

CHAPTER 446—S.F.No. 2951

An act relating to municipalities; clarifying the use of alternative dispute resolution in certain proceedings; requiring a report to the legislature; exempting the office of strategic and long-range planning from adopting rules until a certain date; providing instructions to the revisor of statutes; amending Minnesota Statutes 1999 Supplement, section 414.12; repealing Minnesota Statutes 1998, section 414.10.

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

Section 1. Minnesota Statutes 1999 Supplement, section 414.12, is amended to read:

414.12 DIRECTOR'S POWERS.

Subdivision 1. ALTERNATIVE DISPUTE RESOLUTION. Notwithstanding anything to the contrary in sections 414.01 to 414.11, the director of the office of strategic and long-range planning, upon consultation with affected parties and considering the procedures and principles established in sections 414.01 to 414.11, and Laws 1997, chapter 202, article 4, sections 1 to 13, may require that disputes over proposed boundary adjustments be resolved by means of alternative dispute resolution processes in place of hearings that would otherwise be required pursuant to sections 414.01 to 414.09, including those provided in chapter 14, in the execution of the office's duties under this chapter. Alternative dispute resolution processes that may be required include:

- (1) the contested case procedures provided by sections 14.57 to 14.62;
- (2) the mediation and arbitration process provided by sections 572A.015 to 572A.03; or
- (3) another mediation and arbitration process ordered by the director.

Subd. 2. DELEGATION OF AUTHORITY. The director may, with the agreement of the chief administrative law judge, delegate to the office of administrative hearings, in any individual case or group of cases, the director's authority and responsibility to conduct hearings and issue final orders under sections 414.01 to 414.09. In the case of detachment of lands from a municipality, if the parties do not agree to resolve a boundary adjustment matter by mediation or arbitration, then the case shall be referred to an administrative law judge to conduct hearings and issue final orders under sections 414.01 to 414.09.

Subd. 3. COST OF PROCEEDINGS. The parties to any matter directed to alternative dispute resolution under subdivision 1 or delegated to the office of administrative hearings under subdivision 2 must pay the costs of the alternative dispute resolution process or hearing in the proportions that they agree to. Notwith-

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standing section 14.53 or other law, the office of strategic and long-range planning is not liable for the costs. If the parties do not agree to a division of the costs before the commencement of mediation, arbitration, or hearing, the costs must be allocated on an equitable basis by the mediator, arbitrator, or chief administrative law judge. The chief administrative law judge may contract with the parties to a matter directed or delegated to the office of administrative hearings under subdivisions 1 and 2 for the purpose of providing administrative law judges and reporters for an administrative proceeding or alternative dispute resolution. The chief administrative law judge shall assess the cost of services rendered as provided by section 14.53.

Subd. 4. PARTIES. In this section, "party" means:

(1) a property owner, group of property owners, municipality, or township that files an initiating document or timely objection under this chapter;

(2) the municipality or township within which the subject area is located;

(3) a municipality abutting the subject area; and

(4) any other person, group of persons, or governmental agency residing in, owning property in, or exercising jurisdiction over the subject area that files with the director a notice of appearance within 14 days of publication of the notice required by section 414.09.

Sec. 2. REPORT TO LEGISLATURE; RULES EXEMPTION.

The director of the office of strategic and long-range planning must report to the senate committee on local and metropolitan government and the house of representatives committee on local government and metropolitan affairs by February 1, 2002, on the effect of the transfer to the office of authority and duties under Minnesota Statutes, chapter 414. The report must describe the successes and failures of the processes in resolving disputes and include the comments, suggestions, and criticisms of the processes from local governments that have participated in the processes, interested associations representing local governments, administrative law judges that have presided over boundary adjustment matters, and the office of administrative hearings. The office of strategic and long-range planning is exempt from any requirement to adopt or amend rules governing boundary adjustment procedures until after May 1, 2002.

Sec. 3. REVISOR INSTRUCTION.

The revisor of statutes is directed to prepare legislation for the 2001 legislative session that makes changes to Minnesota Statutes, chapter 414, to reflect the transfer of powers and duties from the Minnesota municipal board, now abolished, to the office of strategic and long-range planning. In preparing the legislation, the revisor may consult with any interested person. The revisor shall provide the preliminary draft legislation to the chairs of the house local government and metropolitan affairs committee and the senate local and metropolitan government committee.

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Sec. 4. REPEALER.

Minnesota Statutes 1998, section 414.10, is repealed.

Sec. 5. EFFECTIVE DATES.

Subdivision 1. PROCEEDINGS. Section 1, subdivisions 1, 2, and 4, are effective retroactive to June 1, 1999, and apply to all matters pending on or commenced on or after that date. Sections 2 and 3 are effective the day following final enactment.

Subd. 2. COSTS. Section 1, subdivision 3, is effective retroactive to June 1, 1999, and applies only to boundary adjustment matters commenced on or after June 1, 1999. In any proceeding in which a decision by the Minnesota municipal board prior to June 1, 1999, was enjoined by court order, the disputing parties are liable for any costs as provided in section 1, subdivision 3, incurred on or after June 1, 1999. For all boundary adjustment matters commenced before June 1, 1999, all costs must be allocated as provided in law and rule prior to the abolition of the Minnesota municipal board, and the maximum total amount the parties may be charged by the office of strategic and long-range planning, the office of administrative hearings, or as part of an arbitration is no more than the Minnesota municipal board could have charged if the matter had been heard and decided by the board. Costs that exceed what the municipal board could have charged must be paid by the office of strategic and long-range planning.

Presented to the governor April 25, 2000

Signed by the governor April 26, 2000, 2:37 p.m.

CHAPTER 447—S.F.No. 3644

An act relating to workers' compensation; increasing benefits; clarifying language; providing for a transfer of funds; modifying various workers' compensation provisions; amending Minnesota Statutes 1998, sections 176.011, subdivisions 3 and 20; 176.061, subdivisions 3, 5, 7, 10, and by adding a subdivision; 176.081, subdivision 1; 176.101, subdivisions 1, 2a, and 8; 176.102, subdivisions 3 and 11; 176.106, subdivision 7; 176.111, subdivisions 5, 18, and by adding a subdivision; 176.129, subdivisions 3 and 4; 176.231, subdivision 2; and 176.611, subdivision 2a; Minnesota Statutes 1999 Supplement, section 176.011, subdivision 9; repealing Minnesota Statutes 1998, section 176.129, subdivision 2.

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

Section 1. Minnesota Statutes 1998, section 176.011, subdivision 3, is amended to read:

Subd. 3. **DAILY WAGE.** "Daily wage" means the daily wage of the employee in the employment engaged in at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. If the amount of the daily wage received or to be received by the employee in the employment engaged in at the time of injury was irregular or difficult to determine, or if the employment was part time, the daily wage

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