

HOUSE RESEARCH

Bill Summary

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Overview

Permits a state agency to provide at the beginning of a contested case that the report or order of the administrative law judge (ALJ) will be the final decision. Provides that the ALJ report is the final agency decision unless the agency modifies or rejects it within 90 days after the record closes. Permits parties to agree to have an ALJ act as an arbitrator, as an alternative to contested case procedures. Requires agency decisions to explain why they reject or modify ALJ findings or recommendations.

Section

- 1 **Decision; agreement to arbitrate.** Provides that upon initiating a contested case hearing an agency may, by order, provide that the report or order of the administrative law judge (ALJ) constitutes the final decision in the case.
Provides that as an alternative to a contested case, the parties may agree to submit issues to arbitration by an ALJ.
- 2 **Informal disposition.** Provides that binding arbitration may be used to resolve a contested case.
- 3 **Closure of record.** Specifies when the contested case record closes when agency officials render the final decision. Provides that when the report or order of the ALJ constitutes the final decision, the record closes as ordered by the ALJ.
- 4 **Writing required.** Provides that an agency decision that rejects or modifies a finding of fact, conclusion, or recommendation of an ALJ must include the reasons for each rejection or modification and a citation to the evidence in the record supporting the rejection or modification.
- 5 **ALJ decision final; exception.** Provides that unless otherwise provided by law the report or order of the ALJ is the final decision in the case unless the agency modifies or rejects it within 90 days after the record closes. Where the ALJ report constitutes the final decision, the ALJ must issue findings of fact, conclusions, and an order within 90 days after the record closes.

Provides that upon a showing of good cause, an agency may apply to the chief ALJ for a reasonable extension of the 90 day deadline.

6 **Review.** Provides that the laws governing arbitration decisions govern judicial review of arbitration relating to a contested case proceeding.

7 **Repealer.** Repeals section 14.62, subdivision 2: ability of party to petition the court of appeals if an agency fails to make a final contested case decision in 90 days.

8 **Effective date.** Effective August 1, 2002 and apply to contested case proceedings initiated on or after that date.