

Sixtieth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2072**

Introduced by

Industry, Business and Labor Committee

(At the request of Workforce Safety and Insurance)

1 A BILL for an Act to create and enact a new subsection to section 28-32-50 of the North Dakota  
2 Century Code, relating to awarding of attorney's fees in actions involving workforce safety and  
3 insurance; to amend and reenact sections 39-01-02 and 65-02-28, subsection 10 of section  
4 65-05-08, section 65-05-19, subsection 1 of section 65-05-28, and sections 65-05.1-06.1 and  
5 65-10-03 of the North Dakota Century Code, relating to exceptions to the requirement of the  
6 state name display on motor vehicles, claim file destruction, dependency allowances,  
7 nondependency payments upon death, change of doctors, notices of rehabilitation awards and  
8 retraining, and attorney's fees under the workers' compensation system; and to provide for  
9 application.

10 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

11 **SECTION 1.** A new subsection to section 28-32-50 of the North Dakota Century Code  
12 is created and enacted as follows:

13 This section does not apply to an administrative or civil judicial proceeding that  
14 stems from a notice of decision or order or dispute resolution decision of workforce  
15 safety and insurance.

16 **SECTION 2. AMENDMENT.** Section 39-01-02 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **39-01-02. Motor vehicles owned or leased by the state to display name on side of**  
19 **vehicles - Exceptions - Penalty.** All motor vehicles owned and operated by the state, except  
20 vehicles under the control of the central vehicle management system and the official vehicle for  
21 use by the governor, must have displayed on each front door the words NORTH DAKOTA. The  
22 words must be in letters four inches [10.16 centimeters] in height. Two and one-half inches  
23 [6.35 centimeters] directly below those words there must be printed in letters one and one-half  
24 inches [3.81 centimeters] in height the name of the state agency owning or leasing the motor

vehicle. The width of the display required by this section must be proportionate to the required height. The color of the lettering must be in clear and sharp contrast to the background. The state auditor shall include in the auditor's report to the governor and the legislative assembly any instance of noncompliance with this section. The above requirements do not apply to vehicles operated by the attorney general's office, the highway patrol, workforce safety and insurance, or vehicles used principally in juvenile, parole, and placement service. The central vehicle management system vehicles must display a window decal designed by the director. The state highway patrol and all peace officers of this state shall enforce this section.

**SECTION 3. AMENDMENT.** Section 65-02-28 of the North Dakota Century Code is amended and reenacted as follows:

**65-02-28. Organization claim files - Destruction.** ~~If the organization determines that a person who has a claim for injury on file has been deceased for at least ten years, the~~ The organization may destroy any claim files for that person wherein no benefits have been paid for at least thirty years. The organization may not destroy any claim file it specifically has been requested not to destroy. The organization shall establish a means for maintaining statistical and identifying information for any claim files destroyed under this section.

**SECTION 4. AMENDMENT.** Subsection 10 of section 65-05-08 of the North Dakota Century Code is amended and reenacted as follows:

10. a. The organization shall pay to an employee receiving disability benefits a dependency allowance for each child of the employee at the rate of ~~ten~~ fifteen dollars per week per child. ~~Effective July 1, 1989, this rate must be paid to each eligible employee regardless of the date of injury.~~
- b. The organization shall pay a dependency allowance only if an employee submits proof of a child that meets the definition of child in this title. The organization shall pay a dependency allowance only for time periods that follow the date that an employee has proved entitlement to the allowance.

**SECTION 5. AMENDMENT.** Section 65-05-19 of the North Dakota Century Code is amended and reenacted as follows:

**65-05-19. Providing nondependency payments in certain cases.** If the death of an employee with no surviving spouse or dependent children results from an injury within the time specified in section 65-05-16, the organization shall pay a lump sum equal to five percent of the

1 maximum total death benefits specified in subsection 1 of section 65-05-17 to the surviving  
2 nondependent child, or in equal shares to the surviving nondependent children. In the event  
3 that no nondependent child is living, the sum provided under this section must be paid in equal  
4 shares to the surviving parents of the deceased, and if there are none, then to the deceased  
5 employee's living brothers and sisters. If there are no living brothers or sisters, the sum under  
6 this section must be paid in equal shares to the surviving grandparents, if any, estate of the  
7 deceased employee.

8 **SECTION 6. AMENDMENT.** Subsection 1 of section 65-05-28 of the North Dakota  
9 Century Code is amended and reenacted as follows:

- 10 1. No employee may change from one doctor to another while under treatment or  
11 after being released, without the prior written authorization of the organization.  
12 Failure to obtain approval of the organization nullifies any preferred provider status  
13 of the new doctor for that claim and renders the employee liable for the cost of  
14 treatment and the new doctor will not be considered the attending doctor for  
15 purposes of certifying temporary disability.
- 16 a. Any employee requesting a change of doctor shall file a written request with  
17 the organization stating all reasons for the change. Upon receipt of the  
18 request, the organization will review the employee's case and approve or  
19 deny the change of doctor, notifying the employee and the requested doctor.
- 20 b. Emergency care or treatment or referral by the attending doctor does not  
21 constitute a change of doctor and does not require prior approval of the  
22 organization.

23 **SECTION 7. AMENDMENT.** Section 65-05.1-06.1 of the North Dakota Century Code  
24 is amended and reenacted as follows:

25 **65-05.1-06.1. Rehabilitation award.**

- 26 1. Within sixty days of receiving the final vocational consultant's report, the  
27 organization shall issue ~~an administrative order under chapter 28-32~~ a notice of  
28 decision detailing the employee's entitlement to disability and vocational  
29 rehabilitation services.
- 30 2. If the appropriate priority option is ~~short-term or long-term training~~ retraining, the  
31 vocational rehabilitation award must be within the following terms:

- a. For the employee's lost time, and in lieu of further disability benefits, the organization shall award a rehabilitation allowance. The rehabilitation allowance must be limited to the amount and purpose specified in the award, and must be equal to the disability and dependent benefits the employee was receiving, or was entitled to receive, prior to the award.
- b. The rehabilitation allowance must include an additional twenty-five percent when it is necessary for the employee to maintain two households, when it is necessary for the employee to maintain two households and the employee elects to commute to and from school on a daily basis rather than maintain a second household and the distance from the employee's residence to the school or training institution is at least thirty miles, or when the employee meets other criteria established by the organization by rule.
- c. The rehabilitation allowance must be limited to one hundred four weeks except in cases of catastrophic injury, in which case additional rehabilitation benefits may be awarded in the discretion of the organization. Catastrophic injury includes:
  - (1) Paraplegia; quadriplegia; severe closed head injury; total blindness in both eyes; or amputation of an arm proximal to the wrist or a leg proximal to the ankle, caused by the compensable injury, which renders an employee permanently and totally disabled without further vocational retraining assistance; or
  - (2) Those employees the organization so designates, in its sole discretion, provided that the organization finds the employee to be permanently and totally disabled without further vocational retraining assistance. There is no appeal from an organization decision to designate, or fail to designate, an employee as catastrophically injured under this subsection.
- d. The rehabilitation award must include the cost of books, tuition, fees, and equipment, tools, or supplies required by the educational institution. The award may not exceed the cost of attending a public college or university in

the state in which the employee resides, provided an equivalent program exists in the public college or university.

e. If the employee successfully concludes the rehabilitation program, the organization may make, in its sole discretion, additional awards for actual relocation expenses to move the household to the locale where the claimant has actually located work.

f. If the employee successfully concludes the rehabilitation program, the organization may make, in its sole discretion, an additional award, not to exceed two months' disability benefit, to assist the employee with work search.

g. If the employee successfully concludes the rehabilitation program, the employee is not eligible for further vocational retraining or total disability benefits unless the employee establishes a significant change in medical condition attributable to the work injury which precludes the employee from performing the work for which the employee was trained, or any other work for which the employee is suited. The organization may waive this section in cases of catastrophic injury defined by subdivision c.

h. If the employee successfully concludes the rehabilitation program, the employee remains eligible to receive partial disability benefits, as follows:

(1) Beginning the date at which the employee completes retraining, until the employee acquires and performs substantial gainful employment, the partial disability benefit is sixty-six and two-thirds percent of the difference between the injured employee's average weekly wages before the injury, and the employee's wage-earning capacity after retraining, as measured by the average wage in the employee's occupation, according to criteria established by job service North Dakota in its statewide labor market survey, or such other criteria the organization, in its sole discretion, deems appropriate. The average weekly wage must be determined on the date the employee completes retraining. The benefit continues until the employee acquires substantial gainful employment.

- (2) Beginning the date at which the employee acquires substantial gainful employment, the partial disability benefit is sixty-six and two-thirds percent of the difference between the injured employee's weekly wages before the injury, and the employee's wage-earning capacity after retraining, as determined under paragraph 1, or the employee's actual postinjury wage earnings, whichever is higher.
- (3) The partial disability benefit payable under paragraphs 1 and 2 may not exceed the limitation on partial disability benefits contained in section 65-05-10.
- (4) The partial disability benefits paid under paragraphs 1 and 2 may not together exceed one year's duration.
- (5) For purposes of paragraphs 1 and 2, "substantial gainful employment" means full-time bona fide work, for a remuneration, other than make-work. "Full-time work" means employment for twenty-eight or more hours per week, on average.
- (6) The organization may waive the one-year limit on the duration of partial disability benefits, in cases of catastrophic injury under subdivision c.
3. If the appropriate priority option is return to the same or modified position, or to a related position, the organization shall determine whether the employee is eligible to receive partial disability benefits pursuant to section 65-05-10. In addition, the organization, when appropriate, shall make an additional award for actual relocation expenses to move the household to the locale where the claimant has actually located work.

**SECTION 8. AMENDMENT.** Section 65-10-03 of the North Dakota Century Code is amended and reenacted as follows:

**65-10-03. Cost of appeal and attorney's fee fixed by the organization.** The organization shall pay the cost of the judicial appeal and the attorney's fee for an injured employee's attorney when the employee prevails. The employee has prevailed when any part of the decision of the organization is reversed and the employee receives an additional benefit as a result. An injured employee does not prevail on a remand for further action or proceedings unless the injured employee ultimately receives an additional benefit. The organization shall

1 pay the attorney's fee from the organization's general fund. The amount of the attorney's fee  
2 must be determined in the same manner as prescribed by the organization for attorney's fees,  
3 and the amount of attorney's fee already allowed in administrative proceedings before the  
4 organization must be taken into consideration. The organization shall establish, pursuant to  
5 section 65-02-08, a maximum fee to be paid in an appeal. ~~The maximum fee may be exceeded~~  
6 ~~upon application of the injured employee to the organization, upon a finding that the claim had~~  
7 ~~clear and substantial merit, and that the legal or factual issues involved in the appeal were~~  
8 ~~unusually complex, but a~~ A court may not order that the maximum fee be exceeded.  
9 Notwithstanding the foregoing, the organization is liable for its costs on appeal if the decision of  
10 the organization is affirmed.

11 **SECTION 9. APPLICATION.** The rate in subdivision a of subsection 10 of section  
12 65-05-08 contained in section 4 of this Act applies to each eligible employee on or after the  
13 effective date of this Act. Subdivision b of subsection 10 of section 65-05-08 contained in  
14 section 4 of this Act applies to dependencies claimed on or after the effective date of this Act  
15 regardless of the date of injury. Section 5 of this Act applies to deaths occurring on or after the  
16 effective date of this Act. Section 7 of this Act applies retroactively to all claims filed on or after  
17 January 1, 2006.