

separate account with the name of the depositor and the purchaser as trustees for the beneficiary. The depositor as trustee shall not have power to distribute funds, either principal or interest, from the account until the death of the beneficiary, subject to section 149A.80. For purposes of this section, distribute does not mean transferring the trust funds to different investment accounts within an institution or between institutions provided that the depositor as trustee does not have sole access to the funds in a negotiable form. This section shall be construed to limit the depositor's access to trust funds, in a negotiable form, prior to the death of a beneficiary. The preneed arrangements trust shall be considered an asset of the purchaser until the death of the beneficiary, whereupon the money shall be considered an asset of the estate of the beneficiary, to the extent that the value of the trust exceeds the actual value for the goods and services provided at-need. The location of the trust account, including the name and address of the institution in which the money is being held and any identifying account numbers, must be disclosed in writing to the beneficiary by the depositor as trustee at the time the money is deposited and when there are any subsequent changes to the location of the trust account. The depositor shall annually report to the beneficiary the amount of funds in the beneficiary's preneed arrangement trust account, including principal and accrued interest. The depositor may arrange for the banking institution, savings or building and loan association, or credit union to issue such reports. Upon the provision of any funeral or burial site goods or services in connection with a preneed arrangement, the depositor shall provide a statement itemizing the goods or services provided and cost of such goods or services and describing the disposition of all funds in the account.

EFFECTIVE DATE. This section is effective January 1, 2003.

Presented to the governor March 20, 2002

Signed by the governor March 22, 2002, 2:07 p.m.

CHAPTER 262—S.F.No. 3136

An act relating to workers' compensation; modifying payment provisions; modifying intervention procedures; changing the calculation of special fund assessments; amending Minnesota Statutes 2000, sections 176.092, subdivision 1, by adding a subdivision; 176.106, subdivision 6; 176.111, subdivision 22; 176.129, subdivisions 7, 9, by adding subdivisions; 176.130, subdivisions 8, 9; 176.139, subdivision 2; 176.155, subdivision 2; 176.181, subdivision 3; 176.182; 176.185, subdivision 5a; 176.194, subdivision 3; 176.361; 176.84, subdivision 2; Minnesota Statutes 2001 Supplement, sections 176.103, subdivision 3; 176.129, subdivisions 10, 13; 176.194, subdivision 4; repealing Minnesota Statutes 2000, section 176.129, subdivisions 3, 4, 4a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2000, section 176.092, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **WHEN REQUIRED.** An injured employee or a dependent under section 176.111 who is a minor or an incapacitated person as that term is defined in section 525.54, subdivision 2 or 3, shall have a guardian or conservator to represent the interests of the employee or dependent in obtaining compensation according to the provisions of this chapter. This section applies if the employee receives or is eligible for permanent total disability benefits, supplementary benefits, or permanent partial disability benefits totaling more than \$3,000 or a dependent receives or is eligible for dependency benefits, or if the employee or dependent receives or is offered a lump sum that exceeds five times the statewide average weekly wage.

Sec. 2. Minnesota Statutes 2000, section 176.092, is amended by adding a subdivision to read:

Subd. 1a. PARENT AS GUARDIAN. A parent is presumed to be the guardian for purposes of this section. Where the parents of the employee are divorced, either parent with legal custody may be considered the guardian for purposes of this section. Notwithstanding subdivision 1, where the employee receives or is eligible for a lump sum payment of permanent total disability benefits, supplementary benefits, or permanent partial disability benefits totaling more than \$3,000 or if the employee receives or is offered a settlement that exceeds five times the statewide average weekly wage, the compensation judge shall review such cases to determine whether benefits should be paid in a lump sum or through an annuity.

Sec. 3. Minnesota Statutes 2001 Supplement, section 176.103, subdivision 3, is amended to read:

Subd. 3. MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS. (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, one physical therapist, one registered nurse, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board may appoint from its members whatever subcommittees it deems appropriate. Notwithstanding section 15.059, this board does not expire unless the board no longer fulfills the purpose for which the board was established, the board has not met in the last 18 months, or the board does not comply with the registration requirements of section 15.0599, subdivision 3.

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 chiropractor, one physical therapist, one registered nurse, one hospital administrator, three physicians, one employee representative, one employer or insurer representative, and one representative of the general public.

The board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

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The board shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The board shall assist the commissioner in accomplishing public education.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The medical services review board may upon petition from the commissioner and after hearing, issue a warning, a penalty of \$200 per violation, a restriction on providing treatment that requires preauthorization by the board, commissioner, or compensation judge for a plan of treatment, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter, or where there has been a pattern of, or an egregious case of, inappropriate, unnecessary, or excessive treatment by a provider. Any penalties collected under this subdivision shall be payable to the commissioner for deposit in the assigned risk safety account. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

(c) The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.

Sec. 4. Minnesota Statutes 2000, section 176.106, subdivision 6, is amended to read:

Subd. 6. **PENALTY.** At a conference, if the insurer does not provide a specific reason for nonpayment of the items in dispute, the commissioner's designee may assess a penalty of \$300 payable to the commissioner for deposit in the assigned risk safety account, unless it is determined that the reason for the lack of specificity was the failure of the insurer, upon timely request, to receive information necessary to remedy the lack of specificity. This penalty is in addition to any penalty that may be applicable for nonpayment.

Sec. 5. Minnesota Statutes 2000, section 176.111, subdivision 22, is amended to read:

Subd. 22. **PAYMENTS TO ESTATE; DEATH OF EMPLOYEE.** In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency

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compensation, the employer shall pay to the estate of the deceased employee the sum of \$60,000. This payment must be made within 14 days of notice to the insurer of the appointment of a personal representative of the estate. Within 14 days of notice to the insurer of the death of the employee, the insurer must send notice to the estate, at the deceased employee's last known address, that this payment will be made after a personal representative has been appointed by a probate court.

Sec. 6. Minnesota Statutes 2000, section 176.129, is amended by adding a subdivision to read:

Subd. 1b. DEFINITIONS. (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Paid indemnity losses" means gross benefits paid for temporary total disability, economic recovery compensation, permanent partial disability, temporary partial disability, impairment compensation, permanent total disability, vocational rehabilitation benefits, or dependency benefits, exclusive of medical and supplementary benefits. In the case of policy deductibles, paid indemnity losses includes all benefits paid, including the amount below deductible limits.

(c) "Standard workers' compensation premium" means the data service organization's designated statistical reporting pure premium after the application of experience rating plan adjustments, but prior to the application of premium discounts, policyholder dividends, other premium adjustments, expense constants, and other deviations from the designated statistical reporting pure premium.

Sec. 7. Minnesota Statutes 2000, section 176.129, is amended by adding a subdivision to read:

Subd. 2a. PAYMENTS TO FUND. (a) On or before April 1 of each year, all self-insured employers shall report paid indemnity losses and insurers shall report paid indemnity losses and standard workers' compensation premium in the form and manner prescribed by the commissioner. On June 1 of each year, the commissioner shall determine the total amount needed to pay all estimated liabilities, including administrative expenses, of the special compensation fund for the following fiscal year. The commissioner shall assess this amount against self-insured employers and insurers. The total amount of the assessment must be allocated between self-insured employers and insured employers based on paid indemnity losses for the preceding calendar year. The method of assessing self-insured employers must be based on paid indemnity losses. The method of assessing insured employers is based on premium, collectible through a policyholder surcharge. On or before June 30 of each year, the commissioner shall provide notification to each self-insured employer and insurer of amounts due. At least one-half of the payment shall be made to the commissioner for deposit into the special compensation fund on or before August 1 of the same calendar year. The remaining balance is due on February 1 of the following calendar year.

(b) The portion of the total amount that is collected from self-insured employers is equal to that proportion of the paid indemnity losses for the preceding calendar year, which the paid indemnity losses of all self-insured employers bore to the total paid

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indemnity losses made by all self-insured employers and insured employers during the preceding calendar year. The portion of the total amount that is collected from insured employers is equal to that proportion of the total paid indemnity losses on behalf of all insured employers bore to the total paid indemnity losses on behalf of all self-insured employers and insured employers during the preceding calendar year. The portion of the total assessment allocated to insured employers that is collected from each insured employer must be based on standard workers' compensation premium written in the state during the preceding calendar year. An employer who has ceased to be self-insured shall continue to be liable for assessments based on paid indemnity losses made by the employer in the preceding calendar year.

(c) Insurers shall collect the assessments from their insured employers through a surcharge based on premium, as provided in paragraph (a). Assessments when collected do not constitute an element of loss for the purpose of establishing rates for workers' compensation insurance, but for the purpose of collection are treated as separate costs imposed on insured employers. The premium surcharge is included in the definition of gross premium as defined in section 297I.01. An insurer may cancel a policy for nonpayment of the premium surcharge. The premium surcharge is excluded from the definition of premium except as otherwise provided in this paragraph.

Sec. 8. Minnesota Statutes 2000, section 176.129, subdivision 7, is amended to read:

Subd. 7. **REFUNDS.** In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 2a by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. Claims for refunds must be submitted to the commissioner within three years of the assessment due date. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

Sec. 9. Minnesota Statutes 2000, section 176.129, subdivision 9, is amended to read:

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

- (a) sue and be sued in its own name;
- (b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;
- (c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter. Notwithstanding any other provision of this chapter, any settlement may provide that the fund partially or totally

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denies liability for payment of benefits, and no determination of employer insurance status and liability under section 176.183, subdivision 2, shall be required for approval of the stipulation for a settlement;

(d) contract with another party to administer the special compensation fund;

(e) take any other action which an insurer is permitted by law to take in operating within this chapter; and

(f) conduct a financial audit of indemnity claim payments, premium, and assessments reported to the fund. This may be contracted by the fund to a private auditing firm.

Sec. 10. Minnesota Statutes 2001 Supplement, section 176.129, subdivision 10, is amended to read:

Subd. 10. **PENALTY.** Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty payable to the commissioner for deposit in the assigned risk safety account of up to 15 percent of the amount due under this section but not less than \$1,000 in the event payment is not made or reports are not submitted in the manner prescribed.

Sec. 11. Minnesota Statutes 2001 Supplement, section 176.129, subdivision 13, is amended to read:

Subd. 13. **EMPLOYER REPORTS.** All employers and insurers shall make reports to the commissioner as required for the proper administration of this section and Minnesota Statutes 1990, section 176.131, and Minnesota Statutes 1994, section 176.132. Employers and insurers may not be reimbursed from the special compensation fund for any periods unless the employer or insurer is up to date with all past due and currently due assessments, penalties, and reports to the special compensation fund under subdivision 3 this section.

Sec. 12. Minnesota Statutes 2000, section 176.130, subdivision 8, is amended to read:

Subd. 8. **PENALTIES; WOOD MILLS.** If the assessment provided for in this chapter is not paid on or before February 15 of the year when due and payable, the commissioner may impose penalties as provided in section 176.129, subdivision 10, payable to the commissioner for deposit in the assigned risk safety account.

Sec. 13. Minnesota Statutes 2000, section 176.130, subdivision 9, is amended to read:

Subd. 9. **FALSE REPORTS.** Any person or entity that, for the purpose of evading payment of the assessment or avoiding the reimbursement, or any part of it, makes a false report under this section shall pay to the commissioner for deposit in the assigned risk safety account, in addition to the assessment, a penalty of 75 percent of the amount of the assessment. A person who knowingly makes or signs a false report, or who knowingly submits other false information, is guilty of a misdemeanor.

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Sec. 14. Minnesota Statutes 2000, section 176.139, subdivision 2, is amended to read:

Subd. 2. **FAILURE TO POST; PENALTY.** The commissioner may assess a penalty of \$500 against the employer payable to the commissioner for deposit in the assigned risk safety account if, after notice from the commissioner, the employer violates the posting requirement of this section.

Sec. 15. Minnesota Statutes 2000, section 176.155, subdivision 2, is amended to read:

Subd. 2. **NEUTRAL PHYSICIAN.** In each case of dispute as to the injury the commissioner of labor and industry, or in case of a hearing the compensation judge conducting the hearing, or the workers' compensation court of appeals if the matter is before it, may with or without the request of any interested party, designate a neutral physician ~~from the list of neutral physicians developed by the commissioner of labor and industry~~ to make an examination of the injured worker and report the findings to the commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals, as the case may be; provided that the request of the interested party must comply with the rules of the commissioner of labor and industry and the workers' compensation court of appeals regulating the proper time and forms for the request, and further provided that when an interested party requests, not later than 30 days prior to a scheduled prehearing conference, that a neutral physician be designated, the compensation judge shall make such a designation. When a party has requested the designation of a neutral physician prior to a prehearing conference, that party may withdraw the request at any time prior to the hearing. The commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals, as the case may be, may request the neutral physician to answer any particular question with reference to the medical phases of the case, including questions calling for an opinion as to the cause and occurrence of the injury insofar as medical knowledge is relevant in the answer. A copy of the signed certificate of the neutral physician shall be mailed to the parties in interest and either party, within five days from date of mailing, may demand that the physician be produced for purposes of cross-examination. The signed certificate of a neutral physician is competent evidence of the facts stated therein. The expense of the examination shall be paid as ordered by the commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals.

~~The commissioner of labor and industry shall develop and maintain a list of neutral physicians available for designation pursuant to this subdivision or section 176.391, subdivision 2.~~

Sec. 16. Minnesota Statutes 2000, section 176.181, subdivision 3, is amended to read:

Subd. 3. **FAILURE TO INSURE, PENALTY.** (a) The commissioner, having reason to believe that an employer is in violation of subdivision 2, may issue an order directing the employer to comply with subdivision 2, to refrain from employing any person at any time without complying with subdivision 2, and to pay a penalty of up to \$1,000 per employee per week during which the employer was not in compliance.

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(b) An employer shall have ten working days to contest such an order by filing a written objection with the commissioner, stating in detail its reasons for objecting. If the commissioner does not receive an objection within ten working days, the commissioner's order shall constitute a final order not subject to further review, and violation of that order shall be enforceable by way of civil contempt proceedings in district court. If the commissioner does receive a timely objection, the commissioner shall refer the matter to the office of administrative hearings for an expedited hearing before a compensation judge. The compensation judge shall issue a decision either affirming, reversing, or modifying the commissioner's order within ten days of the close of the hearing. If the compensation judge affirms the commissioner's order, the compensation judge may order the employer to pay an additional penalty if the employer continued to employ persons without complying with subdivision 2 while the proceedings were pending.

(c) All penalties assessed under this subdivision shall be paid into the state treasury and credited to payable to the commissioner for deposit in the assigned risk safety account. Penalties assessed under this section shall constitute a lien for government services pursuant to section 514.67, on all the employer's property and shall be subject to the Revenue Recapture Act in chapter 270A.

(d) For purposes of this subdivision, the term "employer" includes any owners or officers of a corporation who direct and control the activities of employees.

Sec. 17. Minnesota Statutes 2000, section 176.182, is amended to read:

176.182 BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.

Every state or local licensing agency shall withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. The commissioner shall assess a penalty to the employer of \$2,000 payable to the commissioner for deposit in the assigned risk safety account, if the information is not reported or is falsely reported.

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

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

Sec. 18. Minnesota Statutes 2000, section 176.185, subdivision 5a, is amended to read:

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Subd. 5a. **PENALTY FOR IMPROPER WITHHOLDING.** An employer who violates subdivision 5 after notice from the commissioner is subject to a penalty of 400 percent of the amount withheld from or charged the employee. The penalty shall be imposed by the commissioner. Forty percent of this penalty is payable to the commissioner for deposit in the assigned risk safety account and 60 percent is payable to the employee.

Sec. 19. Minnesota Statutes 2000, section 176.194, subdivision 3, is amended to read:

Subd. 3. **PROHIBITED CONDUCT.** The following conduct is prohibited:

(1) failing to reply, within 30 calendar days after receipt, to all written communication about a claim from a claimant that requests a response;

(2) failing, within 45 calendar days after receipt of a written request, to commence benefits or to advise the claimant of the acceptance or denial of the claim by the insurer;

(3) failing to pay or deny medical bills within 45 days after the receipt of all information requested from medical providers;

(4) filing a denial of liability for workers' compensation benefits without conducting an investigation;

(5) failing to regularly pay weekly benefits in a timely manner as prescribed by rules adopted by the commissioner once weekly benefits have begun. Failure to regularly pay weekly benefits means failure to pay an employee on more than three occasions in any 12-month period within three business days of when payment was due;

(6) failing to respond to the department within 30 calendar days after receipt of a written inquiry from the department about a claim;

(7) failing to pay pursuant to an order of the department, compensation judge, court of appeals, or the supreme court, within 45 days from the filing of the order unless the order is under appeal; or

(8) advising a claimant not to obtain the services of an attorney or representing that payment will be delayed if an attorney is retained by the claimant; or

(9) altering information on a document to be filed with the department without the notice and consent of any person who previously signed the document and who would be adversely affected by the alteration.

Sec. 20. Minnesota Statutes 2001 Supplement, section 176.194, subdivision 4, is amended to read:

Subd. 4. **PENALTIES.** The penalties for violations of subdivision 3, clauses (1) through (6) and (9), are as follows:

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1st through 5th violation of each paragraph	written warning
6th through 10th violation of each paragraph	\$3,000 per violation in excess of five
11 or more violations of each paragraph	\$6,000 per violation in excess of ten

For violations of subdivision 3, clauses (7) and (8), the penalties are:

1st through 5th violation of each paragraph	\$3,000 per violation
6 or more violations of each paragraph	\$6,000 per violation in excess of five

The penalties under this section may be imposed in addition to other penalties under this chapter that might apply for the same violation. The penalties under this section are assessed by the commissioner and are payable to the commissioner for deposit in the assigned risk safety account. A party may object to the penalty and request a formal hearing under section 176.85. If an entity has more than 30 violations within any 12-month period, in addition to the monetary penalties provided, the commissioner may refer the matter to the commissioner of commerce with recommendation for suspension or revocation of the entity's (a) license to write workers' compensation insurance; (b) license to administer claims on behalf of a self-insured, the assigned risk plan, or the Minnesota insurance guaranty association; (c) authority to self-insure; or (d) license to adjust claims. The commissioner of commerce shall follow the procedures specified in section 176.195.

Sec. 21. Minnesota Statutes 2000, section 176.361, is amended to read:

176.361 INTERVENTION.

Subdivision 1. **RIGHT TO INTERVENE.** A person who has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge such that the person may either gain or lose by an order or decision may intervene in the proceeding by filing an application or motion in writing stating the facts which show the interest. The commissioner is considered to have an interest and shall be permitted to intervene at the appellate level when a party relies in its claim or defense upon any statute or rule administered by the commissioner, or upon any rule, order, requirement, or agreement issued or made under the statute or rule.

The commissioner may adopt rules, not inconsistent with this section to govern intervention. The workers' compensation court of appeals shall adopt rules to govern the procedure for intervention in matters before it.

If the department of human services or the department of economic security seeks to intervene in any matter before the division, a compensation judge or the workers' compensation court of appeals, a nonattorney employee of the department, acting at the direction of the staff of the attorney general, may prepare, sign, serve and file motions for intervention and related documents, appear at prehearing conferences, and

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participate in matters before a compensation judge or the workers' compensation court of appeals. Any other interested party may intervene using a nonattorney and may participate in any proceeding to the same extent an attorney could. This activity shall not be considered to be the unauthorized practice of law. An intervenor represented by a nonattorney shall be deemed to be represented by an attorney for the purposes of the conclusive presumption of section 176.521, subdivision 2.

Subdivisions 3 to 6 do not apply to matters pending in the mediation or rehabilitation and medical services sections.

Subd. 2. **WRITTEN APPLICATION OR MOTION.** A person desiring to intervene in a workers' compensation case as a party, including but not limited to a health care provider who has rendered services to an employee or an insurer who has paid benefits under section 176.191, shall submit a timely written application or motion to intervene to the commissioner, the office, or to the court of appeals, whichever is applicable.

(a) The application or motion must be served on all parties either personally, by first class mail, or registered mail, return receipt requested. An application or motion to intervene must be served and filed within 30 60 days after a person potential intervenor has received been served with notice that a claim has been filed or a request for mediation made. An untimely application is subject to denial under subdivision 7 of a right to intervene or within 30 days of notice of an administrative conference. Upon the filing of a timely application or motion to intervene, the potential intervenor shall be granted intervenor status without the need for an order. Objections to the intervention may be subsequently addressed by a compensation judge. Where a motion to intervene is not timely filed under this section, the potential intervenor interest shall be extinguished and the potential intervenor may not collect, or attempt to collect, the extinguished interest from the employee, employer, insurer; or any government program.

(b) In any other situation, timeliness will be determined by the commissioner, compensation judge, or awarding authority in each case based on circumstances at the time of filing. The application or motion must show how the applicant's legal rights, duties, or privileges may be determined or affected by the case; state the grounds and purposes for which intervention is sought; and indicate the statutory right to intervene. The application or motion must be accompanied by the following, if applicable, except that if the action is pending in the mediation or rehabilitation and medical services section, clause (6) is not required and the information listed in clauses (1) to (5) may be brought to the conference rather than attached to the application:

(1) an itemization of disability payments showing the period during which the payments were or are being made; the weekly or monthly rate of the payments; and the amount of reimbursement claimed;

(2) a summary of the medical or treatment payments, or rehabilitation services provided by the vocational rehabilitation unit, broken down by creditor, showing the total bill submitted, the period of treatment or rehabilitation covered by that bill, the amount of payment on that bill, and to whom the payment was made;

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- (3) copies of all medical or treatment bills on which some payment was made;
- (4) copies of the work sheets or other information stating how the payments on medical or treatment bills were calculated;
- (5) a copy of the relevant policy or contract provisions upon which the claim for reimbursement is based;
- (6) a proposed order allowing intervention with sufficient copies to serve on all parties;
- (7) the name and telephone number of the person representing the intervenor who has authority to reach a settlement of the issues in dispute;
- (8) (7) proof of service or copy of the registered mail receipt;
- (9) (8) at the option of the intervenor, a proposed stipulation which states that all of the payments for which reimbursement is claimed are related to the injury or condition in dispute in the case and that, if the petitioner is successful in proving the compensability of the claim, it is agreed that the sum be reimbursed to the intervenor; and
- (10) (9) if represented by an attorney, the name, address, telephone number, and Minnesota Supreme Court license number of the attorney.

Subd. 3. **STIPULATION.** If the person submitting the application or motion for intervention has included a proposed stipulation, all parties shall either execute and return the signed stipulation to the intervenor who must file it with the division or judge or serve upon the intervenor and all other parties and file with the division specific and detailed objections to any payments made by the intervenor which are not conceded to be correct and related to the injury or condition the petitioner has asserted is compensable. If a party has not returned the signed stipulation or filed objections within 30 days of service of the application or motion, the intervenor's right to reimbursement for the amount sought is deemed established provided that the petitioner's claim is determined to be compensable.

Subd. 4. **ATTENDANCE BY INTERVENOR.** Unless a stipulation has been signed and filed or the intervenor's right to reimbursement has otherwise been established, the intervenor shall attend all settlement or pretrial conferences, administrative conferences, and shall attend the regular hearing if ordered to do so by the compensation judge. Failure to appear shall result in the denial of the claim for reimbursement.

Subd. 5. **ORDER.** If an objection to intervention remains following settlement or pretrial conferences, the ~~commissioner or compensation judge~~ shall rule on the intervention and the order is binding on the compensation judge to whom the case is assigned for issue shall be addressed at the hearing.

Subd. 6. **PRESENTATION OF EVIDENCE BY INTERVENOR.** Unless a stipulation has been signed and filed or the intervenor's right to reimbursement has otherwise been established, the intervenor shall present evidence in support of the claim at the hearing unless otherwise ordered by the compensation judge.

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Subd. 7. **EFFECTS OF NONCOMPLIANCE.** Except as provided in subdivisions 2 and 4, failure to comply with this section shall not result in a denial of the claim for reimbursement unless the compensation judge, or commissioner, determines that the noncompliance has materially prejudiced the interests of the other parties.

Sec. 22. Minnesota Statutes 2000, section 176.84, subdivision 2, is amended to read:

Subd. 2. **PENALTY.** The commissioner or compensation judge may impose a penalty of \$500 for each violation of subdivision 1. This penalty is payable to the commissioner for deposit in the assigned risk safety account.

Sec. 23. **REPEALER.**

Minnesota Statutes 2000, section 176.129, subdivisions 3, 4, and 4a, are repealed.

Sec. 24. **EFFECTIVE DATE.**

Sections 6 to 11 and 23 are effective with assessments due after July 1, 2003.

Presented to the governor March 20, 2002

Signed by the governor March 22, 2002, 2:12 p.m.

CHAPTER 263—S.F.No. 2590

An act relating to Carlton and Pine counties; permitting the appointment of the county recorder.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **RECORDER MAY BE APPOINTED.**

Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Carlton county board of commissioners, the office of county recorder in the county is not elective but must be filled by appointment by the county board as provided in the resolution. Before the county board may adopt a resolution under this section, the board must hold a public hearing on the proposal to appoint the county recorder.

Sec. 2. **BOARD CONTROLS, MAY CHANGE AS LONG AS DUTIES DONE.**

Upon adoption of a resolution by the Carlton county board of commissioners and subject to sections 3 and 4, the duties of the elected official required by statute whose office is made appointive as authorized by this act must be discharged by the board of commissioners of Carlton county acting through a department head appointed by the board for that purpose. A reorganization, reallocation, or delegation or other adminis-

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