

**EIGHTY-SIXTH DAY**

St. Paul, Minnesota, Wednesday, April 13, 1988

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

**CALL OF THE SENATE**

Mr. Pogemiller 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. Robert C. Fisher.

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

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

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 communication was received.

April 12, 1988

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1121, 1632, 1717, 1834, 2264, 2286 and 2384.

Sincerely,

Rudy Perpich, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2402.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

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. 121: A bill for an act relating to traffic regulations; clarifying that a child under four is not required to use a seat belt; imposing penalty for failure to wear seat belt; amending Minnesota Statutes 1986, section 169.686, subdivision 1.

Senate File No. 121 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

### CONCURRENCE AND REPASSAGE

Mr. Frank moved that the Senate concur in the amendments by the House to S.F. No. 121 and that the bill be placed on its repassage as amended. The motion prevailed.

### CALL OF THE SENATE

Mr. Frank imposed a call of the Senate for the balance of the proceedings on S.F. No. 121. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 121: A bill for an act relating to traffic regulations; clarifying that a child under four is not required to use a seat belt; imposing penalty for failure to wear seat belt; creating an emergency medical services relief account; appropriating money; amending Minnesota Statutes 1986, section 169.686, subdivision 1, and by adding a subdivision.

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

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

The roll was called, and there were yeas 42 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	Diessner	Knaak	Merriam	Reichgott
Belanger	Frank	Kroening	Moe, R.D.	Solon
Berghin	Frederick	Laidig	Novak	Spear
Brandl	Frederickson, D.J.	Langseth	Olson	Storm
Brataas	Freeman	Lantry	Pehler	Waldorf
Cohen	Gustafson	Luther	Peterson, D.C.	Wegscheid
Dahl	Hughes	Marty	Peterson, R.W.	
Davis	Johnson, D.E.	McQuaid	Piper	
DeCramer	Johnson, D.J.	Mehrkens	Purfeerst	

Those who voted in the negative were:

Adkins	Bertram	Knutson	Morse	Stumpf
Anderson	Chmielewski	Larson	Ramstad	Taylor
Benson	Decker	Lessard	Renneke	Vickerman
Berg	Frederickson, D.R.	Metzen	Samuelson	
Bernhagen	Jude	Moe, D.M.	Schmitz	

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1086: A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

Senate File No. 1086 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Mr. Pehler moved that S.F. No. 1086 be laid on the table. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mrs. Lantry moved that the following members be excused for a Conference Committee on S.F. No. 1661 at 2:00 p.m.:

Messrs. Diessner; Johnson, D.E. and Mrs. Lantry. The motion prevailed.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1590: A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land

without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

Senate File No. 1590 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Mr. Vickerman moved that the Senate do not concur in the amendments by the House to S.F. No. 1590, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 2111: A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; removing the depth limitation for the one call excavation notice system; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F59; Minnesota Statutes 1987 Supplement, sections 116L015, subdivision 3; 216D.01, subdivision 5; 299F57, subdivision 1, and by adding a subdivision; 299F58; 299F62; 299F63, subdivision 1; 299F64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F63, subdivision 4.

Senate File No. 2111 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

### CONCURRENCE AND REPASSAGE

Mr. Novak moved that the Senate concur in the amendments by the House to S.F. No. 2111 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2111 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Samuelson
Anderson	Decker	Knutson	Morse	Spear
Beckman	DeCramer	Kroening	Novak	Storm
Belanger	Frank	Laidig	Olson	Stumpf
Benson	Frederick	Langseth	Pehler	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Bertram	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

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. 2025: A bill for an act relating to financial institutions; regulating the business of mortgage bankers, loan officers, general mortgage brokers, and individual mortgage brokers; establishing licensing requirements; detailing the supervising powers of the commissioner; prohibiting certain practices; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1987 Supplement, sections 47.206, subdivision 6; and 82.175.

Senate File No. 2025 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Mr. Freeman moved that the Senate do not concur in the amendments by the House to S.F. No. 2025, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 2055: A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based treatment; defining procedures for community-based commitment; requiring procedures for release before commitment and provisional discharge; appropriating money; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding

a subdivision; and 253B.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

Senate File No. 2055 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 2055, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 462: A bill for an act relating to marriage dissolution; providing a date for valuing marital assets; providing for partial distribution of marital assets; requiring parties to file a statement of assets and liabilities; providing that parties owe each other a fiduciary duty with respect to marital assets; amending Minnesota Statutes 1986, sections 518.54, subdivision 5; and 518.58.

Senate File No. 462 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

### CONCURRENCE AND REPASSAGE

Mr. Cohen moved that the Senate concur in the amendments by the House to S.F. No. 462 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 462 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, D.M.	Reichgott
Anderson	Davis	Knaak	Moe, R.D.	Renneke
Beckman	Decker	Kroening	Morse	Samuelson
Belanger	DeCramer	Laidig	Olson	Spear
Benson	Frank	Langseth	Pehler	Storm
Berglin	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Bertram	Freeman	McQuaid	Piper	Waldorf
Brataas	Gustafson	Mehrkens	Purfeerst	Wegscheid
Cohen	Hughes	Merriam	Ramstad	

Those who voted in the negative were:

Chmielewski  
Frederick

Knutson

Larson

Lessard

Metzen

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. 2275: A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over non-delinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111, subdivisions 1, 3, and by adding a subdivision; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172, subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194.

Senate File No. 2275 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

### CONCURRENCE AND REPASSAGE

Mr. Cohen moved that the Senate concur in the amendments by the House to S.F. No. 2275 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2275 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Kroening	Moe, D.M.	Renneke
Beckman	DeCramer	Laidig	Moe, R.D.	Samuelson
Belanger	Frank	Langseth	Morse	Schmitz
Benson	Frederick	Larson	Olson	Spear
Berglin	Frederickson, D.J.	Lessard	Pehler	Storm
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Stumpf
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	McQuaid	Piper	Wegscheid
Cohen	Hughes	Mehrkens	Purfeerst	
Dahl	Jude	Merriam	Ramstad	

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. 1708: A bill for an act relating to credit unions; permitting managers to be directors; providing conditions for the expulsion of members; amending Minnesota Statutes 1986, sections 52.08; and 52.19.

Senate File No. 1708 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

### CONCURRENCE AND REPASSAGE

Mr. Dahl moved that the Senate concur in the amendments by the House to S.F. No. 1708 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1708 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	Dahl	Knaak	Metzen	Renneke
Anderson	Davis	Knutson	Moe, D.M.	Samuelson
Beckman	Decker	Kroening	Moe, R.D.	Schmitz
Belanger	DeCramer	Laidig	Morse	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Larson	Pehler	Stumpf
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Bertram	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Jude	Merriam	Reichgott	

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. 1462: A bill for an act relating to housing; creating a low-income housing trust account; providing for the uses of the account; placing certain requirements on real estate trust accounts; appropriating money; amending Minnesota Statutes 1986, sections 82.24, by adding a subdivision; and 82.34, subdivisions 6 and 15; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A.

Senate File No. 1462 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

**CONCURRENCE AND REPASSAGE**

Mr. Dahl moved that the Senate concur in the amendments by the House to S.F. No. 1462 and that the bill be placed on its repassage as amended.

Mr. Waldorf moved that the Senate do not concur in the amendments by the House to S.F. No. 1462, 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.

**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. 1821: A bill for an act relating to crimes; police pursuit; requiring certain driver's manual information; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 171.13, by adding a subdivision; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Senate File No. 1821 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Ms. Reichgott moved that the Senate do not concur in the amendments by the House to S.F. No. 1821, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 2266: A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a child intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary.

Senate File No. 2266 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 2266, 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 has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1643: A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

There has been appointed as such committee on the part of the House: Kelly, Pappas and Quist.

Senate File No. 1643 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2150: A bill for an act relating to state contracts; prohibiting

the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

There has been appointed as such committee on the part of the House: Peterson, Rukavina and Knickerbocker.

Senate File No. 2150 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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

There has been appointed as such committee on the part of the House: Winter, Brown and McDonald.

Senate File No. 2255 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1988

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2165, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2165: A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to avoid air pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

Senate File No. 2165 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2071, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2071: A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1987 Supplement, section 609.115, subdivision 1.

Senate File No. 2071 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1727, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1727: A bill for an act relating to government data practices; defining employment and training data as private data on individuals; providing for the dissemination of certain data; amending Minnesota Statutes 1986, section 13.46, subdivision 2; Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Senate File No. 1727 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 321, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 321: A bill for an act relating to public safety; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4.

Senate File No. 321 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2485 and 2561.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 12, 1988

### FIRST READING OF HOUSE BILLS

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

H.F. No. 2485: A bill for an act relating to state government; authorizing the sale or lease of property within the jurisdiction of the commissioner of administration under certain conditions.

Referred to the Committee on Governmental Operations.

H.F. No. 2561: A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis intervention and suicide prevention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

### MOTIONS AND RESOLUTIONS

Mr. Pehler moved that S.F. No. 1086 be taken from the table. The motion prevailed.

S.F. No. 1086: A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

### CONCURRENCE AND REPASSAGE

Mr. Pehler moved that the Senate concur in the amendments by the House to S.F. No. 1086 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1086 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Metzen	Renneke
Anderson	Davis	Knutson	Moe, D.M.	Samuelson
Beckman	Decker	Laidig	Morse	Schmitz
Belanger	DeCramer	Langseth	Olson	Solon
Berg	Frank	Larson	Pehler	Spear
Berglin	Frederick	Lessard	Peterson, D.C.	Storm
Bernhagen	Frederickson, D.J.	Luther	Peterson, R.W.	Stumpf
Bertram	Frederickson, D.R.	Marty	Piper	Taylor
Brataas	Freeman	McQuaid	Purfeerst	Vickerman
Chmielewski	Gustafson	Mehrkens	Ramstad	Wegscheid
Cohen	Jude	Merriam	Reichgott	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bill was read the first time and referred to the committee indicated.

Messrs. Spear; Moe, D.M.; Cohen and Luther introduced—

S.F. No. 2578: A bill for an act relating to criminal procedure; authorizing criminal defendants to deposit ten percent of the defendant's bail with the court as a condition of pretrial release in certain criminal cases; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Judiciary.

**MOTIONS AND RESOLUTIONS - CONTINUED****RECESS**

Mr. Luther 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. 2055: Ms. Berglin, Messrs. Spear and Ramstad.

S.F. No. 2025: Mr. Freeman, Ms. Peterson, D.C.; Mr. Peterson, R.W.; Mrs. Lantry and Mr. Belanger.

S.F. No. 1590: Messrs. Vickerman, Mehrkens and Langseth.

S.F. No. 2266: Mr. Cohen, Ms. Berglin and Mr. Ramstad.

S.F. No. 1821: Ms. Reichgott, Messrs. Ramstad and Spear.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

**APPOINTMENTS**

Mr. Moe, R.D. from the Subcommittee on Committees recommends that on the Conference Committee for S.F. No. 1686 the name of Mr. Frederickson, D.J. be stricken and the name of Mr. Chmielewski be inserted.

Mr. Luther moved that the foregoing change be approved. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Ms. Berglin moved that S.F. No. 1582 be taken from the table. The motion prevailed.

S.F. No. 1582: A bill for an act relating to marriage dissolution; providing for child support and maintenance enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections

256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2, and by adding a subdivision; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

### CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 1582 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1582: A bill for an act relating to marriage dissolution; providing for child support enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, 6, and by adding a subdivision; 257.66, subdivision 5; 518.55, subdivision 2, and by adding a subdivision; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

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

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

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Merriam	Renneke
Anderson	Decker	Knutson	Metzen	Samuelson
Beckman	DeCramer	Kroening	Moe, D.M.	Schmitz
Belanger	Frank	Laidig	Olson	Solon
Benson	Frederick	Langseth	Pehler	Spear
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Storm
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Stumpf
Brataas	Freeman	Luther	Piper	Taylor
Chmielewski	Gustafson	Marty	Purfeerst	Vickerman
Cohen	Hughes	McQuaid	Ramstad	Wegscheid
Dahl	Jude	Mehrkens	Reichgott	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### SPECIAL ORDER

S.F. No. 2163: A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, sections 473.167, subdivision 2, and by adding a subdivision; and 473.249, by adding a subdivision.

Mr. Luther moved to amend S.F. No. 2163 as follows:

Page 1, line 26, before "or" insert "*and to update an expired environmental impact statement on a project for which the right-of-way is being purchased;*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2163 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 41 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	Mehrkens	Spear
Anderson	Davis	Hughes	Metzen	Storm
Beckman	Decker	Jude	Moe, R. D.	Taylor
Belanger	DeCramer	Knaak	Olson	Vickerman
Benson	Dicklich	Kroening	Purfeerst	Wegscheid
Berglin	Frank	Laidig	Ramstad	
Bertram	Frederick	Larson	Renneke	
Brataas	Frederickson, D.J.	Luther	Schmitz	
Chmielewski	Freeman	McQuaid	Solon	

Those who voted in the negative were:

Langseth	Merriam	Morse	Peterson, R.W.	Stumpf
Lessard				

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

### SPECIAL ORDER

S.F. No. 2473: A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; prescribing a penalty; proposing coding for new law as Minnesota Statutes, chapter 176C.

Mr. Chmielewski moved to amend S.F. No. 2473 as follows:

Page 2, line 10, after "or" insert "a" and after "group" insert "which is"

Page 19, line 2, after the second "commissioner" insert "of labor and industry"

Page 19, line 27, delete "of commerce"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend S.F. No. 2473 as follows:

Page 1, line 8, delete "176C.01" and insert "79B.01"

Page 2, after line 18, insert:

*"Subd. 9. [CERTIFICATE OF DEFAULT.] "Certificate of default" means a notice issued by the commissioner of commerce based upon information received from the commissioner of labor and industry, that a private self-insurer has failed to pay compensation as required by Minnesota Statutes, chapter 176.*

Sec. 2. [79B.02] [SELF-INSURERS' ADVISORY COMMITTEE.]

*Subdivision 1. [MEMBERSHIP.] For the purposes of assisting the commissioner, there is established a workers' compensation self-insurers' advisory committee of five members that are employers authorized to self-insure in Minnesota. Three of the members shall be elected by the members of the self-insurers' security fund and two shall be appointed by the commissioner.*



*Subd. 2. [ADVICE TO COMMISSIONER.] At the request of the commissioner, the committee shall meet and shall advise the commissioner with respect to whether or not an applicant to become a private self-insurer in the state of Minnesota has met the statutory requirements to self-insure. The committee shall advise the commissioner if it has any information that any private self-insurer may become insolvent."*

Page 2, line 19, delete "176C.02" and insert "79B.03"

Page 2, line 23, delete "30" and insert "60"

Page 2, line 36, after the period, insert "*The commissioner may require additional financial information necessary to carry out the purpose of chapter 79B.*"

Page 3, line 15, delete "act" and insert "chapter"

Page 4, line 14, delete "30" and insert "60"

Page 5, line 1, delete "item" and insert "paragraph"

Page 5, lines 7 and 26, delete "act" and insert "chapter"

Page 8, line 8, delete "176C.03" and insert "79B.04"

Page 9, line 11, delete "securities" and insert "security"

Page 9, line 12, after "depositing" insert "*and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond*"

Page 10, line 11, delete "EXONERATION" and insert "DEPOSIT"

Page 11, line 35, after "notify" insert "*by certified mail*"

Page 12, line 4, after "notify" insert "*by certified mail*"

Page 12, line 8, after "days of" insert "*receipt of*"

Page 14, line 24, delete "176C.04" and insert "79B.05"

Page 15, line 2, delete "176C.05" and insert "79B.06"

Page 17, line 15, delete "176C.06" and insert "79B.07"

Page 17, line 21, delete "176C.07" and insert "79B.08"

Page 18, line 7, delete "176C.08" and insert "79B.09"

Page 19, line 2, after the second "commissioner" insert "*of labor and industry*"

Page 19, line 24, delete "176C.09" and insert "79B.10"

Page 20, line 29, delete "176C.10" and insert "79B.11"

Page 21, line 28, delete "176C.11" and insert "79B.12"

Page 22, lines 10 and 11, delete "*workers' compensation*" and insert "*supplementary*"

Page 22, line 18, delete "176C.12" and insert "79B.13"

Page 22, lines 25 and 29, delete "*new and renewal*"

Page 23, line 3, delete "176C.13" and insert "79B.14"

Page 23, line 34, delete "176C.14" and insert "79B.15"

Page 23, line 35, delete "hereunder" and insert "under this chapter"

Page 24, line 33, delete the comma

Page 25, line 3, after "named" insert a semicolon

Page 25, delete lines 23 to 36 and insert:

"4. The aggregate liability of the surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

5. This bond shall be continuous in form and shall remain in full force and effect unless terminated as follows:

(a) The obligation of this bond shall terminate upon written notice of cancellation from the surety, given by registered or certified mail to the commissioner of commerce, state of Minnesota, save and except as to all past, present, existing, and potential liability of the principal incurred, including obligations resulting from claims which are incurred but not yet reported, as a self-insurer prior to effective date of termination. This termination is effective 60 days after receipt of notice of cancellation by the commissioner of commerce, state of Minnesota.

(b) This bond shall also terminate upon the revocation of the certificate to self-insure, save and except as to all past, present, existing, and potential liability of the principal incurred, including obligations resulting from claims which are incurred but not yet reported, as a self-insurer prior to effective date of termination. The principal and the surety, herein named, shall be immediately notified in writing by said commissioner, in the event of such revocation.

6. Where the principal posts with the commissioner of commerce, state of Minnesota, or the state treasurer, state of Minnesota, a replacement security deposit, in the form of a surety bond, irrevocable letter of credit, cash, securities, or any combination thereof, in the full amount as may be required by the commissioner of commerce, state of Minnesota, to secure all incurred liabilities for the payment of compensation of said principal under Minnesota Statutes, chapter 176, the surety is released from obligations under the surety bond upon the date of acceptance by the commissioner of commerce, state of Minnesota, of said replacement security deposit."

Page 26, delete lines 1 to 6

Page 26, line 9, after the comma, insert "or the commissioner of commerce, state of Minnesota, issues a certificate of default,"

Page 26, line 11, delete "and" and insert a period

Page 26, line 12, delete "30" and insert "14" and delete "after receipt of written"

Page 26, line 13, delete everything before "to" and insert "under paragraph 8 herein, or 30 days under paragraph 10 herein, after receipt of written notification by certified mail from the commissioner of commerce, state of Minnesota,"

Page 26, delete lines 15 to 31 and insert:

"8. If the surety exercises its option to administer claims, it shall pay benefits due to the principal's injured workers within 14 days of the receipt of the notification by the commissioner of commerce, state of Minnesota,

pursuant to paragraph 7 herein, without a formal award of a compensation judge, the commissioner of labor and industry, any intermediate appellate court, or the Minnesota supreme court and such payment will be a charge against the penal sum of the bond. Administrative and legal costs incurred by the surety in discharging its obligations and payment of the principal's obligations for administration and legal expenses under Minnesota Statutes, chapter 176, and sections 1 to 18, shall also be a charge against the penal sum of the bond; however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses shall be limited to a maximum ten percent of the total penal sum of the bond unless otherwise authorized by the security fund."

Page 26, delete line 36

Page 27, delete lines 1 to 6 and insert:

"10. If the surety does not give notice to the security fund and the commissioner of commerce, state of Minnesota, within two business days of receipt of written notification from the commissioner of commerce, state of Minnesota, pursuant to paragraph 7 herein, to exercise its option to administer claims pursuant to paragraph 8 herein, then the self-insurer's security fund will assume the payments of the workers' compensation obligations of the principal pursuant to Minnesota Statutes, chapter 176. The surety shall pay, within thirty (30) days of the receipt of the notification by the commissioner of commerce, state of Minnesota, pursuant to paragraph 7 herein, to the self-insurer's security fund as an initial deposit an amount equal to ten percent of the penal sum of the bond, and shall thereafter, upon notification from the security fund that the balance of the initial deposit had fallen to one percent of the penal sum of the bond, remit to the security fund an amount equal to the payments made by the security fund in the three calendar months immediately preceding said notification. All such payments will be a charge against the penal sum of the bond."

Page 27, delete lines 18 to 20 and insert:

"12. Written notification to the surety required by this bond shall be sent to:"

Page 27, after line 22, insert:

.....  
To the attention of Person or  
Position

Page 27, after line 26, insert:

"Written notification to the principal required by this bond shall be sent to:

.....  
Name of Principal

.....  
To the attention of Person or  
Position

.....  
Address

.....  
City, State, Zip

13. This bond is executed by the surety to comply with Minnesota Statutes, chapter 176, and said bond shall be subject to all terms and provisions thereof.

.....  
Name of Surety

.....  
Address

.....  
City, State, Zip"

Page 28, line 7, delete "176C.15" and insert "79B.16"

Page 28, line 10, after "to" insert "(1)" and after the first comma, insert "(2)" and after the second comma, insert "(3)"

Page 28, line 11, delete "or," and insert "and (4)"

Page 28, after line 12, insert:

*"The self-insurers' advisory committee shall not be subject to clauses (2) and (4)."*

Page 28, line 13, delete "176C.16" and insert "79B.17"

Page 29, after line 2, insert:

*"The self-insurers' advisory committee may make recommendations to the commissioner under this section as it deems appropriate."*

Sec. 18. Minnesota Statutes 1986, 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 commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce 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 commerce, 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 operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. ~~The commissioner of commerce may require further statements of financial ability of the employer to pay compensation.~~ An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual

*compensation costs of the employer, but in no event less than \$100,000.* Upon ten days written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce 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 commerce 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 commerce may by written order to the state treasurer require the treasurer 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 commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce 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 commerce, 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 commerce. 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 commerce 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 commerce 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 commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce 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.

Sec. 19. Minnesota Statutes 1987 Supplement, section 176.183, subdivision 2, is amended to read:

Subd. 2. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under ~~subdivisions subdivision 1 and 1a~~. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.129.

Sec. 20. Minnesota Statutes 1986, section 176.183, subdivision 3, is amended to read:

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to ~~subdivisions subdivision 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."

Page 29, delete section 18 and insert:

"Sec. 22. [REPEALER.]

*Minnesota Statutes 1987 Supplement, sections 60A.101; and 176.183, subdivision 1a, are repealed.*

Sec. 23. [EFFECTIVE DATE.]

*This act is effective July 1, 1988."*

Renumber the sections in sequence and correct the internal references

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; prescribing a penalty; amending Minnesota Statutes 1986, sections 176.181, subdivision 2; 176.183, subdivision 3; Minnesota Statutes 1987 Supplement, section 176.183, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 79B; repealing Minnesota Statutes 1987 Supplement, sections 60A.101; and 176.183, subdivision 1a."

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved that S.F. No. 2473 be laid on the table. The motion prevailed.

### **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. 2590 at 2:30 p.m.:

Messrs. Bernhagen, Brandl, Novak, Pogemiller and Johnson, D.J. The motion prevailed.

### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Larson moved that the following members be excused for a Conference Committee on H.F. No. 1831:

Messrs. Berg, Freeman and Larson. The motion prevailed.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 2009 and the Conference Committee Report thereon were reported to the Senate.

### **CONFERENCE COMMITTEE REPORT ON S.F. NO. 2009**

A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, sections 69.62; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and 518.611, subdivision 2.

April 13, 1988

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Robert Vanasek  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2009, report that we have

agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2009 be further amended as follows:

Page 2, after line 3, insert:

"Sec. 2. Minnesota Statute 1986, section 123.35, is amended by adding a subdivision to read:

*Subd. 17. [NONCUSTODIAL PARENT ACCESS TO RECORDS.] Upon request, a noncustodial parent has the right of access to, and to receive copies of, school records and information, to attend conferences, and to be informed about the child's welfare, educational progress, and status, as authorized under section 518.17, subdivision 3. The school is not required to hold a separate conference for each parent."*

Page 2, line 17, delete "requested" and insert "upon written request"

Page 7, line 7, after the semicolon, insert "or"

Page 7, line 12, delete "; or" and insert a period

Page 7, delete lines 13 and 14

Pages 7 and 8, delete section 11

Page 9, line 5, after the period insert "*The school is not required to hold a separate conference for each party.*"

Page 10, after line 9, insert:

"Sec. 17. Minnesota Statutes 1986, section 518.551, subdivision 5, is amended to read:

*Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.*

The court shall multiply the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children					
1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.					



\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4000.

Net Income defined as:

Total monthly  
income less

- \*(i) Federal Income Tax
- \*(ii) State Income Tax
- (iii) Social Security  
Deductions
- (iv) Reasonable  
Pension Deductions

\*Standard

Deductions apply-  
use of tax tables  
recommended

- (v) Union Dues
- (vi) Cost of Dependent  
Insurance Coverage
- (vii) Cost of Individual or Group  
Health/Hospitalization  
Coverage or an  
Amount for Actual  
Medical Expenses
- (viii) A Child Support or  
Maintenance Order that is  
Currently Being Paid.

"Net income" does not include the income of the obligor's spouse.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property;

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, *but recognizing that the parents now have separate households;*

(4) the amount of the aid to families with dependent children grant for the child or children; ~~and~~

(5) *which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and*

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines."

Page 15, line 1, strike "The" and insert "An"

Page 15, line 2, after "order" insert "*that provides for a cost-of-living adjustment*"

Page 15, line 10, strike "It" and insert "*The court*"

Page 15, line 19, after the period insert "*The court may waive a cost-of-living adjustment in a maintenance order if the parties so agree in writing.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the first semicolon insert "123.35, by adding a subdivision;"

Page 1, line 14, delete "518.156, subdivision 1;"

Page 1, line 16, after the comma insert "subdivision 5, and"

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

Senate Conferees: (Signed) Linda Berglin, Ember D. Reichgott, Fritz Knaak

House Conferees: (Signed) Kathleen O. Vellenga, Ann H. Rest

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2009 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. 2009 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 48 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McQuaid	Solon
Anderson	Davis	Johnson, D.E.	Mehrkens	Spear
Beckman	Decker	Jude	Metzen	Storm
Belanger	DeCramer	Knutson	Morse	Stumpf
Benson	Dicklich	Kroening	Pehler	Taylor
Berglin	Frank	Laidig	Piper	Vickerman
Bertram	Frederick	Langseth	Ramstad	Waldorf
Brataas	Frederickson, D.J.	Lantry	Reichgott	Wegscheid
Chmielewski	Frederickson, D.R.	Luther	Renneke	
Cohen	Gustafson	Marty	Schmitz	

Mr. Diessner, Ms. Olson and Mr. Peterson, R.W. voted in the negative.

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that S.F. No. 2473 be taken from the table. The motion prevailed.

## SPECIAL ORDER

S.F. No. 2473: A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; prescribing a penalty; proposing coding for new law as Minnesota Statutes, chapter 176C.

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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Metzen	Solon
Anderson	Decker	Johnson, D.E.	Moe, D.M.	Spear
Beckman	DeCramer	Jude	Morse	Storm
Belanger	Dicklich	Kroening	Olson	Stumpf
Benson	Diessner	Laidig	Pehler	Taylor
Berglin	Frank	Langseth	Peterson, R.W.	Vickerman
Bertram	Frederick	Lantry	Piper	Waldorf
Brataas	Frederickson, D.J.	Luther	Ramstad	Wegscheid
Chmielewski	Frederickson, D.R.	Marty	Reichgott	
Cohen	Freeman	McQuaid	Renneke	
Dahl	Gustafson	Mehrrens	Schmitz	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2003 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 2003

A bill for an act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads; regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.04, subdivision 7; 43A.15, subdivisions 2 and 11; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; 175.101, by adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 15A.083, subdivision 7; 43A.08, subdivision 1a; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3.

April 12, 1988

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Robert Vanasek  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2003, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2003 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1987
Commissioner of finance; Commissioner of education; Commissioner of transportation; Commissioner of human services; Commissioner of revenue; Executive director, state board of investment;	\$57,500-\$78,500
Commissioner of administration; Commissioner of agriculture; Commissioner of commerce; Commissioner of corrections; Commissioner of jobs and training; Commissioner of employee relations; <del>Commissioner of energy and economic development;</del> Commissioner of health; Commissioner of labor and industry; Commissioner of natural resources; Commissioner of public safety; <i>Commissioner of trade and economic development;</i> Chair, waste management board; Chief administrative law judge; office of administrative hearings; Director, pollution control agency; Director, state planning agency; Executive director, housing finance agency; Executive director, public employees retirement association; Executive director, teacher's retirement association; Executive director, state retirement system; Chair, metropolitan council; Chair, regional transit board; Commissioner of human rights;	\$50,000-\$67,500
Director, department of public service; Commissioner of veterans' affairs; Director, bureau of mediation services; Commissioner, public utilities commission; Member, transportation regulation board; <i>Ombudsman for corrections;</i> <i>Ombudsman for mental health and retardation.</i>	\$42,500-\$60,000

Sec. 2. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. [HIGHER EDUCATION OFFICERS.] The state university board, the state board for community colleges, the state board of vocational technical education, and the higher education coordinating board shall set the salary rates for, respectively, the chancellor of the state universities, the

chancellor of the community colleges, the state director of vocational technical education, and the executive director of the higher education coordinating board. ~~At least 30 days before the respective board adopts a salary increase according to this subdivision.~~ The *respective* board shall submit the proposed salary increase to the legislative commission on employee relations for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary ~~set for~~ of the governor under *section 15A.082*, subdivision 6 3.

Sec. 3. Minnesota Statutes 1986, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district judges as provided in subdivision 1. Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided in subdivision 1. *The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry.*

Sec. 4. Minnesota Statutes 1986, section 43A.04, subdivision 7, is amended to read:

Subd. 7. [REPORTING.] The commissioner shall issue a written report by ~~January~~ February 1 and ~~July~~ August 1 of each year to the chair of the legislative commission on employee relations. The report ~~shall~~ must list the number of appointments made ~~pursuant to~~ under each of the categories in section 43A.15, ~~subdivisions 2 to 12~~ the number made to the classified service other than under section 43A.15, and the number made ~~pursuant to~~ under section 43A.08, subdivision 2a, during the six-month period ~~covered by the report periods ending June 30 and December 31, respectively.~~

Sec. 5. Minnesota Statutes 1987 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; ~~energy trade~~ and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; ~~public welfare~~ human services; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; *the waste management board*; the offices of the secretary of state, state auditor, and state treasurer; the state board of vocational technical education; and the school and resource center for the arts.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(a) (1) the designation of the position would not be contrary to other law relating specifically to that agency;

(b) (2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the

agency head's management team;

(e) (3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(d) (4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) (5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) (6) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) (7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 6. Minnesota Statutes 1986, section 43A.15, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY APPOINTMENTS.] An appointing authority may make an emergency appointment for up to 30 working days. *If necessary, the commissioner may grant an extension of the emergency appointment for 15 additional working days.* No person ~~shall~~ *may* be employed in any one agency on an emergency basis for more than 30 45 working days in any 12-month period.

Sec. 7. Minnesota Statutes 1986, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in ~~this section~~ *subdivisions 1 to 8*, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established ~~pursuant to~~ *under* section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.

The salary, as established in section 15A.081, of the head of a state agency in the executive branch is the upper limit of compensation in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee ~~shall retain~~ *retains* the salary, but ~~shall may~~ *may* not receive ~~any an~~ increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Sec. 8. Minnesota Statutes 1986, section 43A.17, subdivision 9, is amended 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, or employed ~~pursuant to~~ *under* section 422A.03, may not exceed 95 percent of the salary of the governor *as set under section 15A.082*, except as provided in this subdivision. *Deferred compensation*

*and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. 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 increase the limitation 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. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.*

Sec. 9. Minnesota Statutes 1986, section 43A.18, subdivision 5, is amended to read:

Subd. 5. [GOVERNOR TO RECOMMEND CERTAIN SALARIES.] The governor shall, ~~on or before~~ by July 1 of each odd-numbered year, submit to the legislative commission on employee relations recommendations for salaries within the salary range for the positions listed in section 15A.081, subdivisions 1 and 7. The governor may also propose additions or deletions of positions from those listed.

(a) Before submitting the recommendations, the governor shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations.

(b) In making recommendations, the governor shall consider only ~~those~~ the criteria established in subdivision 8 and ~~shall may~~ not take into account performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities and in determining recommendations rate each position by this system.

(c) Before the governor's recommended salaries take effect, the recommendations ~~shall must~~ be reviewed and approved, rejected, or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2. The governor may also at any time propose changes in the salary rate of any positions covered by this subdivision, which ~~shall must~~ be submitted and approved in the same manner as provided in this subdivision.

(d) The governor shall set the initial salary of a head of ~~an a~~ new agency or a chair of a new metropolitan board or commission ~~hereafter established~~ whose salary is not specifically prescribed by law ~~shall be fixed by the governor,~~ after consultation with the commissioner, whose recommendation ~~shall be~~ is advisory only; ~~in an.~~ The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

(e) The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in section 15A.081, subdivision 1 or 7, may be increased or decreased by the governor from the salary previously set for that position within 30 days of the new appointment after consultation with



*the commissioner. If the governor increases a salary under this paragraph, the governor shall submit the new salary to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. If the legislature rejects an increased salary or adjourns without action during the following legislative session, the salary for the position reverts to the level in effect before the governor proposed the change.*

Sec. 10. Minnesota Statutes 1986, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE AFFIRMATIVE ACTION PROGRAM.]

(a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the underutilization of qualified members of protected groups, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program ~~shall~~ *must* consist of at least the following:

(1) objectives, ~~long-range and interim~~ goals, and policies;

(2) procedures, standards and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables ~~shall be~~ *are* established; and

(3) requirements for annual *objectives* and submission of affirmative action progress reports from heads of agencies.

(b) The commissioner shall base ~~interim~~ *affirmative action* goals on at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills;

(2) the availability for promotion or transfer of members of protected classes in the recruiting area population;

(3) the extent of unemployment of members of protected classes in the recruiting area population;

(4) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(5) the expected number of available positions to be filled.

(c) The commissioner shall designate a state director of equal employment opportunity who may be delegated the preparation, revision, implementation and administration of the program. The commissioner of employee relations may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

Sec. 11. Minnesota Statutes 1987 Supplement, section 43A.191, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS AND INCENTIVES.] (a) The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives.

(b) By ~~February~~ *March* 1 of each year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a

whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, and the governmental operations committees of both houses of the legislature, and the legislative commission on employee relations. The report must include *noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, and cover each agency's rate of compliance with annual hiring goals.* In addition, any agency that has not met its affirmative action hiring goals, that fails to make an affirmative action hire, or fails to justify its nonaffirmative action hire in 25 percent or more of the appointments made in the previous calendar year must be designated in the report as an agency not in compliance with affirmative action requirements.

(c) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements. ~~By January 15, 1986, the commissioner shall submit to the legislature a proposal for improving compliance rates. This proposal must include penalties for noncompliance.~~

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 12. Minnesota Statutes 1986, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans ~~shall~~ *must* be bid or negotiated separately from contracts to service the benefit plans, which ~~shall~~ *may* be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract ~~shall~~ *must* be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier if it was selected by less than 200 employees in the preceding benefit year. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. ~~Any A carrier licensed pursuant to under chapter 62A shall be~~ *is* exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

Sec. 13. Minnesota Statutes 1986, section 43A.23, subdivision 3, is amended to read:

Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commissioner of ~~labor and industry~~ *employee relations* may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results from their state employment which is compensable under chapter 176.

Sec. 14. Minnesota Statutes 1986, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] A retired employee of the state who receives an annuity under a state retirement program may elect to purchase at personal expense individual and dependent hospital, medical and dental coverages *that are actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired.* A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages ~~shall~~ *must* be coordinated with relevant health insurance benefits provided through the federally sponsored medicare program. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 15. Minnesota Statutes 1986, section 43A.27, is amended by adding a subdivision to read:

Subd. 6. [FOOD SERVICE EMPLOYEES.] *Employees of a contracted food service operation at a member institution of the state university system, if the food service was operated by the institution itself before it was turned over to a contractor and if the employer and the representative of employees, defined under section 179.01, subdivision 5, agree, may, before January 1, 1990, elect to enroll themselves and their dependents at their own or their employer's expense in the appropriate state plans for life insurance, hospital, medical, and dental benefits, and optional coverages at the time, in the manner, and under the conditions of eligibility the commissioner prescribes and otherwise approves.*

Sec. 16. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the meaning given them.

(a) [COMMISSIONER.] "Commissioner" means the commissioner of employee relations.

(b) [EMPLOYEE.] "Employee" means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14, *who is insurance eligible* and is employed by an eligible employer or (2) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public employer approved by the commissioner.

(c) [ELIGIBLE EMPLOYER.] "Eligible employer" means

(1) a public employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, school district as defined in section 120.02, educational cooperative service unit as defined in section 123.58, intermediate district as defined in section 136C.02, subdivision 7, cooperative center for vocational education as defined in section 123.351, regional management information center as defined in section 121.935, or an education unit organized under the joint powers action, section 471.59; or

(2) an exclusive representative of employees, as defined in paragraph (b); or

(3) another public employer approved by the commissioner.

(d) [EXCLUSIVE REPRESENTATIVE.] "Exclusive representative" means an exclusive representative as defined in section 179A.03, subdivision 8.

(e) [LABOR-MANAGEMENT COMMITTEE.] "Labor-management committee" means the committee established by subdivision 4.

(f) [PLAN.] "Plan" means the statewide public employees insurance plan created by subdivision 3.

Sec. 17. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 4, is amended to read:

Subd. 4. [LABOR-MANAGEMENT COMMITTEE.] ~~There is created a~~ *The labor-management committee consists of ten members appointed by the commissioner. The labor-management committee shall consist of must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.* The commissioner shall consult with the labor-management committee in major decisions that affect the plan. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Sec. 18. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 8, is amended to read:

Subd. 8. [CONTINUATION OF COVERAGE.] (a) A participating employee who is laid off or is on ~~unrequested~~ leave may elect to continue the plan coverage. This coverage is at the expense of the employee unless otherwise provided by a collective bargaining agreement. Premiums for these employees ~~shall must~~ be established by the commissioner. Coverage continues until one of the following occurs:

(1) the employee is reemployed and eligible for health care coverage under a group policy; or

(2) the insurance continuation periods required by state and federal laws expire.

(b) A participating employee who retires and is receiving an annuity or is eligible for and has applied for an annuity under chapter 352, 352B, 352C, 352D, 353, 354, 354A, 356, 422A, 423, 423A, 424, or 490 is eligible to continue participation in the plan. Any employer's contribution must cease when the retiree reaches age 65. These employees, and employees who have already retired prior to the group from which they retired entering the plan, are eligible to participate as long as their group continues to

participate. This participation is at the retiree's expense unless a collective bargaining agreement provides otherwise. *Premiums for these participants must be established by the commissioner.* An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee shall notify the employer within 30 days of the effective date of retirement of intent to exercise this option.

(c) The spouse of a deceased, *active, or retired* employee may purchase the benefits provided at premiums established by the commissioner ~~if the deceased retired employee received an annuity under chapter 352, 353, 354, 354A, 356, 422A, 423, 423A, or 424 and~~ if the spouse was a dependent under the *active or retired* employee's coverage under this section at the time of the death ~~of the retired employee.~~ *These participants are eligible to participate as long as the group which included their spouse participates.* Coverage under this clause ~~shall~~ must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(~~e~~) (d) The plan benefits ~~shall~~ must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(~~d~~) (e) A person who desires to participate under paragraphs (a) to (~~e~~) (d) shall notify the eligible employer or former employer of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner, and coverage ~~shall begin~~ begins as soon as the commissioner permits.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Sec. 19. Minnesota Statutes 1987 Supplement, section 43A.316, is amended by adding a subdivision to read:

*Subd. 10. [BIDDING REQUIREMENT EXEMPTION.] The public employee insurance plan is exempt from the requirements imposed by section 471.616, subdivision 1.*

Sec. 20. Minnesota Statutes 1987 Supplement, section 43A.421, is amended to read:

#### 43A.421 [SUPPORTED WORK PROGRAM.]

A total of 50 additional full-time positions within agencies of state government may be selected for inclusion for a supported work program for persons with severe disabilities. A full-time position may be shared by up to three persons with severe disabilities and their job coach. *The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14.*

Sec. 21. Minnesota Statutes 1987 Supplement, section 44A.02, subdivision 1, is amended to read:

Subdivision 1. [SELECTION.] The president of the world trade center corporation is selected by a majority of the board and serves at the pleasure of the board. The president must be familiar with the international business community, and have demonstrated proficiency in communication skills, administration, and management. The salary of the president is set by the

board, but may not exceed the *top of the salary range* set for the commissioner of finance under section 15A.081, subdivision 1.

Sec. 22. Minnesota Statutes 1987 Supplement, section 79.34, subdivision 1, is amended to read:

Subdivision 1. *A The* 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~~ is 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 are~~ 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 under section 176.181 and each political subdivision ~~which that~~ 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 is~~ bound by its plan of operation; provided, that:

(a) (1) 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 are~~ considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(b) (2) all group self-insurers granted authority to self-insure pursuant to section 176.181 ~~shall be are~~ considered a single entity ~~entities~~ 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~~ December 31, 1983, the state ~~shall be is~~ a member of the reinsurance association and is bound by its plan of operation. The commissioner of ~~labor and industry employee relations~~ 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 employee relations~~. 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 of finance 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 is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13, 14, and 15. All property owned by the association is exempt from taxation. The reinsurance association is not 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. 23. Minnesota Statutes 1986, section 175.101, is amended by adding a subdivision to read:

*Subd. 4. The commissioner may designate a workers' compensation settlement judge at the department of labor and industry to serve as chief workers' compensation settlement judge. The commissioner may revoke the designation at any time. A revocation does not affect the revoked designee's status as a workers' compensation settlement judge.*

Sec. 24. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 2, is amended to read:

*Subd. 2. [STATE DEPARTMENTS.] Every department of the state, including the University of Minnesota, shall reimburse the fund for money paid for its claims and the costs of administering the revolving fund at such times and in such amounts as the commissioner of labor and industry employee relations shall certify has been paid out of the fund on its behalf. The heads of the departments shall anticipate these payments by including them in their budgets. In addition, the commissioner of labor and industry employee relations, with the approval of the commissioner of finance, may require an agency to make advance payments to the fund sufficient to cover the agency's estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of labor and industry employee relations under this subdivision must be credited to the state compensation revolving fund.*

Sec. 25. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 3a, is amended to read:

*Subd. 3a. [LOANS.] To maintain an ongoing balance sufficient to pay sums currently due for benefits and administrative costs, the commissioner of finance, upon request of the commissioner of labor and industry employee relations, may transfer money from the general fund to the state compensation revolving fund. Before requesting the transfer, the commissioner of labor and industry employee relations must decide there is not enough money in the fund for an immediate, necessary expenditure. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance. The commissioner of labor and industry employee relations shall make schedules to repay the transferred money to the general fund. The repayment may not extend beyond five years.*

Sec. 26. Minnesota Statutes 1986, section 179A.10, subdivision 3, is amended to read:

*Subd. 3. [STATE EMPLOYEE SEVERANCE.] Each of the following groups of employees has the right, as specified in this subdivision, to separate from the general professional, health treatment, or general supervisory units provided for in subdivision 2: attorneys, physicians, professional employees of the higher education coordinating board who are compensated pursuant to under section 43A.18, subdivision 4, state patrol-supervisors, regional enforcement officers employed by the department of natural resources, and criminal apprehension investigative-supervisors. This right shall must be exercised by petition during the 60-day period commencing 270 days prior to the termination of a contract covering the units. If one of these groups of employees exercises the right to separate from the units they shall have no right to meet and negotiate, but shall retain the right to meet and confer with the commissioner of employee relations and with the appropriate appointing authority on any matter of concern to them.*

The manner of exercise of the right to separate shall be must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their units may petition the director for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support for the petitioner from the employees, the director shall hold an election to ascertain the wishes of the majority with respect to the issue of remaining within or severing from the units provided in subdivision 2. This election shall must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from the unit in favor of separate meet and confer status for any one of these groups of employees, the director shall certify that result. This election shall, where not inconsistent with other provisions of this section, be is governed by section 179A.16. If a group of employees elects to sever they, the group may rejoin that unit by following the same procedures specified above for severance, but may only do so during the periods provided for severance.

Sec. 27. Minnesota Statutes 1987 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health-related and non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching;
- (11) peace officer standards and training;
- (12) social work;
- (13) marriage and family therapy;
- (14) unlicensed mental health service providers; and
- (15) office of social work and mental health boards.

The board of medical examiners shall set the salary of its executive director, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. In June of the year in which a salary increase is to be adopted, and at least



30 days before the board of medical examiners adopts a salary increase for its executive director. The board shall submit the a proposed salary increase to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2.

The executive secretaries serving the remaining boards ~~shall be~~ are hired by those boards, and ~~shall be~~ are in the unclassified civil service, except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive ~~secretary~~ secretaries may employ such services ~~them~~ on a part-time basis. To the extent practicable, the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, ~~shall be~~ are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

#### Sec. 28. [WASTE MANAGEMENT BOARD EMPLOYEES.]

*By January 1, 1989, the commissioner of employee relations shall transfer employees of the waste management board in the unclassified service to the classified service of the state without competitive or qualifying examination and shall place them in their proper classifications. A transferred employee with less than six months of service in the employee's position at the time of the transfer shall serve a probationary period appropriate for the employee's classification under section 43A.16. The probation period must include the time since the employee's hire in the unclassified position from which the employee was transferred. This section does not apply to the chair of the board, the assistant to the chair, and one confidential secretary to the board.*

#### Sec. 29. [CERTAIN FOOD SERVICE EMPLOYEES.]

*Food service employees covered by section 15 who participate in the state group insurance plan are transferred to the public employees insurance plan under Minnesota Statutes, section 43A.316, effective January 1, 1990, or when the commissioner of employee relations certifies that the plan is able to enroll and provide coverage for groups, whichever is later. Food service employees covered by section 15 who do not participate in the state group insurance plan are eligible to participate in the public employees insurance plan under Minnesota Statutes, section 43A.316, effective September 1, 1989."*

Amend the title as follows:

Page 1, line 13, after "sections" insert "15A.083, subdivision 7;"

Page 1, line 14, delete "subdivisions 2 and 11" and insert "subdivision 2"

Page 1, lines 20 and 21, delete "15A.083, subdivision 7;"

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

Senate Conferees: (Signed) Donald M. Moe, Darril Wegscheid, Gen Olson

House Conferees: (Signed) Richard Jefferson, Wayne Simoneau, Gerald

Knickerbocker

Mr. Moe, D.M. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2003 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. 2003 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Metzen	Solon
Anderson	Decker	Johnson, D.E.	Moe, D.M.	Spear
Beckman	DeCramer	Jude	Morse	Storm
Belanger	Dicklich	Knutson	Olson	Stumpf
Benson	Diessner	Laidig	Pehler	Taylor
Berglin	Frank	Langseth	Peterson, R.W.	Vickerman
Bertram	Frederick	Lantry	Piper	Waldorf
Brataas	Frederickson, D.J.	Luther	Ramstad	Wegscheid
Chmielewski	Frederickson, D.R.	Marty	Reichgott	
Cohen	Freeman	McQuaid	Renneke	
Dahl	Gustafson	Mehrken's	Schmitz	

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

## CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the balance of the proceedings on S.F. No. 2428. The Sergeant at Arms was instructed to bring in the absent members.

## RECONSIDERATION

Mr. Berg moved that the vote whereby S.F. No. 2428 failed to pass the Senate on April 12, 1988, be now reconsidered. The motion prevailed.

S.F. No. 2428: A bill for an act relating to workers' compensation benefits and administration; regulating workers' compensation insurance; abolishing the workers' compensation court of appeals and transferring its jurisdiction to the court of appeals; requiring certain reports relating to workers' compensation; appropriating money; amending Minnesota Statutes 1986, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 176.011, subdivisions 11a, 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.081, subdivisions 1 and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.136, subdivision 1, and by adding a subdivision; 176.421, subdivisions 1 and 6; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176A.03, by adding a subdivision; and 480A.06, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, sections 176.041, subdivision 4; 176.081, subdivision 2; 176.102, subdivisions 2, 3, 3a, 4, and 6; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8;

and 176.221, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6; and Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2.

Mr. Chmielewski moved to amend S.F. No. 2428, as amended by the Senate April 12, 1988, as follows:

Delete everything after the enacting clause and insert:

**“ARTICLE 1  
WORKERS’ COMPENSATION SYSTEM CHANGES**

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

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

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

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

~~2/3~~ 80 percent of the product of the daily wage times the number of days normally worked employee's after-tax weekly wage, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

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

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

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

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other nonperiodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section ~~176.101~~ 13. If doubt exists as to the eventual permanent partial disability, payment for ~~the economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101,~~ shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of ~~economic recovery compensation or lump sum or periodic payment of impairment compensation~~ permanent partial disability compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. ~~Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total~~

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

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

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

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

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

(b) An employee who has been hired outside of this state, or regularly performs the primary duties of employment outside of this state, and the employee's employer, are exempt from the provisions of this chapter while the employee is temporarily within this state performing work for the employer provided the employer has furnished workers' compensation insurance coverage under the workers' compensation law or other similar law of another state which covers the employee's employment while in this state. The benefits under the workers' compensation law or similar law of the other state, or other remedies under that state's law, are the exclusive remedy against the employer for any injury, whether resulting in death or

*not, received by the employee while working for that employer within this state. A certificate from the commissioner of labor and industry or other similar official of another state certifying that the employer is insured in that state and has provided extraterritorial coverage insuring its employees while working within this state is prima facie evidence that the employer carries workers' compensation insurance on those employees.*

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

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

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

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in ~~clause~~ paragraph (b). If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under ~~section 176.242, 176.2421, 176.243, or 176.244~~ sections 176.106 and 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) An attorney who is claiming legal fees ~~under this section~~ for representing an employee in a workers' compensation matter shall file a statement of ~~attorney's attorney~~ fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee. If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5. If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

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

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

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

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

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

Subd. 3. ~~An employee who~~ A party that is dissatisfied with its attorney fees, may file an application for review by the workers' compensation court of appeals. Such application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such application shall be served upon the party's attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise the question of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

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

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

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

(2) (c) The minimum weekly compensation benefits for temporary total disability shall be not less than ~~50~~ 20 percent of the statewide average

weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.

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

(1) the disability ends;

(2) the employee returns to work;

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

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

(5) 90 days have passed after the employee has reached maximum medical improvement, except as provided in section 176.102, subdivision 11, paragraph (b).

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

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

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

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

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

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

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

(b) Extended disability compensation is paid at the rate for temporary total compensation, escalated under section 176.645, for the number of



weeks equal to 246 multiplied by the employee's percentage rating of permanent partial disability, determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. The total extended compensation for any injury may not exceed this product.

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

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

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

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

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

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

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

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

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

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

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

(c) Temporary partial compensation may be paid only while the employee is working and earning less than the employee's weekly wage at the time of the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 78 weeks or after 350 weeks after the date of injury, whichever occurs first.

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

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

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

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

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

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

*Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66-2/3~~ 80 percent of the ~~daily~~ after-tax weekly wage at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply*

to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

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

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

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

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

(b) *For purposes of paragraph (a), clause (2), totally and permanently incapacitated means that the employee's physical disability, in combination with the employee's age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income. Local labor market conditions may not be considered in making the total and permanent incapacitation determination.*

Sec. 16. Minnesota Statutes 1986, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (a) *This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

(b) *Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.*

Sec. 17. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited

to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services *and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors.* The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 18. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member and ~~two members~~ *one member each from representing employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four* ~~two members each~~ *representing labor and rehabilitation vendors, and six members who are qualified rehabilitation consultants.* The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 19. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, ~~and one member representing medicine, chiropractic, or rehabilitation vendors, and one member representing qualified rehabilitation consultants.~~

Sec. 20. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer~~

or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant; except that, if the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate pursuant to subdivision 1, the employer shall provide such services. If the consultation indicates that rehabilitation services are not appropriate pursuant to subdivision 1, the employer shall notify the employee of this determination within seven days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer must notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest. The consultant shall also disclose to all parties any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party to the case, including or to any attorneys, doctors, or chiropractors.

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

(d) After the initial provision or selection of a qualified rehabilitation

consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:

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

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

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

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

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

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

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

Sec. 21. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. A plan that is not completed within six months or that will cost more than \$3,000 must be specifically approved by the commissioner. This approval may not be waived by the parties.

Sec. 22. Minnesota Statutes 1986, section 176.102, subdivision 7, is amended to read:

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

(b) *If a rehabilitation plan has not already been filed pursuant to subdivision 4, an employer shall report to the commissioner after 90 days from the date of the injury, but before 120 days therefrom, as to what rehabilitation consultation and services, if any, have been provided to the injured employee or why rehabilitation consultation and services have not been provided.*

Sec. 23. Minnesota Statutes 1986, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition ~~the commissioner~~ for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner *or compensation judge* determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner *or compensation judge* may award additional compensation in an amount ~~the commissioner determines is appropriate~~, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner *or compensation judge* determines the special circumstances are no longer present.

(b) *Pursuant to section 176.101, subdivisions 1 and 2, temporary total disability or temporary partial disability shall be paid during a retraining plan that has been specifically approved under this section and for up to 90 days after the end of the plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (4). Compensation paid under this paragraph must cease if the employee terminates participation in the approved retraining plan without good cause.*

Sec. 24. Minnesota Statutes 1986, section 176.105, subdivision 1, is amended to read:

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

(b) *Disability ratings for permanent partial disability must be based on objective medical evidence.*

Sec. 25. Minnesota Statutes 1986, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at ~~50~~ 80 percent of the *after-tax* weekly wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 26. Minnesota Statutes 1986, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 80 percent of the ~~daily after-tax weekly wage~~ at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse weekly benefits at a rate which is  $16\frac{2}{3}$  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.

Sec. 27. Minnesota Statutes 1986, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children  $66\frac{2}{3}$  80 percent of the ~~daily after-tax weekly wage~~ at the time of the injury of the deceased until the last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

Sec. 28. Minnesota Statutes 1986, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid 55 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased, for two or more orphans there shall be paid  $66\frac{2}{3}$  80 percent of the *wages after-tax weekly wage*.

Sec. 29. Minnesota Statutes 1986, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee leave no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on deceased, there shall be paid to such parents jointly 45 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive 35 80 percent of the *after-tax* weekly wage thereafter. If the deceased employee leave one parent wholly dependent on the deceased, there shall be paid to such parent 35 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 30. Minnesota Statutes 1987 Supplement, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, 30 40 percent of the *after-tax* weekly wage at the time of injury of the deceased, or if more than one, 35



45 percent of the *after-tax* weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 31. Minnesota Statutes 1986, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66-2/3~~ 80 percent of the *after-tax* weekly wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 32. Minnesota Statutes 1987 Supplement, section 176.111, subdivision 21, is amended to read:

Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed 100 percent of the *after-tax* weekly wage being earned by the deceased employee at the time of the injury causing death; provided, however, that no state workers' compensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents. For the purposes of this subdivision, mother's or father's insurance benefits received pursuant to United States Code, title 42, section 402(g), are benefits under a government survivor program.

Sec. 33. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 1, is amended to read:

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

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

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

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

Sec. 34. Minnesota Statutes 1986, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on-the-job training program pursuant to an approved rehabilitation plan under section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on-the-job training program, the on-the-job training employer shall pay the medical expenses and compensation required by this chapter, and shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury; *except that, reimbursement for compensation paid shall be at the rate of 75 percent.* The employer, at the time of the personal injury for which the employee has been approved for on-the-job training, is liable for the portion of the disability that is attributable to that injury.

Sec. 35. Minnesota Statutes 1986, section 176.131, subdivision 2, is amended to read:

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

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

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

Sec. 36. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8, is amended to read:

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

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

(a) Epilepsy,

(b) Diabetes,

(c) Hemophilia,

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

- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,
- (t) Any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and
- (u) Any other physical impairments of a permanent nature which the commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

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

Sec. 37. Minnesota Statutes 1986, section 176.131, is amended by adding a subdivision to read:

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

Sec. 38. Minnesota Statutes 1986, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, except as provided by clause (b); provided that all periods of disability are caused by the same injury.

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

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

Sec. 39. Minnesota Statutes 1986, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under this section shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. The supplementary benefit payable under this section is:

(1) the sum of the amount the employee receives under section 176.101, subdivision 4, plus the amount of any disability benefits being paid by any government disability benefit program if those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4, plus any old age and survivor's insurance benefits, subtracted from

(2) 50 percent of the statewide average weekly wage, as computed annually.

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 50 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.

(d) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) (d) In the event that an eligible recipient is receiving simultaneous

benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

Sec. 40. Minnesota Statutes 1986, section 176.132, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The payment of supplementary benefits shall be the responsibility of the employer or insurer ~~currently paying total disability benefits, or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law.~~ The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 41. Minnesota Statutes 1986, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner ~~shall~~ *must* limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing.

(b) *The medical fee rules for providers other than hospitals, which are promulgated on October 1, 1987, and based upon 1986 medical cost data, must remain in effect until September 30, 1989; and the medical fee rules for providers other than hospitals, which are promulgated on October 1, 1989, must be based on the 1987 medical cost data and must remain in effect until September 30, 1990.*

(c) The procedures established by the commissioner for determining whether or not the charge for a health service is excessive ~~shall~~ *must* be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures ~~shall~~ *must* incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 42. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] *The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse*

*medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. An insurer or employer may not pay fees above the amount in the schedule.*

Sec. 43. Minnesota Statutes 1987 Supplement, section 176.221, subdivision 1, is amended to read:

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

Sec. 44. Minnesota Statutes 1986, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator

of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed ~~six~~ four percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be ~~six~~ four percent.

Sec. 45. Minnesota Statutes 1986, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 ~~shall be~~ is deferred until the first anniversary of the date of the injury. *For injuries occurring on or after August 1, 1988, the initial adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.*

Sec. 46. Minnesota Statutes 1986, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66-2/3~~ 80 percent of the employee's *after-tax* weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 47. [176.90] [AFTER-TAX CALCULATION.]

*For purposes of section 176.011, subdivision 18, section 176.101, subdivisions 1, 2, 3, and 4, section 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21, and section 176.66, the commissioner shall publish by September 1 of each year tables or formulas for determining the after-tax weekly wage to take effect the following October 1. The tables or formulas must be based on the applicable federal income tax and social security laws and state income tax laws in effect on the preceding April 1. These tables or formulas are conclusive for the purposes of converting weekly wage into after-tax weekly wage. The commissioner may contract with the department of revenue or any other person or organization in order to adopt the tables or formulas. The adoption of the tables or formulas is exempt from the administrative rulemaking provisions of chapter 14.*

Sec. 48. [176.95] [ADMINISTRATIVE COSTS.]

*The annual cost to the commissioner of labor and industry of administering the workers' compensation system under this chapter must be charged to the state general fund. Administrative costs include the cost of administering the workers' compensation division of the department of labor and industry and the workers' compensation division of the office of administrative hearings.*

## Sec. 49. [ADMINISTRATIVE COSTS CHANGE-OVER.]

*For the biennium beginning July 1, 1989, 50 percent of the costs of administering the workers' compensation system must be charged to the state general fund and 50 percent to the special compensation fund.*

## Sec. 50. [EXISTING DISABILITY RATINGS.]

*Existing disability ratings adopted under section 176.105, subdivision 1, may not be changed before June 30, 1991.*

## Sec. 51. [AFTER-TAX CALCULATION.]

*Notwithstanding section 47, the commissioner of labor and industry shall publish by July 15, 1988, a table or formula for determining the after-tax weekly wage effective August 1, 1988, until October 1, 1988, as otherwise required under that section.*

## Sec. 52. [REPEALER.]

*Minnesota Statutes 1986, sections 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6, are repealed.*

## Sec. 53. [EFFECTIVE DATE.]

*Sections 5, 17, 18, 19, 24, 43, 47, 50, and 51 are effective the day following final enactment. Section 48 is effective July 1, 1991. Notwithstanding section 176.1321, sections 1 to 4, 6 to 16, 20 to 23, 25 to 41, 44 to 46, 49, and 52 are effective August 1, 1988. Section 42 is effective January 1, 1989.*

## ARTICLE 2

## WORKERS' COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1986, section 79.095, is amended to read:  
79.095 [APPOINTMENT OF ACTUARY.]

The commissioner ~~shall~~ may employ the services of a casualty ~~actuary~~ *actuaries* experienced in ~~worker's workers'~~ compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of ~~the an~~ actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 2. Minnesota Statutes 1986, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive market. In the absence of a competitive market,~~ Premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Sec. 3. Minnesota Statutes 1986, section 79.56, is amended by adding a subdivision to read:

Subd. 5. [RATE REGULATION.] (a) *Whenever an insurer files a change in its existing rate level or rating plan, the commissioner may hold a hearing to determine if the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. The hearing must be conducted pursuant to*



chapter 14. The commissioner shall give notice of intent to hold a hearing within 90 days of the filing of the change. It is the responsibility of the insurer to show that the rate level or rating plan is not excessive, inadequate, or unfairly discriminatory. The rate level or rating plan is effective unless it is determined as a result of the hearing that the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. Upon such a finding, the rate level or rating plan is retroactively rescinded and any premiums collected thereunder must be refunded. This subdivision applies only to changes resulting from an insurer's utilization of either: (1) the pure premium base rate level filed by any data service organization, plus the insurer's loading for expenses and profit; or (2) the insurer's own filed rate levels and rating plan. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, or statutory benefit level changes to sections 176.101, subdivisions 1, 2, and 4, 176.111, 176.132, and 176.645 as a result of annual adjustments in the statewide average weekly wage. The disapproval of a rate level or rating plan under this subdivision must be done in the same manner as under section 70A.11, except that the standards of section 79.55 apply.

(b) Notwithstanding paragraph (a), if the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this subdivision, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court or enactment of a statute has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner of labor and industry must make a prima facie showing that law change has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed.

(c) Notwithstanding paragraph (a), the commissioner may hold a hearing if the commissioner determines that the hearing is necessary because of circumstances which result in a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner must make a prima facie showing that the circumstances resulted in a substantial change in the basis upon which the existing rate levels or rating plan was filed.

#### Sec. 4. [79.561] [PARTICIPATION.]

An employer, or person representing a group of employers, which will be directly affected by a change in an insurer's existing rate level or rating plan filed under section 2, and the commissioner of labor and industry, must be allowed to participate in any hearing under that subdivision challenging the change in rate level or rating plan as being excessive, inadequate, or unfairly discriminatory.

Sec. 5. Minnesota Statutes 1986, section 79.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes;

(b) Establish requirements for data reporting and monitoring methods to

maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; and

(h) Assess its members for operating expenses on a fair and equitable basis;

(i) *Separate the incurred but not reported losses of its members;*

(j) *Separate paid and outstanding losses of its members;*

(k) *Provide information indicating cases in which its members have established a reserve in excess of \$50,000;*

(l) *Provide information on the income on invested reserves of its members;*

(m) *Provide information as to policies written at other than the filed rates;*

(n) *File information based solely on Minnesota premium income of its members concerning investment income, legal expenses, subrogation recoveries, administrative expenses, and commission expenses;*

(o) *File information based solely on Minnesota data concerning its members' reserving practices, premium income, indemnity, and medical benefits paid; and*

(p) *Provide any records of the data service organizations that are requested*

by the commissioner or otherwise required by statute.

**Sec. 6. [79.65] [CHAPTER APPLICABILITY TO DATA SERVICE ORGANIZATIONS.]**

*Subdivision 1. [EXAMINATION BY COMMISSIONER.] Data service organizations are subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any reasonable time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the departments of commerce or labor and industry or other parties retained by the commissioner. Examination under this section may be done of any member of data service organizations for purposes of workers' compensation insurance regulation.*

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

**Sec. 7. Minnesota Statutes 1986, section 176A.03, is amended by adding a subdivision to read:**

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

**Sec. 8. [MANDATED REDUCTIONS.]**

*(a) As a result of the workers' compensation law changes in article 1 and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on August 1, 1988, must be reduced by 16 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the 16 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 16 percent premium reduction prorated to the expiration of that policy. An insurer shall provide written notice by September 1, 1988, to all employers having an outstanding policy with the insurer as of August 1, 1988, to read as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1988 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ . . . . . which reflects a 16 percent mandated premium reduction prorated to the expiration of your policy."*

*(b) No rate increases may be filed between the day following final enactment and January 1, 1989.*

**Sec. 9. [NOTICE OF INTENT TO CHALLENGE RATE LEVEL CHANGE.]**

*Notwithstanding section 3, the commissioner shall have an additional 90 days to give notice of intent to hold a hearing pursuant to that section. This section applies only to challenges to an insurer's change in existing rate levels or rating plan filed between the date the 1989 rate-making report is*

*approved by the commissioner of commerce and six months thereafter.*

**Sec. 10. [RECORDS DEPOSITED WITH THE COMMISSIONER.]**

*All records of data services organizations authorized by section 79.61, or its predecessors, pertaining to proceedings before the department of commerce or its predecessors regarding rates or classifications must be deposited with the commissioner no later than August 1, 1988.*

**Sec. 11. [CONTINGENT APPROPRIATION.]**

*(a) \$250,000 is appropriated from the special compensation fund to a workers' compensation contingent account for the purposes of this article. The appropriation in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30. The appropriation in this section does not cancel but is available until June 30, 1989.*

*(b) \$100,000 from the general contingent account for workers' compensation appropriated under Laws 1987, chapter 404, section 44, is available for the purposes of article 2.*

**Sec. 12. [REPEALER.]**

*Minnesota Statutes 1986, sections 79.54, 79.57, and 79.58 are repealed.*

**Sec. 13. [EFFECTIVE DATE.]**

*Section 8, paragraph (b), is effective the day following final enactment.*

**ARTICLE 3**

**WORKERS' COMPENSATION COURT OF APPEALS ABOLISHED**

Section 1. Minnesota Statutes 1986, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, the party may appeal to the workers' compensation court of appeals on any of the following grounds:

- (1) the order does not conform with this chapter; or
- (2) the compensation judge committed an error of law; or
- (3) the findings of fact and order were *clearly erroneous and* unsupported by substantial evidence in view of the entire record as submitted; or
- (4) the findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 2. Minnesota Statutes 1986, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. *On review, the court may not substitute its judgment for that of the compensation judge as to the weight or credibility of the evidence on any finding of fact. In these cases, on those issues raised by the appeal, the workers' compensation*

court of appeals may:

- (1) grant an oral argument based on the record before the compensation judge;
- (2) examine the record;
- (3) ~~substitute for the findings of fact made by the compensation judge findings based on the total evidence;~~
- (4) sustain, reverse, make or modify an award or disallowance of compensation or other order based on the facts, findings, and law; and,
- (5) (4) remand or make other appropriate order.

Sec. 3. Minnesota Statutes 1986, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court ~~and the workers' compensation court of appeals~~. The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 4. Minnesota Statutes 1986, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in sections 14.44 and 14.45; ~~and~~; the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; ~~and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.~~

#### Sec. 5. [TRANSFER OF JURISDICTION AND PERSONNEL.]

*The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 2, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that, all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.*

#### Sec. 6. [INCREASED JUDGES.]

*(a) The number of judges on the court of appeals as of January 1, 1989, shall be increased by three. The three additional judges are subject to senate confirmation.*

*(b) For purposes of establishing the number of judges on the court of appeals pursuant to Minnesota Statutes, section 480A.01, subdivision 3, the number of appeals filed in the court of appeals for the calendar years 1987 and 1988 shall be considered to include three-fourths of the number of appeals filed in the workers' compensation court of appeals for those two years.*

**Sec. 7. [INSTRUCTION TO REVISOR.]**

*In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."*

**Sec. 8. [REAPPROPRIATION.]**

*\$386,064 is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal year 1989 due to the abolishment of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.*

**Sec. 9. [REPEALER.]**

*Minnesota Statutes 1986, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; and 175A.10, are repealed. Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2, is repealed.*

**Sec. 10. [EFFECTIVE DATE.]**

*Sections 1 and 2 are effective the day following final enactment. Sections 3 to 9 are effective January 1, 1989.*

**ARTICLE 4****REPORTS TO THE LEGISLATURE****Section 1. [REPORT TO THE LEGISLATURE ON MEDICAL ISSUES.]**

*The commissioner of labor and industry shall present a report to the legislature concerning medical issues in the workers' compensation system. Specifically, the report must include findings and recommendations designed to contain or reduce the cost of workers' compensation related medical services, including methods of controlling the cost of ongoing therapy treatments. The report must be presented by January 1, 1990.*

*The state fund mutual insurance company shall be consulted, as part of the medical services study, in order to assist the department in developing a proposal to collect and analyze all medical bills. The ultimate goal of this consultation will be the development of a flagging and monitoring system to identify cases which significantly deviate from normal utilization patterns, costs and outcomes. The department shall make a preliminary report on the progress of the proposal to the legislature on January 1, 1989. The department shall make a final recommendation on implementation of the proposal at the time it makes its report to the legislature concerning medical issues in the workers' compensation system on January 1, 1990.*

**Sec. 2. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL PHYSICIANS.]**

*The commissioner of labor and industry shall present a report to the legislature concerning workers' compensation before January 1, 1989, which develops and evaluates a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities. The report must contain a bill proposal to implement the commissioner's recommendations.*

**Sec. 3. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL QUALIFIED REHABILITATION CONSULTANTS.]**

*To reduce cost and contention in the rehabilitation system, the commissioner of labor and industry shall develop and evaluate a detailed proposal to establish a system to ensure that qualified rehabilitation consultants will not be aligned with either insurers or claimants. The commissioner shall consider alternative methods of selection and payment to ensure neutrality. The commissioner shall present a report and proposal to the legislature by January 1, 1989.*

**Sec. 4. [REPORT TO THE LEGISLATURE ON LEGAL FEES.]**

*The commissioner of labor and industry shall present a report to the legislature concerning legal fee issues in the workers' compensation system. Specifically, the report must include findings and recommendations designed to contain or reduce legal fees related to workers' compensation dispute resolution. The report must be presented March 1, 1989.*

**Sec. 5. [REPORT TO THE LEGISLATURE ON IMPLEMENTATION OF MANDATED RATE REDUCTIONS.]**

*The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under article 2, section 8, have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner must present a report detailing findings and conclusions to the legislature by February 1, 1989.*

**Sec. 6. [REPORT TO THE LEGISLATURE ON RECODIFICATION OF WORKERS' COMPENSATION LAW.]**

*The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176, and its judicial and administrative interpretation.*

*The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.*

*Each state department agency and legislative staff, including senate counsel and house of representatives research, shall provide assistance in the recodification as requested by the revisor of statutes.*

*The revisor shall report to the legislature by January 1, 1989, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 1, 1990.*

**Sec. 7. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF THE CHIEF ADMINISTRATIVE LAW JUDGE.]**

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

**Sec. 8. [REPORT TO THE LEGISLATURE ON STATE REGULATION OF WORKERS' COMPENSATION INSURANCE.]**

*Senate research and house of representatives research shall jointly prepare and present a report to the legislature surveying the different processes for regulation of workers' compensation insurance rating plans under other states' workers' compensation insurance laws. The report must be presented to the legislature by January 1, 1989.*

Sec. 9. [APPROPRIATION.]

*\$100,000 is appropriated from the special compensation fund to the commissioner of labor and industry for the purposes of sections 2, 3, 4, and 5.*

Sec. 10. [EFFECTIVE DATE.]

*Sections 1 to 8 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; providing for the appointment of actuaries; abolishing the workers' compensation court of appeals and transferring its jurisdiction to the court of appeals; requiring certain reports relating to workers' compensation; appropriating money; amending Minnesota Statutes 1986, sections 79.095; 79.55, subdivision 2; 79.56, by adding a subdivision; 79.61, subdivision 1; 176.011, subdivisions 11a, 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.081, subdivisions 1 and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.136, subdivision 1, and by adding a subdivision; 176.421, subdivisions 1 and 6; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176A.03, by adding a subdivision; and 480A.06, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, sections 176.041, subdivision 4; 176.081, subdivision 2; 176.102, subdivisions 2, 3, 3a, 4, and 6; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; 176.221, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1986, sections 79.54; 79.57; 79.58; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6; and Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2."

Mr. Luther moved to amend the Chmielewski amendment to S.F. No. 2428 as follows:

Page 36, line 17, delete everything after the period

Page 36, delete lines 18 to 21

Page 36, line 22, delete "plan."

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

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

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:



Berglin	Diessner	Kroening	Moe, D.M.	Pogemiller
Brandl	Frank	Lantry	Moe, R.D.	Reichgott
Cohen	Freeman	Luther	Pehler	Samuelson
Dahl	Hughes	Marty	Peterson, D.C.	Solon
DeCramer	Johnson, D.J.	Merriam	Peterson, R.W.	Spear
Dicklich	Jude	Metzen	Piper	Waldorf

Those who voted in the negative were:

Adkins	Brataas	Johnson, D.E.	Mehrrens	Stumpf
Anderson	Chmielewski	Knaak	Morse	Taylor
Beckman	Davis	Knutson	Olson	Vickerman
Belanger	Decker	Laidig	Purfeerst	Wegscheid
Benson	Frederick	Langseth	Ramstad	
Berg	Frederickson, D.J.	Larson	Renneke	
Bernhagen	Frederickson, D.R.	Lessard	Schmitz	
Bertram	Gustafson	McQuaid	Storm	

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

Mr. Freeman moved to amend the Chmielewski amendment to S.F. No. 2428 as follows:

Page 40, lines 15, 18, 20, and 27, delete "16" and insert "20"

Page 40, lines 29 and 30, delete "*the day following final enactment*" and insert "*April 10, 1988,*"

Mr. Peterson, R.W. requested division of the amendment to the amendment as follows:

First portion:

Page 40, lines 15, 18, 20, and 27, delete "16" and insert "20"

Second portion:

Page 40, lines 29 and 30, delete "*the day following final enactment*" and insert "*April 10, 1988,*"

The question was taken on the adoption of the second portion of the Freeman amendment to the amendment. The motion prevailed. So the second portion of the amendment to the amendment was adopted.

The question was taken on the adoption of the first portion of the Freeman amendment to the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Berglin	Diessner	Kroening	Pehler	Spear
Brandl	Frank	Lantry	Peterson, D.C.	Taylor
Cohen	Freeman	Luther	Peterson, R.W.	Vickerman
Dahl	Hughes	Marty	Piper	Waldorf
DeCramer	Johnson, D.J.	Moe, R.D.	Pogemiller	
Dicklich	Jude	Novak	Samuelson	

Those who voted in the negative were:

Adkins	Brataas	Johnson, D.E.	Mehrrens	Schmitz
Anderson	Chmielewski	Knaak	Merriam	Solon
Beckman	Davis	Knutson	Metzen	Storm
Belanger	Decker	Laidig	Morse	Stumpf
Benson	Frederick	Langseth	Olson	Wegscheid
Berg	Frederickson, D.J.	Larson	Purfeerst	
Bernhagen	Frederickson, D.R.	Lessard	Ramstad	
Bertram	Gustafson	McQuaid	Renneke	

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

Mr. Marty moved to amend the Chmielewski amendment to S.F. No. 2428 as follows:

Page 35, after line 2, insert:

"Sec. 52. [APPROPRIATION.]

*\$434,800 is appropriated from the workers' compensation special compensation fund to the commissioner of labor and industry to administer the workers' compensation system in accordance with this article. \$124,800 is for fiscal year 1988 and is available until June 30, 1989. \$310,000 is for fiscal year 1989. The approved complement of the department of labor and industry is increased by 10 positions."*

Page 35, line 13, delete "52" and insert "53"

Renumber the sections of article 1 in sequence

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

The question recurred on the Chmielewski amendment, as amended.

The roll was called, and there were yeas 43 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Johnson, D.E.	Mehrrens	Schmitz
Anderson	Chmielewski	Jude	Moe, D.M.	Solon
Beckman	Davis	Knaak	Moe, R.D.	Storm
Belanger	Decker	Knutson	Morse	Stumpf
Benson	DeCramer	Laidig	Olson	Taylor
Berg	Frederick	Langseth	Pehler	Vickerman
Bernhagen	Frederickson, D.J.	Larson	Purfeerst	Wegscheid
Bertram	Frederickson, D.R.	Lessard	Ramstad	
Brandl	Gustafson	McQuaid	Renneke	

Those who voted in the negative were:

Berglin	Frank	Lantry	Novak	Samuelson
Cohen	Freeman	Luther	Peterson, D.C.	Spear
Dahl	Hughes	Marty	Piper	Waldorf
Dicklich	Johnson, D.J.	Merriam	Pogemiller	
Diessner	Kroening	Metzen	Reichgott	

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

S.F. No. 2428 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 42 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Johnson, D.E.	Mehrrens	Schmitz
Anderson	Chmielewski	Jude	Moe, D.M.	Storm
Beckman	Davis	Knaak	Moe, R.D.	Stumpf
Belanger	Decker	Knutson	Morse	Taylor
Benson	DeCramer	Laidig	Olson	Vickerman
Berg	Frederick	Langseth	Pehler	Wegscheid
Bernhagen	Frederickson, D.J.	Larson	Purfeerst	
Bertram	Frederickson, D.R.	Lessard	Ramstad	
Brandl	Gustafson	McQuaid	Renneke	

Those who voted in the negative were:

Berglin	Frank	Lantry	Novak	Reichgott
Cohen	Freeman	Luther	Peterson, D.C.	Samuelson
Dahl	Hughes	Marty	Peterson, R.W.	Solon
Dicklich	Johnson, D.J.	Merriam	Piper	Spear
Diessner	Kroening	Metzen	Pogemiller	Waldorf

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

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 2569 at 5:30 p.m.:

Messrs. Waldorf, Dahl, Dicklich, Taylor and Mrs. Brataas. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that Senate Concurrent Resolution No. 14 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 14: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

WHEREAS, as elected representatives of our citizens in the State of Minnesota, we take pride in our diverse communities, their historic respect for life and property, and the American tradition of open and peaceful discussion of issues of public policy; and

WHEREAS, bombing, arson, and any other form of violence, threats of violence, and other criminal acts cannot be tolerated as an appropriate means of addressing issues of public policy in the United States; and

WHEREAS, since January 1987 in Minnesota there have been 263 incidents of criminal acts directed against reproductive health care facilities, including two bombings, three acts of arson, eight acts of vandalism, eight invasions, 112 bomb threats, and 129 other threats; and

WHEREAS, only two of these criminal acts have resulted in arraignments; and

WHEREAS, such acts of criminal violence, threats of violence, and other criminal acts not only result in the destruction of property, but more importantly terrorize the lives of patients and medical staff, and jeopardize the safety of the community; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that it deplores and condemns any and all acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, their patients, and medical staff. We exhort all state and local law enforcement officials to take immediate action to investigate all such acts and to identify, apprehend, and prosecute all those who plan and perpetrate acts of violence, threats of violence, and other criminal acts directed against reproductive health care facilities, their patients, and medical staff.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed

to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee, the Chief Clerk of the House, and the Speaker of the House, and transmit it to the Minnesota Attorney General and the Minnesota County Attorneys Association.

Mr. Jude moved to amend Senate concurrent resolution No. 14 as follows:

Page 1, line 13, after "arson," insert "abortion"

Page 1, lines 14, 18, and 22, delete "criminal" and insert "immoral"

Page 1, line 18, delete "263" and insert "a number of"

Page 1, lines 18 and 19, delete "reproductive health care facilities" and insert "abortion clinics and unborn children"

Page 1, line 19, delete "two" and delete "three acts of"

Page 1, line 20, delete "eight acts of" and insert "abortion," and delete "eight" and delete "112"

Page 1, line 21, delete "129"

Page 1, line 24, delete "acts of criminal" and insert "immoral"

Page 1, line 25, delete "criminal"

Page 1, line 26, after "property" insert "and life"

Page 2, line 2, after "community" insert "and unborn children"

Page 2, line 5, before the first "violence" insert "abortion,"

Page 2, lines 6 and 11, delete "criminal" and insert "immoral"

Page 2, line 6, delete "reproductive health care facilities" and insert "unborn children, abortion clinics"

Page 2, line 7, delete "medical staff" and insert "abortionists"

Page 2, line 12, delete "reproductive health care facilities" and insert "abortion clinics"

Page 2, lines 12 and 13, delete "and medical staff" and insert "abortionists, and unborn children"

Amend the title as follows:

Page 1, line 3, delete "criminal" and insert "immoral"

Page 1, lines 3 and 4, delete "reproductive health care facilities" and insert "unborn children and abortion clinics"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knutson	Lessard	Stumpf
Anderson	Frederickson, D.R.	Kroening	McQuaid	Vickerman
Beckman	Gustafson	Laidig	Metzen	Wegscheid
Bernhagen	Johnson, D.E.	Langseth	Olson	
Bertram	Johnson, D.J.	Lantry	Renneke	
Chmielewski	Jude	Larson	Schmitz	

Those who voted in the negative were:

Berglin	Frederick	Moe, D.M.	Piper	Solon
Brandl	Frederickson, D.J.	Moe, R.D.	Pogemiller	Spear
Cohen	Freeman	Morse	Purfeerst	Storm
Decker	Luther	Novak	Ramstad	
Diessner	Marty	Peterson, D.C.	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Luther moved that Senate Concurrent Resolution No. 14 be laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2127:

H.F. No. 2127: A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.18; 62D.19; 62E.02, subdivision 13; and 62E.14, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62D.04, subdivision 1; and 62E.10, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Greenfield, Orenstein and Anderson, R., have been appointed as such committee on the part of the House.

House File No. 2127 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 April 13, 1988

Mr. Brandl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2127, 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. 2291:

H.F. No. 2291: A bill for an act relating to state agencies; amending, enacting and repealing certain laws administered by the department of administration; increasing the powers of the state board for community colleges; changing the criteria for board membership; amending Minnesota Statutes 1986, sections 15.0591, subdivision 2; 15.50, by adding a subdivision; 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.24, by adding subdivisions; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 136.61, subdivision 1; 136.622; 136.67, subdivision 2; 214.07, subdivision 1; 268.0122, by adding a subdivision; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapter 365, section 24; proposing coding for new law in Minnesota Statutes, chapters 16B and 136; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Lasley, Pappas and Dille have been appointed as such committee on the part of the House.

House File No. 2291 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 April 13, 1988

Mr. Moe, D.M. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2291, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 392: A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates of motor vehicles operated by repeat DWI offenders; providing for administrative and judicial review; appropriating money; amending Minnesota Statutes 1986, sections 168.041; 169.123, subdivisions 5b, 5c, and 6; 169.1261; and 171.29, by adding a subdivision.

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

Rest, Kelly and Blatz.

Senate File No. 392 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1268: A bill for an act relating to energy and economic development; providing for the powers and duties of the commissioner of energy and economic development; clarifying definitions; authorizing certain Indian tribes to create community energy councils; providing the purpose for which an appropriation may be spent; amending Minnesota Statutes 1986, sections 116J.09; 116J.10; 116J.19, subdivision 6; 116J.36, subdivision 2; 116J.381, subdivision 2; and Laws 1981, chapter 334, section 11, subdivision 1.

There has been appointed as such committee on the part of the House: Nelson, C.; Dawkins and Bishop.

Senate File No. 1268 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1885: A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

There has been appointed as such committee on the part of the House: Solberg, Sarna and Bennett.

Senate File No. 1885 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting

of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1963: A bill for an act relating to public finance; providing requirements for the issuance and use of public debt; amending Minnesota Statutes 1986, sections 123.35, by adding a subdivision; 375.83; 410.32; 475.54, by adding a subdivision; 475.67, subdivision 13; Minnesota Statutes 1987 Supplement, sections 469.012, subdivision 1; 469.015, subdivision 4; 469.071, by adding a subdivision; 469.155, subdivision 12; 475.60, subdivision 2; and 475.66, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Laws 1987, chapter 358, section 31.

There has been appointed as such committee on the part of the House: Rest, Voss and Sviggum.

Senate File No. 1963 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1608, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1608: A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

Senate File No. 1608 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2137, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2137: A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

Senate File No. 2137 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1988



**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. 1462: Messrs. Dahl, Frank and Gustafson.

H.F. No. 2291: Messrs. Moe, D.M.; Marty and Decker.

H.F. No. 2127: Messrs. Brandl, Pehler and Knutson.

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

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Moe, R.D. moved that the following members be excused for a Conference Committee on S.F. No. 2000 from 3:30 to 4:45 p.m.:

Messrs. Knaak, Lessard, Merriam, Ms. Peterson, D.C. and Mr. Moe, R.D. The motion prevailed.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Ms. Reichgott moved that the following members be excused for a Conference Committee on S.F. No. 1643 from 4:30 to 5:30 p.m.:

Mr. Laidig, Mses. Berglin and Reichgott. The motion prevailed.

**MEMBERS EXCUSED**

Mr. Pogemiller was excused from the Session of today from 1:30 to 2:00 p.m. Mr. Novak was excused from the Session of today from 2:05 to 5:30 p.m. Mr. Pehler was excused from the Session of today from 5:40 to 6:10 p.m. Mr. Diessner was excused from the Session of today from 5:45 to 6:10 p.m. Mr. Hughes was excused from the Session of today from 6:00 to 6:10 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Thursday, April 14, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate