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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 1366

02/16/2017 Authored by Albright and Mahoney  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to workers' compensation; adopting recommendations of the Workers'  
1.3 Compensation Advisory Council; adopting department proposals; allowing a  
1.4 forbearance of amounts owed to the special compensation fund; modifying  
1.5 intervention procedures; authorizing rulemaking; amending Minnesota Statutes  
1.6 2016, sections 176.275, subdivision 1; 176.285; 176.361, subdivisions 2, 3; 176.521,  
1.7 by adding a subdivision; 176.541, subdivisions 1, 8, by adding a subdivision;  
1.8 176.611, subdivision 2; proposing coding for new law in Minnesota Statutes,  
1.9 chapter 176; repealing Minnesota Statutes 2016, section 176.541, subdivision 7.

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

1.11 ARTICLE 1

1.12 DEPARTMENT PROPOSALS

1.13 Section 1. Minnesota Statutes 2016, section 176.275, subdivision 1, is amended to read:

1.14 Subdivision 1. **Filing.** If a document is required to be filed by this chapter or any rules  
1.15 adopted pursuant to authority granted by this chapter, the filing shall be completed by the  
1.16 receipt of the document at the division, department, office, or the court of appeals. The  
1.17 division, department, office, and the court of appeals shall accept any document which has  
1.18 been delivered to it for legal filing, but may refuse to accept any form or document that  
1.19 lacks ~~the name of the injured employee, employer, or insurer, the date of injury, or the~~  
1.20 ~~injured employee's Social Security number~~ information required by statute or rule. The  
1.21 division, department, office, and the court of appeals are not required to maintain, and may  
1.22 destroy, a duplicate of a form or document that has already been filed. If a workers'  
1.23 compensation identification number has been assigned by the department, it may be  
1.24 substituted for the Social Security number on a form or document. If the injured employee

2.1 has fewer than three days of lost time from work, the party submitting the required document  
2.2 must attach to it, at the time of filing, a copy of the first report of injury.

2.3 A notice or other document required to be served or filed at either the department, the  
2.4 office, or the court of appeals which is inadvertently served or filed at the wrong one of  
2.5 these agencies shall be deemed to have been served or filed with the proper agency. The  
2.6 receiving agency shall note the date of receipt of a document and shall forward the documents  
2.7 to the proper agency no later than two working days following receipt.

2.8 Sec. 2. Minnesota Statutes 2016, section 176.285, is amended to read:

2.9 **176.285 SERVICE OF PAPERS AND NOTICES; ELECTRONIC FILING.**

2.10 Subdivision 1. Service by mail. Service of papers and notices shall be by mail or  
2.11 otherwise as the commissioner or the chief administrative law judge may by rule direct.  
2.12 Where service is by mail, service is effected at the time mailed if properly addressed and  
2.13 stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served.  
2.14 However, a party may show by competent evidence that that party did not receive it or that  
2.15 it had been delayed in transit for an unusual or unreasonable period of time. In case of  
2.16 nonreceipt or delay, an allowance shall be made for the party's failure to assert a right within  
2.17 the prescribed time.

2.18 Subd. 2. Electronic service and filing. (a) Where a statute or rule authorizes or requires  
2.19 a document to be filed with or served on an agency, the document may be filed electronically  
2.20 if electronic filing is authorized by the agency and if the document is transmitted in the  
2.21 manner and in the format specified by the agency. If electronic filing of a document is  
2.22 authorized by the agency and a statute or rule requires a copy of the document to be provided  
2.23 or served on another person or party, the document filed electronically with the agency and  
2.24 provided or served on the other person or party must contain the same information in the  
2.25 format required by the commissioner.

2.26 (b) Where a statute or rule authorizes or requires a person's signature on a document to  
2.27 be filed with or served on an agency, the signature may be an electronic signature, as defined  
2.28 by section 325L.02, or transmitted electronically, if authorized by the agency and if the  
2.29 signature is transmitted in the manner and format specified by the agency. The commissioner  
2.30 may require that a document authorized or required to be filed with the commissioner,  
2.31 department, or division be filed electronically in the manner and format specified by the  
2.32 commissioner, except that an employee must not be required to file a document electronically  
2.33 unless the document is filed by an attorney on behalf of an employee. ~~An agency may serve~~

3.1 ~~a document electronically if the recipient agrees to receive it in an electronic format.~~ The  
3.2 department or court may adopt rules for the certification of signatures.

3.3 (c) An agency may serve a document electronically on a payer, rehabilitation provider,  
3.4 or attorney. An agency may serve a document on any other party if the recipient agrees to  
3.5 receive it in an electronic format. The date of electronic service of a document is the date  
3.6 the recipient is sent a document electronically, or the date the recipient is notified that the  
3.7 document is available on a Web site, whichever occurs first.

3.8 (d) When the electronic filing of a legal document with the department marks the  
3.9 beginning of a prescribed time for another party to assert a right, the prescribed time for  
3.10 another party to assert a right shall be lengthened by two calendar days when it can be shown  
3.11 that service to the other party was by mail.

3.12 Subd. 3. Proof of service. The commissioner and the chief administrative law judge  
3.13 shall ensure that proof of service of all papers and notices served by their respective agencies  
3.14 is placed in the official file of the case.

3.15 Subd. 4. Definitions; applicability. (a) For purposes of this section, "agency" means  
3.16 the workers' compensation division, the Department of Labor and Industry, the commissioner  
3.17 of the Department of Labor and Industry, the Office of Administrative Hearings, the chief  
3.18 administrative law judge, or the Workers' Compensation Court of Appeals. "Document"  
3.19 includes documents, reports, notices, orders, papers, forms, information, and data elements  
3.20 that are authorized or required to be filed with an agency or the commissioner or that are  
3.21 authorized or required to be served on or by an agency or the commissioner. "Payer" means  
3.22 a workers' compensation insurer, self-insurer employer, or third-party administrator.

3.23 (b) Except as otherwise modified by this section, the provisions of chapter 325L apply  
3.24 to electronic signatures and the electronic transmission of documents under this section.

3.25 Sec. 3. Minnesota Statutes 2016, section 176.541, subdivision 1, is amended to read:

3.26 Subdivision 1. **Application of chapter to state employees.** This chapter applies to the  
3.27 employees of any department of this state as defined in section 3.732, subdivision 1, clause  
3.28 (1).

3.29 Sec. 4. Minnesota Statutes 2016, section 176.541, is amended by adding a subdivision to  
3.30 read:

3.31 Subd. 7a. Exceptions. This section does not apply to the University of Minnesota.

4.1 Sec. 5. Minnesota Statutes 2016, section 176.541, subdivision 8, is amended to read:

4.2 Subd. 8. **State may insure.** The state of Minnesota may elect to insure its liability under  
 4.3 the workers' compensation law for persons employed under the federal ~~Emergency~~  
 4.4 ~~Employment Act of 1971, as amended, and the Comprehensive Employment and Training~~  
 4.5 ~~Act of 1973, as amended~~ Workforce Innovation and Opportunity Act, and similar programs,  
 4.6 with an insurer properly licensed in Minnesota.

4.7 Sec. 6. Minnesota Statutes 2016, section 176.611, subdivision 2, is amended to read:

4.8 Subd. 2. **State departments.** Every department of the state, ~~including the University of~~  
 4.9 ~~Minnesota,~~ shall reimburse the fund for money paid for its claims and the costs of  
 4.10 administering the revolving fund at such times and in such amounts as the commissioner  
 4.11 of administration shall certify has been paid out of the fund on its behalf. The heads of the  
 4.12 departments shall anticipate these payments by including them in their budgets. In addition,  
 4.13 the commissioner of administration, with the approval of the commissioner of management  
 4.14 and budget, may require an agency to make advance payments to the fund sufficient to  
 4.15 cover the agency's estimated obligation for a period of at least 60 days. Reimbursements  
 4.16 and other money received by the commissioner of administration under this subdivision  
 4.17 must be credited to the state compensation revolving fund.

4.18 Sec. 7. **REPEALER.**

4.19 Minnesota Statutes 2016, section 176.541, subdivision 7, is repealed.

4.20 Sec. 8. **EFFECTIVE DATE.**

4.21 This article is effective the day following final enactment.

## 4.22 ARTICLE 2

### 4.23 SPECIAL COMPENSATION FUND

4.24 Section 1. **[176.1292] FORBEARANCE OF AMOUNTS OWED TO THE SPECIAL**  
 4.25 **COMPENSATION FUND.**

4.26 Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply.

4.27 (a) "Payer" means a workers' compensation insurer, or an employer or group of employers  
 4.28 that are self-insured for workers' compensation.

4.29 (b) "Retirement benefits" means retirement benefits paid by any government retirement  
 4.30 benefit program and received by employees, other than old age and survivor insurance

5.1 benefits received under the federal Social Security Act, United States Code, title 42, sections  
5.2 401 to 434. Retirement benefits include retirement annuities, optional annuities received in  
5.3 lieu of retirement benefits, and any other benefit or annuity paid by a government benefit  
5.4 program that is not clearly identified as a disability benefit or disability annuity in the  
5.5 applicable governing statute.

5.6 **Subd. 2. Payment of permanent total disability benefits to employees, dependents,**  
5.7 **and legal heirs.** (a) A payer is entitled to the relief described in subdivisions 3 and 4 only  
5.8 if the payer complies with all of the conditions in paragraphs (b) to (d) for all of the payer's  
5.9 permanently totally disabled employees and documents compliance according to the  
5.10 procedures and forms established by the commissioner under subdivision 7.

5.11 (b) Except as provided in paragraph (e), the payer must:

5.12 (1) recharacterize supplementary benefits paid to all employees as permanent total  
5.13 disability benefits if the supplementary benefits were paid because the permanent total  
5.14 disability benefits were reduced by retirement benefits received by the employee;

5.15 (2) pay all permanently totally disabled employees, regardless of the date of injury, past  
5.16 and future permanent total disability benefits calculated without any reduction for retirement  
5.17 benefits received by the employees, from the date the employees' benefits were first reduced;  
5.18 and

5.19 (3) for all deceased employees, pay the employees' dependents or, if none, the employees'  
5.20 legal heirs, the permanent total disability benefits the deceased employees would have  
5.21 received if the benefits had been calculated without any reduction for retirement benefits  
5.22 received by the employees.

5.23 (c) A payer may take a credit against its obligations under paragraph (b), clauses (2) and  
5.24 (3), for:

5.25 (1) supplementary benefits previously paid to an employee that have been recharacterized  
5.26 as permanent total disability benefits under paragraph (b), clause (1); and

5.27 (2) permanent total disability benefits previously paid to an employee.

5.28 (d) The payer must pay the permanent total disability benefits as provided in paragraphs  
5.29 (b) and (c) within the time frames described in clauses (1) to (4). More than one time frame  
5.30 may apply to a claim.

5.31 (1) No later than 150 days following final enactment, the payer must begin paying the  
5.32 recalculated permanent total disability benefit amounts to employees who are entitled to  
5.33 ongoing permanent total disability benefits.

6.1 (2) No later than 210 days following final enactment, the payer must pay employees the  
6.2 amounts that past permanent total disability benefits were underpaid.

6.3 (3) No later than 270 days following final enactment, the payer must pay the employees'  
6.4 dependents or legal heirs the amounts that permanent total disability benefits were underpaid.

6.5 (4) The commissioner may waive payment under paragraphs (b) and (c) or extend these  
6.6 time frames if the payer, after making a good-faith effort, is unable to: locate an employee;  
6.7 identify or locate the dependents or legal heirs of a deceased employee; or locate  
6.8 documentation to determine the amount of an underpayment.

6.9 (e) Paragraphs (a) to (d) do not apply if:

6.10 (1) the employee died before January 1, 2008;

6.11 (2) the employee's last permanent total disability benefit was paid before January 1,  
6.12 2000;

6.13 (3) the employee's last permanent total disability benefit would have been paid before  
6.14 January 1, 2000, if it had not been reduced by his or her retirement benefits;

6.15 (4) a stipulation for settlement, signed by the employee and approved by a compensation  
6.16 judge, provided for a full, final, and complete settlement of permanent total disability benefits  
6.17 under this chapter in exchange for a lump sum payment amount or a lump sum converted  
6.18 to a structured annuity;

6.19 (5) a final court order, or a stipulation for settlement signed by the employee and approved  
6.20 by a compensation judge, explicitly states the employee's permanent total disability benefits  
6.21 may be reduced by specified retirement benefits. Paragraphs (a) to (d) apply if a court order  
6.22 or stipulation for settlement is ambiguous about whether the employee's permanent total  
6.23 disability benefits could be reduced by retirement benefits; or

6.24 (6) a final court order or a stipulation for settlement described in clause (4) or (5) was  
6.25 vacated after the effective date of this section.

6.26 Subd. 3. **Reimbursement of supplementary benefits.** (a) Except as provided in  
6.27 subdivision 9, paragraph (a), clause (2), a payer that has complied with the requirements of  
6.28 subdivision 2, paragraphs (a) to (d):

6.29 (1) is not required to repay supplementary benefits for any claim that the special  
6.30 compensation fund over reimbursed due to the payer's reduction of any employee's permanent  
6.31 total disability benefits by retirement benefits received by the employee;

7.1 (2) is entitled to reimbursement of supplementary benefits paid or payable before August  
7.2 13, 2014, to the extent the special compensation fund denied reimbursement due to the  
7.3 payer's reduction of any employee's permanent total disability benefits by the employee's  
7.4 retirement benefits; and

7.5 (3) is entitled to reimbursement of supplementary benefits the special compensation  
7.6 fund withheld under section 176.129, subdivision 13, paragraph (a), to offset supplementary  
7.7 benefits that were over reimbursed due to the payer's reduction of any employee's permanent  
7.8 total disability benefits by the employee's retirement benefits.

7.9 (b) Paragraph (a) does not preclude the special compensation fund from denying  
7.10 reimbursement of supplementary benefits, or adjusting the reimbursement amount, for any  
7.11 reason other than reduction of permanent total disability benefits by the employee's retirement  
7.12 benefits.

7.13 Subd. 4. **Assessments.** (a) Except as provided in subdivision 6, paragraph (b), clause  
7.14 (2), and subdivision 9, paragraph (a), clause (2), a payer that has complied with the  
7.15 requirements of subdivision 2, paragraphs (a) to (d), is not required to pay past or future  
7.16 assessments under section 176.129 on the amount of increased or additional permanent total  
7.17 disability benefits paid, or on supplementary benefits that are appropriately characterized  
7.18 as permanent total disability benefits, due to the elimination of the retirement benefit  
7.19 reduction.

7.20 (b) The special compensation fund shall not recalculate assessments previously paid by  
7.21 any payer because of the assessment adjustments in paragraph (a).

7.22 (c) The assessment adjustments described in paragraph (a) do not apply to permanent  
7.23 total disability benefits paid to employees with dates of injury on or after August 13, 2014.  
7.24 Payers must pay full assessments according to section 176.129 on permanent total disability  
7.25 benefits calculated without a reduction for retirement benefits for these employees.

7.26 Subd. 5. **Refunds.** (a) A payer is entitled to a refund from the special compensation fund  
7.27 if:

7.28 (1) the payer complies with the requirements of subdivision 2, paragraphs (a) to (d); and

7.29 (2) due to the elimination of the retirement benefit reduction, the payer repaid the special  
7.30 compensation fund for over reimbursement of supplementary benefits, or paid assessments  
7.31 on the increased permanent total disability benefits for employees with dates of injury before  
7.32 August 13, 2014.

8.1 (b) The special compensation fund must issue a refund within 30 days after receiving  
8.2 the payer's documentation of compliance with subdivision 2, paragraphs (a) to (d), and an  
8.3 itemization by claim of the amount repaid or paid to the special compensation fund as  
8.4 described in paragraph (a), clause (2).

8.5 (c) The special compensation fund must pay interest on any refunded amount under this  
8.6 section to the payer at an annual rate of four percent, calculated from the date the payer  
8.7 repaid or paid the special compensation fund as described in paragraph (a), clause (2).

8.8 Subd. 6. **Applicability.** (a) This section does not preclude any employee, dependent, or  
8.9 legal heir from pursuing additional benefits beyond those paid under subdivision 2,  
8.10 paragraphs (b) to (d); however, the payments under subdivision 2, paragraphs (b) to (d), are  
8.11 not to be construed as an admission of liability by the payer in any proceeding. The payments  
8.12 cannot be used to justify additional claims; they represent a compromise between the payer  
8.13 and the special compensation fund on supplementary benefits and assessments. Payers  
8.14 reserve any and all defenses to claims to which this section does not apply.

8.15 (b) If an employee, dependent, or legal heir pursues additional benefits, claims, or  
8.16 penalties related to the benefits paid or payable under subdivision 2, paragraphs (b) to (d),  
8.17 payers may assert any and all defenses including, but not limited to, those specified in  
8.18 subdivision 2, paragraph (e), clauses (4) and (5), with respect to the additional benefits,  
8.19 claims, and penalties, and any future permanent total disability benefits payable, subject to  
8.20 the following conditions:

8.21 (1) if it is determined by a compensation judge, the Workers' Compensation Court of  
8.22 Appeals, or the Minnesota Supreme Court that the payer is entitled to reduce the employee's  
8.23 permanent total disability benefits by retirement benefits received by the employee, the  
8.24 payer shall not recover any overpayment that results from benefits the employee, dependent,  
8.25 or legal heir has already received under subdivision 2, paragraphs (b) to (d). Notwithstanding  
8.26 section 176.129, the payer shall not take a credit against an employee's future benefits for  
8.27 any such overpayment; and

8.28 (2) if it is determined by a compensation judge, the Workers' Compensation Court of  
8.29 Appeals, or the Minnesota Supreme Court that the payer is not entitled to reduce the  
8.30 employee's permanent total disability benefits by retirement benefits received by the  
8.31 employee, the payer is not entitled to the relief provided in subdivision 4 as applied to the  
8.32 claim of the specific employee, dependent, or legal heir.

8.33 (c) A payer shall not assert defenses related to the offset of retirement benefits against  
8.34 an employee's future permanent total disability benefits if the only additional claims asserted

9.1 by the employee under paragraph (b) are for attorney fees, costs and disbursements, and an  
9.2 additional award pursuant to section 176.081, subdivision 7.

9.3 Subd. 7. **Procedure.** No later than 60 days after final enactment, in consultation with  
9.4 affected payers, the commissioner must establish a procedure, which may include forms,  
9.5 to implement this section.

9.6 Subd. 8. **Reporting.** This section does not affect a payer's obligation to report the full  
9.7 amount of permanent total disability benefits paid to the extent required by this chapter or  
9.8 other law. A payer must report supplementary benefits as permanent total disability benefits  
9.9 if the supplementary benefits were paid because the permanent total disability benefits were  
9.10 reduced by retirement benefits received by the employee.

9.11 Subd. 9. **Failure to comply.** (a) If a payer reports to the department that it has complied  
9.12 with the requirements of subdivision 2, paragraphs (a) to (d), but the payer has not paid an  
9.13 employee, dependent, or legal heir, as required by subdivision 2, the payer is subject to the  
9.14 following:

9.15 (1) the payer must issue payment to the employee, dependent, or legal heir within 14  
9.16 days of the date the payer discovers the noncompliance or the date the department notifies  
9.17 the payer of the noncompliance;

9.18 (2) the payer is not entitled to the relief provided in subdivisions 3 and 4 as applied to  
9.19 the claim of the specific employee, dependent, or legal heir who was not paid as required  
9.20 by subdivision 2;

9.21 (3) the special compensation fund may immediately begin collection of any assessments  
9.22 or over-reimbursement owed for the claim;

9.23 (4) if the commissioner determines that a payer's failure to comply under this subdivision  
9.24 was not in good faith, the commissioner may assess a penalty, payable to the employee,  
9.25 dependent, or legal heir, of up to 25 percent of the total permanent total disability benefits  
9.26 underpaid; and

9.27 (5) if the payer is found after a hearing to be liable for increased or additional permanent  
9.28 total disability benefits because the employee's permanent total disability benefits were  
9.29 improperly reduced by his or her retirement benefits, the compensation judge shall assess  
9.30 a penalty against the payer, payable to the employee or dependent, up to the total amount  
9.31 of the permanent total disability benefits that were not paid pursuant to subdivision 2. The  
9.32 compensation judge may issue a penalty against the payer, up to the total amount of the  
9.33 permanent total disability benefits underpaid, payable to a legal heir.

10.1 (b) The penalties assessed under this subdivision are in addition to any other penalty  
 10.2 that may be, or is required to be, assessed under this chapter; however, the commissioner  
 10.3 shall not assess a penalty against a payer for late payment of permanent total disability  
 10.4 benefits if the employee's benefits have been paid and documented in accordance with  
 10.5 subdivision 2.

10.6 (c) If a payer and the special compensation fund have agreed to a list of employees  
 10.7 required to be paid under subdivision 2, this subdivision does not apply to any claim with  
 10.8 a date of injury before October 1, 1995, that is not on the agreed-upon list.

10.9 **EFFECTIVE DATE.** This section is effective the day after final enactment.

### 10.10 **ARTICLE 3**

#### 10.11 **WORKERS' COMPENSATION INTERVENTION**

10.12 Section 1. Minnesota Statutes 2016, section 176.361, subdivision 2, is amended to read:

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

10.18 (a) The motion must be served on all parties, except for other intervenors, either  
 10.19 personally, by first class mail, or by registered mail, return receipt requested. A motion to  
 10.20 intervene must be served and filed within 60 days after a potential intervenor has been  
 10.21 served with notice of a right to intervene or within 30 days of notice of an administrative  
 10.22 conference or expedited hearing. Upon the filing of a timely motion to intervene, the potential  
 10.23 intervenor shall be granted intervenor status without the need for an order. Objections to  
 10.24 the intervention may be subsequently addressed by a compensation judge. Where a motion  
 10.25 to intervene is not timely filed under this section, the potential intervenor interest shall be  
 10.26 extinguished and the potential intervenor may not collect, or attempt to collect, the  
 10.27 extinguished interest from the employee, employer, insurer, or any government program.

10.28 (b) The motion must show how the applicant's legal rights, duties, or privileges may be  
 10.29 determined or affected by the case; state the grounds and purposes for which intervention  
 10.30 is sought; and indicate the statutory right to intervene. The motion must be accompanied  
 10.31 by the following:

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

11.4 (2) a summary of the medical or treatment payments, or rehabilitation services provided  
11.5 by the Vocational Rehabilitation Unit, broken down by creditor, showing the total bill  
11.6 submitted, the period of treatment or rehabilitation covered by that bill, the amount of  
11.7 payment on that bill, and to whom the payment was made;

11.8 (3) copies of all medical or treatment bills for which payment is sought;

11.9 (4) copies of the work sheets or other information stating how the payments on medical  
11.10 or treatment bills were calculated;

11.11 (5) a copy of the relevant policy or contract provisions upon which the claim for  
11.12 reimbursement is based;

11.13 (6) the name and telephone number of the person representing the intervenor who has  
11.14 authority to represent the intervenor, including but not limited to the authority to reach a  
11.15 settlement of the issues in dispute;

11.16 (7) proof of service or copy of the registered mail receipt evidencing service on all parties  
11.17 except for other intervenors;

11.18 (8) at the option of the intervenor, a proposed stipulation which states that all of the  
11.19 payments for which reimbursement is claimed are related to the injury or condition in dispute  
11.20 in the case and that, if the petitioner is successful in proving the compensability of the claim,  
11.21 it is agreed that the sum be reimbursed to the intervenor; and

11.22 (9) if represented by an attorney, the name, address, telephone number, and Minnesota  
11.23 Supreme Court license number of the attorney.

11.24 Sec. 2. Minnesota Statutes 2016, section 176.361, subdivision 3, is amended to read:

11.25 Subd. 3. **Stipulation.** If the person ~~submitting the~~ filing a timely motion to intervene  
11.26 has included a proposed stipulation, all parties shall either execute and return the signed  
11.27 stipulation to the intervenor who must file it with the division or judge or serve upon the  
11.28 intervenor and all other parties and file with the division specific and detailed objections to  
11.29 any services rendered or payments made by the intervenor which are not conceded to be  
11.30 correct and related to the injury or condition the petitioner has asserted is compensable. If  
11.31 a party has not returned the signed stipulation or filed specific and detailed objections within  
11.32 30 days of service of the motion to intervene, the intervenor's right to reimbursement for

12.1 the amount sought is deemed established provided that the petitioner's claim is determined  
12.2 to be compensable. The office may establish procedures for filing objections if a timely  
12.3 motion to intervene is filed less than 30 days before a scheduled hearing.

12.4 Sec. 3. Minnesota Statutes 2016, section 176.521, is amended by adding a subdivision to  
12.5 read:

12.6 Subd. 2b. **Partial settlement.** (a) The parties may file a partial stipulation for settlement  
12.7 which resolves the claims of the employee and reserves the claims of one or more intervenors.  
12.8 If the partial stipulation, or a letter of agreement attached to the partial stipulation, is not  
12.9 signed by an intervenor, the partial stipulation must include a statement that the parties were  
12.10 unable to:

12.11 (1) obtain a response from the nonsigning intervenor regarding clarification or  
12.12 confirmation of its interest or an offer of settlement within a reasonable time despite  
12.13 good-faith efforts to obtain a response;

12.14 (2) reach agreement with the nonsigning intervenor despite the belief that the parties  
12.15 negotiated with the intervenor in good faith and made a reasonable offer to settle the  
12.16 intervention claim; or

12.17 (3) obtain the nonsigning intervenor's signature within a reasonable time after an  
12.18 agreement was reached with the intervenor.

12.19 The partial stipulation must include detailed and case-specific support for the parties'  
12.20 statements. In addition, the partial stipulation must reserve the nonsigning intervenor's  
12.21 interests to pursue its claim at a hearing on the merits, and must contain a statement that  
12.22 the employee will cooperate at the hearing.

12.23 (b) Prior to filing the partial stipulation for approval, a copy of the partial stipulation  
12.24 must be served on all parties, including the nonsigning intervenor, together with a written  
12.25 notification that the settling parties intend to file the partial stipulation for approval by a  
12.26 compensation judge and of the nonsigning intervenor's right to request a hearing on the  
12.27 merits of the intervenor's claim.

12.28 (c) Within ten days after service of a partial stipulation for settlement and notice of an  
12.29 intent to file for approval by a compensation judge, a nonsigning intervenor may serve and  
12.30 file a written objection to approval of the partial stipulation, which filing must provide a  
12.31 detailed and case-specific factual basis establishing that approval of the partial stipulation  
12.32 will adversely impact the rights of the intervenor.

13.1 (d) After expiration of the ten-day period within which a nonsigning intervenor may  
13.2 serve and file its written objection, any party may file for approval a partial stipulation for  
13.3 settlement which conforms with this section. An affidavit of service must accompany the  
13.4 partial stipulation when it is filed for approval.

13.5 (e) Unless the compensation judge has a reasonable belief that approval of the partial  
13.6 stipulation will adversely impact the rights of the nonsigning intervenor, the compensation  
13.7 judge shall immediately issue the award and file it with the commissioner. The issuance of  
13.8 the award shall be accompanied by notice to the intervenors and other parties of their right  
13.9 to request amended findings within a period of 30 days following the date of issuance in  
13.10 conformity with applicable law.

13.11 (f) If the compensation judge has a reasonable belief that approval of the partial stipulation  
13.12 will adversely impact the rights of the intervenor, the compensation judge shall disapprove  
13.13 the stipulation by written order detailing a factual basis for the determination of adverse  
13.14 impact.

13.15 **Sec. 4. RULEMAKING.**

13.16 The Office of Administrative Hearings is directed to use the expedited rulemaking  
13.17 provisions of Minnesota Statutes, section 14.389, to amend Minnesota Rules, part 1420.1850,  
13.18 to conform to the amendments of Minnesota Statutes, section 176.361, subdivision 3.

APPENDIX  
Article locations in 17-0456

|           |  |               |
|-----------|--|---------------|
| ARTICLE 1 | DEPARTMENT PROPOSALS .....               | Page.Ln 1.11  |
| ARTICLE 2 | SPECIAL COMPENSATION FUND .....          | Page.Ln 4.22  |
| ARTICLE 3 | WORKERS' COMPENSATION INTERVENTION ..... | Page.Ln 10.10 |

APPENDIX  
Repealed Minnesota Statutes: 17-0456

**176.541 STATE DEPARTMENTS.**

Subd. 7. **Historical Society as state department.** For the purposes of workers' compensation as provided by this chapter, the Minnesota Historical Society is a state department and such chapter applies to its employees the same as it applies to employees of any department of the state government.