the petitioner will be able to reinstate the mortgage or contract for deed.

If the court grants or denies a delay in the sale, the mortgagee shall publish notice of the new sale date as provided in section 580.03.

Sec. 9. [583.06] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement thereof, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case may be.

Sec. 10. [583.07] [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a delay in the foreclosure sale pursuant to sections 4 to 15, the redemption period pursuant to section 580.23 shall be reduced by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days. If the court does not grant a delay in the foreclosure sale, the redemption period shall be as provided in section 580.23.

Sec. 11. [583.08] [PARTIAL PAYMENT.]

The petition must also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed or mortgage and must direct the contract vendee or mortgagor to pay all or a reasonable part of the income or rental value for the payment of taxes, insurance, interest or principal at the times and in the manner determined by the court. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee or mortgagor of an amount at the times and in the manner that the court determines just and equitable. In the case of contracts for deed, the court shall insure that the payment required by the contract vendee is sufficient to adequately maintain the vendor's standard of living. If the mortgagor or contract vendee defaults in the payments ordered, the mortgagee may immediately commence foreclosure proceedings as provided in section 580.03, and the contract vendor may terminate the contract 30 days after the default. If default is claimed because of waste, the mortgagee or contract vendor may commence foreclosure proceedings or terminate the contract immediately after the filing of an

order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or by sections 4 to 15, has expired.

Sec. 12. [583.09] [COURT MAY REVISE AND ALTER TERMS.]

Upon the application of either party before the expiration of the extended period prior to the sale or contract termination and upon the presentation of evidence that the terms for partial payment fixed by the court are no longer just and reasonable, the court may revise and alter the terms, in the manner the changed circumstances and conditions require.

Sec. 13. [583.10] [HEARING TO BE HELD WITHIN 30 DAYS.]

The hearing on the petition must be held within 30 days after the filing of the petition. The order therein must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 14. [583.11] [LIMITATIONS.]

No postponement or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought without reasonable allowance to justify the exercise of the police power authorized in sections 4 to 15, or which would cause irreparable harm or undue hardship to any mortgagee, contract vendor, judgment creditor, or their successors or assigns. The remedy authorized by sections 4 to 15 shall be available to a mortgagor or contract vendee only one time on any piece of property.

Sec. 15. [583.12] [INCONSISTENT LAWS SUSPENDED.]

Every law, to the extent that it is inconsistent with sections 4 to 15 is suspended during the effective period of sections 4 to 15.

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, 1984.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 15 are effective seven days following final enactment. Section 16 is effective July 1, 1984."

Delete the title and insert:

"A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 580; proposing new law coded as Minnesota Statutes, chapter 583."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knaak	Olson	Stumpf
Anderson	Frederick	Knutson	Petty	Taylor
Belanger	Frederickson	Kronebusch	Ramstad	Ulland
Benson	Isackson	Langseth	Reichgott	Waldorf
Bernhagen	Johnson, D.E.	Luther	Renneke	Wegscheid
Bertram	Jude	McQuaid	Schmitz	
Brataas	Kamrath	Mehrkens	Storm	

Those who voted in the negative were:

Berg	Dieterich	Lantry	Pehler	Sieloff
Berglin	Frank	Lessard	Peterson, C.C.	Solon
Dahl	Freeman	Merriam	Peterson, D.C.	Spear
Davis	Hughes	Moe, D. M.	Peterson, D.L.	Vega
DeCramer	Johnson, D.J.	Moe, R. D.	Peterson, R. W.	Willet
Dicklich	Kroening	Nelson	Pogemiller	
Diessner	Laidig	Novak	Purfeerst	

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

Mr. Benson moved to amend the Dicklich amendment to H.F. No. 102 as follows:

Delete sections 7 to 19 and insert:

“Sec. 7. [LOAN GUARANTEES.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) “Applicant” means a person applying for a loan to be guaranteed by the state under this section.

(c) “Commissioner” means the commissioner of administration.

(d) “Guarantee” means a state guarantee of payment of a loan issued under this section.

(e) “Homestead loan guarantee” means a loan guaranteed under this section for residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

(f) “Farm working capital loan guarantee” means a loan guaranteed under this section for working capital needed for the operation of a farm.

(g) “Small business working capital loan guarantee” means a loan guaranteed under this section for working capital needed for the operation of a small business, as defined in section 645.445.

(h) “Lender” means a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association, organized under the laws of this state or the United States, a trust company, a trust company acting as a fiduciary, and any other financial institution subject to the supervision of the commissioner of banks, and a financial institution operating under the supervision of the farm credit administration.

Subd. 2. [APPLICANT CRITERIA.] An applicant for a loan guarantee under this section must meet the following criteria:

(a) the applicant must be an individual Minnesota farmer or a Minnesota family farm corporation all members of which live on the farm and are en-

gaged in farming, or a partnership all members of which are engaged in farming; or

(b) an owner of a small business as defined in section 645.445 who is threatened with bankruptcy due to economic circumstances beyond his control; or

(c) in the case of an applicant for a homestead loan guarantee, the applicant is unemployed or underemployed.

In addition to (a), (b), or (c), the applicant must also have applied for a loan for the same purposes to at least one lender within the preceding 60 days and been rejected.

Subd. 3. [LOAN CRITERIA.] A loan guarantee under this section may be granted only if:

(a) the loan is being made by a lender to an applicant who is already a customer of that lender for existing loans;

(b) the loan is used only for working capital needed for the operation of a farm or small business, or in the case of homestead guaranteed loans, for mortgage reinstatements or redemptions or to avoid cancellation of a contract for deed;

(c) the term of the loan to be guaranteed is no more than 18 months;

(d) there is a reasonable probability that the applicant will be able to repay the guaranteed loan at the end of its term;

(e) the parties to the loan agree that all payments made by the applicant to the lender during the term of the loan will first be applied to any portion of the guaranteed loan still outstanding and then to previous or subsequent loans made by the lender to the applicant;

(f) the loan does not exceed \$25,000 in principal amount;

(g) the loan is secured by a mortgage on real estate satisfactory to the commissioner to secure payment of the loan, the value of the real estate securing the loan to be certified by the lender on the basis of appraisals as the commissioner may require; and

(h) the parties to the loan agree that the state is subrogated to the rights of the lender in case of default to the extent of its liability under its guarantee of a loan.

Subd. 4. [LOAN APPLICATION; DENIAL.] A person desiring a loan guaranteed by the state under this section may apply for a loan from a lender where the applicant has existing loans. The loan application shall be on forms supplied by the commissioner, including a net worth statement, and shall be accompanied by a copy of the applicant's 1982 federal and state income tax returns. If the applicant, the lender, and the terms of the loan meet the criteria in this section, the lender may apply to the commissioner for a guarantee of the loan. If the commissioner agrees that the applicant, the lender, and the terms of the loan meet the criteria in this section, the commissioner shall guarantee payment of 50 percent of the amount of the loan. Otherwise, the commissioner shall deny the guarantee. The form of the guarantee is subject to the approval of the attorney general, but not subject

to the provisions of chapter 14.

Subd. 5. [CLAIMS UNDER GUARANTEE.] A claim for payment of an amount guaranteed under this section arises when the term of a guaranteed loan expires with less than 50 percent of the original amount of the loan repaid. The state is not obligated to pay any claim under a guarantee unless the lender notifies the commissioner of the claim within three days after it arises. The lender shall provide the commissioner with a current financial statement of the borrower within ten days after notification of the claim. When a claim is made as provided in this subdivision, the commissioner shall pay to the lender the difference between 50 percent of the original amount of the loan and the amount that has been repaid by the borrower.

Subd. 6. [RECOVERY OF STATE FUNDS.] The commissioner shall diligently attempt to recover amounts paid to lenders because of defaults on loans guaranteed under this section, exercising, as appropriate, all the state's rights of subrogation, payment priorities, and other available remedies.

Subd. 7. [GUARANTEE VOID.] A loan guarantee under this section is void if the guarantee was obtained by fraud or material misrepresentation of which the lender had actual knowledge.

Subd. 8. [RESERVE FOR DEFAULTED LOANS.] Up to \$10,000,000 of the amount set aside in the special account created under Minnesota Statutes 1982, section 41.61, subdivision 1, for defaulted family farm security loans is appropriated to pay lenders for defaulted farm working capital loans made under this section. The sum of all outstanding farm working capital loans guaranteed by the commissioner at any time shall not exceed eight times the balance in this \$2,000,000 account. This appropriation reduces the amount of new family farm security loans that may be guaranteed during the time when guaranteed loans under this section are outstanding. When all working capital guarantees have expired, the appropriation will again be available to guarantee family farm security loans.

Subd. 9. [EXPIRATION.] The authority of the commissioner to make loan guarantees under this section applies to loan applications received by lenders before September 1, 1983.

Subd. 10. [STAFFING.] The commissioner shall coordinate staffing among the departments of agriculture and energy, planning and development and the housing finance agency for the purposes of implementing this section. The commissioner of agriculture shall oversee farm working capital loan guarantees, the commissioner of energy, planning and development shall oversee small business working capital loan guarantees, and the director of the housing finance agency shall oversee homestead loan guarantees.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment. Sections 1 to 7 are repealed July 1, 1985. Notwithstanding the provisions of section 645.34, the repeal of sections 1 to 7 shall revive the corresponding provision or section of the original law."

Delete the title amendment and insert:

"A bill for an act relating to real property; requiring 60 days' notice of default on real estate mortgage, nature of termination of a farm real estate contract for deed, and nature of commencement of a sale and foreclosure proceeding; authorizing farm and small business working capital loan guarantees and homestead loan guarantees until September 1, 1983; amending Minnesota Statutes 1982, sections 47.20, subdivision 8; 550.18; 559.21, subdivisions 1, 1a, and 2."

Mr. Frederick moved to amend the Benson amendment to the Dicklich amendment to H.F. No. 102 as follows:

Pages 3 and 4, delete subdivision 8 and insert:

"Subd. 8. [RESERVE FOR DEFAULTED LOANS.] The sum of \$10,000,000 is appropriated from the general fund to a special account created to pay lenders for defaulted loans made under this section. The sum of all outstanding loans guaranteed by the commissioner at any time shall not exceed eight times the balance of the funds in this account."

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

The question recurred on the Benson amendment, as amended.

The roll was called, and there were yeas 23 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Storm
Belanger	Frederick	Knutson	Olson	Taylor
Benson	Frederickson	Kronebusch	Peterson, D.L.	Ulland
Berg	Isackson	Laidig	Ramstad	
Bernhagen	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, R.W.	Stumpf
Berglin	Freeman	Luther	Petty	Vega
Bertram	Hughes	Merriam	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Moe, D. M.	Purfeerst	Wegscheid
Dahl	Jude	Moe, R. D.	Reichgott	Willet
Davis	Knaak	Novak	Schmitz	
DeCramer	Kroening	Pehler	Sieloff	
Dicklich	Langseth	Peterson, C.C.	Soion	
Diessner	Lantry	Peterson, D.C.	Spear	

The motion did not prevail. So the Benson amendment, as amended, was not adopted.

Mr. Peterson, R.W. moved to amend the Dicklich amendment to H.F. No. 102 as follows:

Page 6, delete section 8

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

H.F. No. 102 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 43 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Pehler	Sieloff
Berg	Freeman	Lantry	Peterson, C. C.	Solon
Berglin	Hughes	Lessard	Peterson, D. C.	Spear
Chmielewski	Johnson, D. E.	Luther	Peterson, D. L.	Ulland
Dahl	Johnson, D. J.	Merriam	Peterson, R. W.	Waldorf
Davis	Jude	Moe, D. M.	Pogemiller	Wegscheid
DeCramer	Kroening	Moe, R. D.	Purfeerst	Willet
Dicklich	Kronebusch	Nelson	Reichgott	
Diessner	Laidig	Novak	Schmitz	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Petty	Taylor
Belanger	Frederick	Knutson	Ramstad	Vega
Benson	Frederickson	McQuaid	Renneke	
Bernhagen	Isackson	Mehrkens	Storm	
Bertram	Kamrath	Olson	Stumpf	

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. 1233: Mr. Langseth, Mrs. Lantry, Messrs. Purfeerst, Schmitz and Mehrkens.

H.F. No. 1290: Messrs. Kroening, Solon, Luther, Willet and Dahl.

H.F. No. 380: Messrs. Luther, Merriam and Ramstad.

S.F. No. 1012: Messrs. Merriam, Pehler and Renneke.

H.F. No. 300: Messrs. Vega; Moe, D.M.; Freeman; Pogemiller and Renneke.

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

MEMBERS EXCUSED

Mrs. Kronebusch was excused from the Session of today from 1:00 to 2:15 p.m. Mr. Johnson, D.J. was excused from the Session of today from 1:00 to 2:30 p.m. Ms. Berglin was excused from the Session of today from 1:45 to 3:00 p.m. Mr. Ulland was excused from the Session of today until 5:00 p.m. Mr. Pogemiller was excused from the Session of today from 7:00 to 9:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, May 17, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate